Audit Report on Financial Statements
issued by an Independent Auditor

SIEMENS GAMESA RENEWABLE ENERGY, S.A.
Financial Statements and Management Report
for the year ended
September 30, 2020

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (the Company), which comprise the balance sheet as at September 30, 2020, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at September 30, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Investment in group and associated companies

Description

Investments in group companies and associates must be assessed for impairment at least at year-end when there is objective evidence that the carrying amount of an investment could not be recovered. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to disposal, has been considered a Key audit matter as it requires a significant judgement valuing the relevant investments. Additionally, recoverable amounts are based on management's view of the business plans of the group and associated companies, considering, for all of them, the variables and market conditions such as future price and volume growth rates, the timing of future operating expenditure, and the most appropriate discount and long-term growth rates.

Information related to the accounting treatment of the investments in group and associated companies and the criteria for its impairment analysis, together with the main assumptions applied to the impairment tests, are disclosed in notes 3.H "Impairment of financial assets" and 9 "Long-term financial instruments" of the accompanying financial statements.

Our response

Our audit procedures included, among others, the following:

- Assessment of the controls implemented by management on the valuation of investment in group and associated companies.
- Obtain the impairment tests prepared by management, assessing the reasonableness of the key assumptions used with the available external information.
- Furthermore, we reviewed the sensitivity analysis prepared by management on the key assumptions: average long-term growth rates and discount rates applied, reassessing the result obtained by management in its assessment
- Comparison of the investment value in group and associated companies against its net book value (equity), corrected by its tacit capital gains at the end of the year
- Review of the disclosures of information required in the financial statements

Other information: management report

Other information refers exclusively to the 2020 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the information contained in the management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to the non-financial information statement, as well as certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of the Audit Law 22/2015, which solely requires that we verify whether said information has been included in the management report or where applicable, that the management report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.

b. A general level applicable to the remaining information included in the management report, which requires us to evaluate and report on the consistency of said information in the financial statements, based on knowledge of the entity obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the management report, and that the remaining information contained therein is consistent with the information provided in the 2020 financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issue to the audit committee on November 27, 2020.

Term of engagement

The ordinary general shareholders' meeting held on July 22, 2020 appointed us as auditors for 1 year, commencing on October 1, 2019.

Previously, we were appointed as auditors by the shareholders for 6 years and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of Auditors under No. 18888)

November 27, 2020

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Financial Statements and Management Report for the year ended September 30, 2020

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MANAGEMENT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019

Thousands of euros

ASSETS	Note	09.30.2020	09.30.2019 (*)	EQUITY AND LIABILITIES	Note	09.30.2020	09.30.2019 (*)
NON-CURRENT ASSETS		**8,376,710**	**9,947,693**	**EQUITY**	**Note 12**	**7,016,969**	**8,211,399**
Intangible assets	**Note 7**	**85**	**163**	**Issued capital**		**115,794**	**115,794**
Software		85	163	**Capital reserve**		**8,613,935**	**8,613,935**
Property, plant and equipment	**Note 8**	**1,166**	**1,253**	**Reserves**		**1,261,888**	**1,117,974**
Other installations, tooling and fixtures		1,082	941	Legal reserve		21,843	4,985
Other property, plant and equipment		84	312	Other reserves		1,240,368	1,112,989
Long-term investments in group companies and associates	**Note 9**	**8,323,567**	**9,944,835**	Reserve for adjustments for value change		(323)	-
Investments in group companies and associates		8,323,567	9,444,835	**Treasury shares, at cost**		**(23,929)**	**(21,616)**
Credits to group companies and associates	Note 18	-	500,000	**Prior periods' losses**		**(1,783,270)**	**(1,783,270)**
Long-term financial investments	**Note 9**	**50,522**	**522**	**Result for the year**		**(1,167,449)**	**168,582**
Guarantees and deposits given		50,522	522				
Deferred tax assets	**Note 15**	**1,370**	**920**	**NON-CURRENT LIABILITIES**		**731,760**	**494,127**
				Long-term debts		**731,760**	**494,127**
				Debt with financial institutions	Note 13	731,520	494,127
				Derivatives	Notes 13 and 14	240	-
CURRENT ASSETS		**2,528,221**	**1,283,091**	**CURRENT LIABILITIES**		**3,156,202**	**2,525,258**
Trade and other receivables		**95,976**	**61,334**	**Short-term provisions**		**170**	**170**
Receivables from group, associates and related companies	Notes 10 and 18	79,455	52,040	**Short-term debts**		**3,138**	**979**
Personnel	Note 10	179	47	Debt with financial institutions	Note 13	312	-
Current tax assets	Note 15	5,125	-	Derivatives	Notes 13, 14 and 18	2,826	979
Other receivables from Public Administrations	Note 15	11,217	9,247	**Short-term payables to group companies and associates**	**Note 18**	**3,071,097**	**2,449,284**
Short-term investments in group companies and associates	**Notes 10 and 18**	**1,958,974**	**495,460**	**Trade and other payables**		**81,797**	**74,825**
Credits to group companies and associates		1,958,974	495,460	Suppliers, group, associates and related companies	Note 18	35,826	33,481
Short-term financial investments	**Notes 10, 14 and 18**	**-**	**1,497**	Other payables		28,175	16,532
Derivatives		-	1,497	Personnel		16,269	12,052
Current accruals		**2,131**	**2,305**	Current tax liabilities	Note 15	-	11,546
Cash and cash equivalents	**Note 11**	**471,140**	**722,495**	Other payables with Public Administrations	Note 15	1,527	1,214
Cash		471,140	722,495				
TOTAL ASSETS		**10,904,931**	**11,230,784**	**TOTAL EQUITY AND LIABILITIES**		**10,904,931**	**11,230,784**

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 24 are an integral part of these Financial Statements.

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
CONTINUING OPERATIONS			
Revenue	**Notes 17 and 18**	**371,476**	**318,765**
Dividends from investments in group companies and associates		333,908	286,503
Income from credits to group companies and associates		37,568	32,262
Other operating income		**61,621**	**34,849**
Accessory and other current income	Note 17	61,621	34,849
Staff costs	**Note 17**	**(55,374)**	**(36,886)**
Wages, salaries and similar expenses		(46,316)	(30,032)
Social security costs		(9,058)	(6,854)
Other operating expenses	**Note 17**	**(107,343)**	**(79,765)**
External services		(107,335)	(79,738)
Taxes other than income tax		(8)	(27)
Depreciation and amortization	**Notes 7 and 8**	**(429)**	**(500)**
Impairment and losses on disposals of financial instruments in group companies and associates	**Note 9**	**(1,445,072)**	**(54,723)**
Impairment and losses on financial instruments of group company investments and associates		(1,451,467)	(54,723)
Gains (losses) on disposals and others		6,395	-
OPERATING RESULT		**(1,175,121)**	**181,740**
Financial income		**38**	**-**
Marketable securities and other financial instruments with third parties		38	-
Financial expenses		**(8,935)**	**(14,134)**
On debts with group companies and associates	Note 18	(962)	(2,676)
On debts with third parties		(7,973)	(11,458)
Exchange differences	**Notes 14 and 17**	**422**	**1,501**
FINANCIAL RESULT		**(8,475)**	**(12,633)**
RESULT BEFORE TAX		**(1,183,596)**	**169,107**
Income tax	Note 15	16,147	(525)
RESULT FOR THE YEAR FROM CONTINUING OPERATIONS		**(1,167,449)**	**168,582**
RESULT FOR THE YEAR		**(1,167,449)**	**168,582**

(*) Figures presented for comparative purposes only.

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE
YEAR ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

A) STATEMENTS OF RECOGNIZED INCOME AND EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Result for the year	**(1,167,449)**	**168,582**
Income and expenses recognised directly in equity	-	-
Transfers to the Statement of Profit and Loss	-	-
Items that may be subsequently reclassified into Profit and Loss		
Derivative financial instruments	(425)	-
Tax effect	102	-
Other comprehensive income, net of taxes	**(323)**	-
TOTAL INCOME AND EXPENSES RECOGNIZED	**(1,167,772)**	**168,582**

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

Thousands of euros

B) STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

	Issued Capital	Capital reserve	Legal reserve	Voluntary reserves	Adjustments for value change	Treasury shares, at cost	Prior periods' losses	Result for the year	Total
Ending balance as of September 30, 2018 (*)	**115,794**	**8,613,935**	**-**	**1,076,677**	**-**	**(20,343)**	**(1,783,270)**	**49,852**	**8,052,645**
Total comprehensive income for the year ended September 30, 2019	-	-	-	-	-	-	-	168,582	168,582
Treasury shares transactions (Note 12.D)	-	-	-	2,084	-	(1,273)	-	-	811
Incentive Plan (Notes 9 and 12.E)	-	-	-	6,803	-	-	-	-	6,803
Dividends	-	-	-	-	-	-	-	(17,442)	(17,442)
Other changes in equity	-	-	4,985	27,425	-	-	-	(32,410)	-
Ending balance as of September 30, 2019 (*)	**115,794**	**8,613,935**	**4,985**	**1,112,989**	**-**	**(21,616)**	**(1,783,270)**	**168,582**	**8,211,399**
Total comprehensive income for the year ended September 30, 2020	-	-	-	-	(323)	-	-	(1,167,449)	(1,167,772)
Treasury shares transactions (Note 12.D)	-	-	-	2,442	-	(2,313)	-	-	129
Incentive Plan (Notes 9 and 12.E)	-	-	-	8,365	-	-	-	-	8,365
Dividends	-	-	-	-	-	-	-	(35,152)	(35,152)
Other changes in equity	-	-	16,858	116,572	-	-	-	(133,430)	-
Ending balance as of September 30, 2020	**115,794**	**8,613,935**	**21,843**	**1,240,368**	**(323)**	**(23,929)**	**(1,783,270)**	**(1,167,449)**	**7,016,969**

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

Thousands of euros

	Note	Period ended 09.30.2020	Period ended 09.30.2019 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)		**238,034**	**190,076**
Result before tax		(1,183,596)	169,107
Adjustments to result:			
- Depreciation and amortization	Notes 7 and 8	429	500
- Impairment losses	Note 9	1,445,072	54,723
- Changes in provisions		1,685	2,060
- Income from credits to group companies and associates		(37,606)	(32,262)
- Financial expenses		8,935	14,134
- Exchange differences		(422)	(1,501)
Change in working capital			
- Trade and other receivables		(34,642)	(19,576)
- Trade and other payables		34,078	10,149
- Current accruals		174	(1,567)
- Other current liabilities		-	(2,895)
Other cash flows from operating activities			
- Interests paid		(7,715)	(12,618)
- Interests collection		23,051	21,666
- Income taxes (payments) returns		(11,409)	(11,844)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(367,388)**	**(304,159)**
Payments due to investments			
- Group companies and associates		(317,124)	(303,957)
- Other financial assets		(50,000)	1
- Investments in intangible assets and property, plant and equipment	Notes 7 and 8	(264)	(203)
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(125,684)**	**(202,575)**
Receipts and payments for equity instruments			
- (Purchase) disposal of treasury shares	Note 12.D	129	811
Receipts and payments for financial liability instruments			
- Issue (amortization) of debts from financial entities and other financial liabilities		236,485	(685,787)
- Issue (amortization) of debts from group companies and associates		(327,146)	499,843
Dividend payments and remunerations of other equity instruments			
- Dividends	Note 12.C	(35,152)	(17,442)
IMPACT OF CHANGES IN EXCHANGE RATE (IV)		**3,683**	**343**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(251,355)**	**(316,315)**
Cash and cash equivalents at beginning of the year		722,495	1,038,810
Cash and cash equivalents at year end		471,140	722,495

(*) Figures presented for comparative purposes only.

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Notes to the Financial Statements for the year ended
September 30, 2020

1. Activities and corporate purpose

A. GENERAL INFORMATION

Siemens Gamesa Renewable Energy, S.A. (hereinafter "the Company" or "SIEMENS GAMESA") was incorporated as a public limited liability company on January 28, 1976. Its corporate address is located at Parque Tecnológico de Bizkaia, Building 222, Zamudio (Bizkaia, Spain).

SIEMENS GAMESA specialises in the development and construction of wind farms, as well as the engineering solutions, design, production and sale of wind turbines. The corporate purpose of the Company is to promote and foster companies, and to do so it may carry out the following operations:

a) The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights of companies whose securities are listed or not in national or foreign stock exchanges;

b) The subscription and purchase of fixed-income securities or any other securities issued by companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and

c) To directly provide advisory services and technical assistance to the companies in which it holds a stake, as well as other similar services related to the management, financial structure, and production or marketing processes of those companies.

These activities will focus on the promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

The Company will not undertake any activity for which the laws require specific conditions or legal limitations, unless these conditions or limitations are exactly fulfilled.

The SIEMENS GAMESA Financial Statements for the year ended September 30, 2020 have been issued for approval by the Directors in the Board of Directors held on November 27, 2020.

Additionally, the Company is the parent of a group of subsidiaries and in accordance with current legislation it is required to prepare separate Consolidated Financial Statements. The Consolidated Financial Statements of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter "SIEMENS GAMESA Group") for the year ended September 30, 2020 have been issued for approval by the Directors at the Board of Directors held on November 27, 2020.

The Company's Bylaws and other public information of the Company are available on the website www.siemensgamesa.com and at its corporate address.

SIEMENS GAMESA prepares and reports its Financial Statements in thousands of euros. Due to rounding, numbers presented may not add up precisely to the provided totals.

B. ACQUISITION OF THE EUROPEAN ONSHORE SERVICES BUSINESS AND THE WIND TURBINE BLADE PRODUCTION BUSINESS OF SENVION

On October 20, 2019, Senvion GmbH i.L. and Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal (S.L. *Unipersonal*, hereinafter, "S.L.U.") signed an Investment Agreement to acquire the operation and maintenance business in Europe (Senvion Deutschland GmbH) and certain assets of the wind turbine blade production business (Ria Blades, S.A.) from Senvion.

On January 9, 2020, Siemens Gamesa Renewable Energy Eólica, S.L.U. acquired all the shares of Senvion Deutschland GmbH (Senvion European Onshore Services), the entity which owns the carved-out European onshore service business of Senvion and certain additional assets associated to the business, including certain related intellectual property.

On April 30, 2020, Siemens Gamesa Renewable Energy, S.A. (hereinafter, "SGRE Portugal") acquired all the shares of Ria Blades, S.A., the entity which owns and operates a wind turbine blades production facility in Vagos (Portugal) and certain additional assets associated to said business.

The shares have been transferred free of any security, encumbrances or charges of any nature whatsoever.

These acquisitions have been consummated after the fulfilment of all the closing conditions, such as the consent of the competent authorities, the implementation of the carve-out, the completion of full security release and the operational readiness of the relevant target entities.

These acquisitions are in line with SIEMENS GAMESA's strategy to grow its multibrand service business and its production capacities and strengthens SIEMENS GAMESA's competitive position in Europe. The relevant information about these business combinations of SIEMENS GAMESA Group can be found in Notes 1B and 4 of the Consolidated Financial Statemens for the the year ended September 30, 2020.

The transactions costs amounted to EUR 13 million, booked principally in SIEMENS GAMESA, which have been expensed and are included under the heading "Other operating expenses – External services" of the Statement of Profit and Loss (Note 17).

C. DIVESTMENT OF IBERDROLA PARTICIPACIONES S.A. UNIPERSONAL

On February 4, 2020, Iberdrola Participaciones, S.A. Unipersonal (hereinafter, "Iberdrola Participaciones") – a company fully owned by Iberdrola S.A. (hereinafter, "Iberdrola") – and Iberdrola have entered into an agreement (hereinafter, the "Agreement") with Siemens Aktiengesellschaft (hereinafter, "SIEMENS") (SIEMENS and, together with Iberdrola Participaciones and Iberdrola, hereinafter, the "Parties") for the sale of the entire stake held by Iberdrola Participaciones in SIEMENS GAMESA, representing 8.071% of its share capital.

The price for the transaction has been EUR 1,099,546 thousand, which equals to EUR 20 per share in SIEMENS GAMESA and whose sale and purchase has been effective as of February 5, 2020. This price has not been subject to any adjustment.

Taking into consideration that as consequence of the Agreement Iberdrola Participaciones has ceased to be a shareholder of SIEMENS GAMESA, the Parties have terminated the shareholder agreement (*pacto parasocial)* entered into by them on June 17, 2016 without any compensations or claims between them or their respective associated entities. Accordingly, the proprietary director of Iberdrola has resigned from his position as director of the Board of Directors of SIEMENS GAMESA.

In addition, Iberdrola, Iberdrola Participaciones and SIEMENS have agreed to fully waive any claim or action against each other or any entity of their respective groups, and Iberdrola as well as Iberdrola Participaciones have undertaken to withdraw, render without effect and desist from all existing claims and proceedings initiated against SIEMENS GAMESA. The Parties, have reciprocally undertaken that for a period of 24 months: neither Iberdrola nor any entity of its group will acquire financial instruments (including shares) in SIEMENS, SIEMENS GAMESA or any entity of their respective groups; and neither SIEMENS nor any entity of its group will acquire financial instruments (including shares) in Iberdrola or any entity of its group.

Finally, Iberdrola, SIEMENS and SIEMENS GAMESA have entered into a separate collaboration agreement for an initial period of 6-months to strengthen and expand their current commercial business relationships regarding certain areas on renewable energy and networks businesses, with a special focus on onshore and offshore wind generation, digital grid and load management.

D. SIEMENS ENERGY AG

SIEMENS AG (hereinafter, "SIEMENS"), on May 7, 2019 announced a Significant Event where, amongst others, it disclosed certain plans with respect to its stake in SIEMENS GAMESA:

- SIEMENS has decided to legally separate the worldwide operations of Gas and Power of SIEMENS Group;
- and to transfer the shares held by SIEMENS Group of approximately 67% in SIEMENS GAMESA to SIEMENS ENERGY AG (hereinafter, "SIEMENS ENERGY") the shares of which, are listed since September 28, 2020 on the Frankfurt Stock Exchange (hereinafter, "Spin-off process and transfer agreement").

Spin-off process and transfer agreement

SIEMENS ENERGY is to be managed as an entity that is legally and organizationally independent of SIEMENS. In that context, SIEMENS intends to retain a (direct and indirect) minority interest in the listed SIEMENS ENERGY as its non-controlling anchor shareholder initially with a total share in its capital stock of 45%, of which, 9.9% of the capital stock has been transferred to Siemens Pension-Trust e.V. With the strategic and operational development of SIEMENS ENERGY, SIEMENS intends to reduce its stake in the amount of 35.1% significantly in a timeframe of 12-18 months after the Spin-off taking effect. The remaining shares in SIEMENS ENERGY have been transferred to the shareholders of SIEMENS by way of a Spin-off in accordance with the German Transformation act (*Umwandlungsgesetz*). After the Spin-off effective date (September 25, 2020), the shares in SIEMENS ENERGY have been admitted to trading on the Frankfurt Stock Exchange.

E. ENVIRONMENTAL INFORMATION

In view of the business activities carried out by SIEMENS GAMESA, it does not have any environmental responsibilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, SIEMENS GAMESA does not include any specific disclosures relating to environmental matters in the accompanying Financial Statements.

2. Basis of presentation of the Financial Statements

A. FINANCIAL REPORTING LEGISLATION APPLICABLE TO THE COMPANY

These Financial Statements have been prepared by the Company´s Directors in accordance with the Spanish General Accounting Plan, approved by the Royal Decree 1514/2007 of November 16, which was modified in 2016 by the Royal Decree 602/2016 of December 2, as well as other applicable mercantile legislation.

The Financial Statements have been issued by the Company's Directors for its submission to the approval of the General Shareholders' Meeting, and it is expected that they will be approved without any modification.

B. TRUE AND FAIR VIEW

The accompanying Financial Statements have been prepared on the basis of the Company's accounting records and are presented in compliance with the applicable financial reporting legislation, particularly the accounting standards and policies established therein, so as to provide a true and fair view of the equity and financial position of the Company, of its financial performance and its cash flows, occurred during the corresponding fiscal year.

C. NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied. In addition, the Directors have prepared these Financial Statements taking into account all applicable accounting principles and standards that are mandatory and have a significant effect on these Financial Statements.

There is no accounting principle that being mandatory, had not been applied.

D. COMPARATIVE INFORMATION

In accordance with the current mercantile legislation, the Financial Statements are shown together with comparative information in respect of the prior period for all amounts reported in the current period's Financial Statements.

The notes to the Financial Statements also include quantitative information from the prior financial year, except when an accounting regulation specifically provides that it is not necessary.

E. GOING CONCERN ASSUMPTION

As of September 30, 2020, the Company has a negative working capital amounting to EUR 627,981 thousand (EUR 1,242,167 thousand as of September 30, 2019) mainly due to "Short-term payables to group companies and associates" amounting to EUR 3,071,097 thousand (EUR 2,449,284 thousand as of September 30, 2019) (Note 18). Additionally, in the year 2020, the Company has had negative results amounting to EUR 1,167,449 thousand (positive result of EUR 168,582 thousand in the year 2019), caused mainly by the portfolio impairment detailed in the Note 9.

The Company states that its negative working capital will be covered by the generation of positive cash flows from the businesses of SIEMENS GAMESA Group and the dividends from its subsidiaries. Additionally, the Company´s liquidity needs are guaranteed at all moments through credit lines (Note 13). Finally, the Company's Directors have prepared the Annual Accounts following the going concern assumption as it is their understanding that the future perspectives of the Company's and the Group's business will allow obtaining positive results and positive cash flows in the next years.

F. GROUPING OF ITEMS

For the purposes of easing the understanding of the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows, these Financial Statements are presented in a grouped format and all required analysis are set out in the Notes to the Financial Statements.

G. FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in euros, which is SIEMENS GAMESA's functional currency. All amounts have been rounded to the nearest EUR thousand, unless stated otherwise.

Transactions denominated in currencies other than the euro are recognized in accordance with the policies described in Note 3.U.

3. Main accounting policies

The main accounting and measurement policies followed by SIEMENS GAMESA for the preparation of the Financial Statements, in accordance with those stipulated in the Spanish General Accounting Plan, are as follows:

A. STATEMENT OF CASH FLOWS

SIEMENS GAMESA presents the Statement of Cash Flows using the indirect method, whereby net profit or loss is adjusted by the non-monetary transactions, by all deferred payments and accumulations (or accruals) that are caused by past or future collections and payments, as well as profit and loss items associated to cash flows of operations classified as investing or financing activities.

The following terms are used in the Statement of Cash Flows with the meanings as specified below:

- Cash flows: Inflows and outflows of cash and cash equivalents.

- Cash equivalents: Short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to a not significant risk of changes in value.

- Operating activities: SIEMENS GAMESA´s main revenue-producing activities as well as other activities that are not related to investing or financing activities.

- Investing activities: The acquisition, sale or disposal through other means of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: Activities that result in changes in the size and composition of the contributed equity and of borrowings of the Company.

B. BUSINESS COMBINATIONS

The acquisition cost of the identifiable acquired assets and the assumed liabilities (including contingent liabilities) is measured at their acquisition-date fair values.

In a business combination, the estimates of the acquisition-date fair values are based on judgements and are determined by using certain measurement techniques, which are also supported by independent third-party appraisers. The measurement period, which is the period after the acquisition date in which the acquirer can adjust the provisional amounts recognized in the business combination, provides to the acquirer a reasonable period of time to obtain the necessary information to identify and measure, at the acquisition-date, among others, the identifiable acquired assets, the assumed liabilities, the consideration transferred or the resulting Goodwill.

C. CLASSIFICATION OF CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications on its Balance Sheet. Current assets and liabilities are those which meet the following criteria:

- Assets are classified as current when they are expected to be realized, or are intended for sale or consumption within the company's normal operating cycle, when they are held primarily for the purpose of being traded, when they are expected to be realized within twelve months after the Balance Sheet date, or when they constitute cash or a cash equivalents, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

- Liabilities are classified as current when they are expected to be settled within the company's normal operating cycle, when they are held primarily for the purpose of being traded, when they are due to be settled within twelve months after the Balance Sheet date, or when the Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the Balance Sheet date.

  Financial liabilities are classified as current when they are due to be settled within twelve months after the Balance Sheet date, even if the original term was for a period longer than twelve months if an agreement to refinance, or to restructure long-term payments exists, which is entered into after the Balance Sheet date and before the Financial Statements are authorized for issue.

D. INTANGIBLE ASSETS

As a general rule, intangible assets are initially recognized at acquisition or production cost and subsequently are measured at cost, less accumulated amortization and accumulated impairment loss (Note 7), if any, in accordance with the criteria mentioned in Note 3.F.

Software

The Company records under this heading the costs incurred on the acquisition and development of software. Software maintenance costs are recorded in the Statement of Profit and Loss of the year in which they are incurred. Software is amortised on a straight-line basis over a period of three years.

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognized at acquisition price or production cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses (Note 8), if any, in accordance with the criteria mentioned under Note 3.F. In addition to the purchase price, acquisition costs include non-recoverable indirect taxes and any other cost directly attributable to bringing the asset to the condition necessary for it to operate as intended, such as transportation costs and start-up costs (including borrowing costs incurred during the construction period).

Upkeep and maintenance expenses are recognized in the Statement of Profit and Loss for the year in which they are incurred. However, the costs of improvements leading to increase in capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

The Company depreciates the property, plant and equipment on a straight-line basis according to annual depreciation percentages calculated based on the asset's useful life, in accordance with the following detail:

	Estimated useful life
Other installations and furniture	6 – 10
Tooling	3 – 4
Other elements of property, plant and equipment	3 – 5

F. IMPAIRMENT OF ASSETS

At least at the end of each reporting period, the Company assesses whether there is any indication that items of intangible assets or, if applicable, a cash-generating unit, may be impaired and, in such case, the recoverable amounts are estimated.

If there is objective evidence that the carrying amount is not recoverable, the relevant value adjustments are recognized for the difference between the book value and the recoverable amount, understood as the higher of its fair value less costs to sell and the present value of the cash flows from the investment.

Whenever "Intangible assets" and "Property, plant and equipment" have to be tested for impairment, the assessment of the recoverable amount of the assets involves the use of estimates chosen by the Management, which may have a substantial impact on the respective values and, ultimately, on the amount of impairment.

G. FINANCIAL ASSETS

Classification and measurement

Loans and receivables

The Company recognizes trade and non-trade receivables under this heading, which includes financial assets with fixed or determinable payments not quoted on active markets and for which the Company expects to recover the full initial investment, except, where applicable, for reasons of credit deterioration.

They are initially measured on the Balance Sheet at fair value, which, in the absence of evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

After the initial recognition, these financial assets are subsequently measured at amortized cost.

Nevertheless, trade receivables which mature within less than one year and with no contractual interest rate, as well as advances and loans to personnel, receivable dividends and called-up payments on equity instruments, the amount of which is expected to be received in the short-term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting the cash flows is not significant.

The difference between the fair value and the amounts paid for operating lease security deposits is considered as an advance lease payment and is recognized in the Statement of Profit and Loss over the lease term. When estimating the fair value of the security deposits, the minimum contractual term during which the amount may not be reimbursed is considered as the remaining period.

Investments in the equity of group companies, joint ventures and associates

This category includes equity investments in companies in which the entity exercises control (group companies), joint control via bylaw resolutions or contractual arrangements with one or more partners (joint ventures), or has significant influence (associates).

They are initially measured on the Balance Sheet at fair value, which in the absence of evidence to the contrary is the transaction price, which is equivalent to the fair value of the consideration transferred plus directly attributable transaction costs.

Investments in group companies are recognized, where applicable, based on the criteria included in the accounting regulation for transactions with group companies (Note 3.T).

When an investment is classified as an investment in a group company, joint venture or associate, the cost of the investment will be considered as the book value the investment should have immediately before the investment is classified as such. Where applicable, previous value adjustments associated with this investment recognized directly in equity will remain there until the investment is either sold or impaired.

Initial measurement includes preemptive and similar rights acquired.

After their initial recognition, equity investments are subsequently measured at cost less any accumulated impairment.

Where preferential subscription or similar rights are sold or separated for the purpose of exercising them, the cost of these rights decreases the carrying amount of the respective assets.

SIEMENS GAMESA has majority stakes in the share capital of certain companies and has stakes that are equal to or exceed 20% of the share capital in others (Appendix). These Financial Statements do not reflect the effect that would result from applying consolidation criteria or from applying the equity method, as appropriate. In addition, as a company whose shares are listed on a stock market, SIEMENS GAMESA has presented its Consolidated Financial Statements for the year ended September 30, 2020 in accordance with International Financial Reporting Standards. Note 9.C indicates the effect that the application of consolidation criteria in accordance with International Financial Reporting Standards would have on the amounts included in these Financial Statements.

Hedging derivatives

This category includes derivatives classified as hedging instruments. Financial instruments which have been designated as hedging instruments are measured as indicated in Note 3.M.

As of September 30, 2020 and 2019 the Company has no derivative financial assets recognized under the application of hedge accounting.

Derecognition

Financial assets are derecognized from the Company's Balance Sheet when the contractual rights related to the cash flows of the financial asset have expired or when the assets are transferred, provided that the related risks and rewards incidental to ownership are substantially transferred.

If the Company has not substantially transferred or retained the risks and rewards incidental to ownership of the financial asset, it is derecognized when control over the asset is not retained. If control over the asset is retained, the

Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing the associated liability as well.

The gain or loss on derecognition of the financial asset is determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss is recognized in the Statement of Profit and Loss for the reporting period in which it arises.

The Company does not derecognize financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sale price plus interest, and securitizations of financial assets whereby the Company retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. In these cases, the Company recognizes a financial liability at an amount equal to the consideration received.

Interests and dividends received from financial assets

Interests and dividends accrued on financial assets after acquisition are recognized as income in the Statement of Profit and Loss. Interests are recognized using the effective interest rate method and dividends are recognized when the right to receive them is established.

On the initial measurement, accrued explicit but not matured interests receivable at measurement date and the dividends approved by the competent governing body up to the date of the acquisition, are recognized separately based on maturity. Explicit interests refer to the interest obtained by applying the financial instrument's contractual interest rate.

In addition, when distributed dividends are derived clearly from profit generated prior to the acquisition date given that the amounts of distributed dividends exceed the profit generated by the investment since acquisition, the dividends are not recognized as income and are deducted from the carrying amount of the investment.

H. IMPAIRMENT OF FINANCIAL ASSETS

The carrying amount of financial assets is adjusted with a charge in the Statement of Profit and Loss when there is objective evidence of an impairment loss.

To determine impairment loss of financial assets, the Company assesses the potential loss of individual as well as groups of assets with similar risk characteristics.

Debt instruments

There is objective evidence that debt instruments, understood as trade receivables, credits, and debt securities, are impaired when an event has occurred after the initial recognition of the instrument that has a negative impact on its related estimated future cash flows.

The Company classifies as impaired assets (doubtful assets) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of unpaid balances, breach of committments, refinancing, and the existence of information that evidences the possibility of not recovering the total agreed-upon future cash flows or the occurrence of delays in collection.

For financial assets measured at amortized cost, impairment losses are measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at initial recognition on the financial asset. For financial assets with floating interest rates, the effective interest rate at the Balance Sheet date is used. The market value is used instead of the present value of estimated future cash flows in the case of quoted instruments, provided that it is considered sufficiently reliable.

Reversals of impairment are recognized as income in the Statement of Profit and Loss up to the limit of the carrying amount of the financial asset that would have been recorded at the reversal date if the impairment loss had not been recognized.

Equity instruments

There is objective evidence that equity instruments are impaired when one or more events have occurred after their initial recognition which indicate that the cost of the investment in equity instruments may not be recovered due to a prolonged or significant decline in fair value. In this respect, the Company considers equity instruments to be impaired after a decline of a year and a half and of 40% of their quoted price with no recovery in value.

For equity instruments measured at cost and included in "Investments in group companies and associates," the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the present value of future cash flows from the investment. In line with this, the Company calculates the future cash flow´s present value of these investments by reference to the mentioned entities' budget for coming years (strategic plans). In determining that value, and provided that the investee participates in turn in other companies, the value derived from such interests is also taken into account (that is, the consolidated value of the investee, including its own interests in group and jointly controlled companies and associates). Unless better evidence is available, impairment of this type of asset is estimated based on the subsidiary's equity adjusted for any unrealised capital gains existing on the measurement date. In the case of investments in group companies, jointly controlled companies and associates, the reversal of any impairment loss is recognized in the Statement of Profit and Loss and is limited to the carrying amount of the investment at the date of reversal if no impairment had been recognized.

I. CASH AND CASH EQUIVALENTS

This Balance Sheet heading includes cash at hand, bank accounts and, as the case may be, any deposits and assets acquired under repurchase agreements that meet all of the following requirements:

- Convertible into cash.
- At the time of acquisition, the maturity date did not exceed three months.
- They are not subject to a significant risk of changes in value.
- They are part of the Company's normal cash management policy.

J. EQUITY AND TREASURY SHARES

Share capital consists of ordinary shares.

The costs of issuing new shares are charged directly against "Equity", as a reduction in reserves.

In the event that the Company acquires treasury shares, the price paid, including any directly attributable incremental cost, is deducted from "Equity" until the treasury shares are redeemed, reissued or sold. When these treasury shares are afterwards sold or reissued, any amount received is included in "Equity" net of directly attributable incremental costs (Note 12.D).

K. SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at the fair value of the equity instruments at grant date. This fair value is expensed on a straight-line basis over the vesting period, based on SIEMENS GAMESA estimate of the shares that will ultimately be delivered and credited to "Equity" (Note 12.E).

Fair value is measured using the market prices available on the measurement date, taking into account the terms and conditions upon which those equity instruments were granted.

If a grant of equity instruments is cancelled or settled during the vesting period (for a reason other than a grant cancelled by forfeiture when the vesting conditions are not met), SIEMENS GAMESA accounts for the cancellation or settlement as an acceleration of the vesting and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

For cash-settled share-based payments, a liability equal to their current fair value determined at the end of each reporting period is recognized.

SIEMENS GAMESA has made certain assumptions in order to calculate the liability arising from the obligations with employees. The fair value of those financial instruments granted as share-based payments (Note 12.E) that are not traded in an active market is determined by using measurement techniques. The company uses judgments to select a series of methods and to make assumptions, that are mainly based on the market conditions existing at each Balance Sheet date. Changes in these assumptions would not have a significant impact on these Financial Statements.

In the cases in which SIEMENS GAMESA grants own shares to subsidiaries to make payment with these instruments to employees, the counterpart of the fair value entry for the delivered equity instruments is considered to be an increase in the value of the investment that SIEMENS GAMESA has in the subsidiary, unless it is not likely that profits or financial yields will be obtained, in which case it would be an expense (Note 12.E).

L. FINANCIAL LIABILITIES

Classification and measurement

Loans and other payables

Loans and other payables include payables from trading and non-trading transactions, with fixed or determinable payments that are not quoted in an active market, and that are not classified in another financial liability category.

They are initially measured in the Balance Sheet at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

After their initial recognition in the Balance Sheet, those financial liabilities are measured at amortized cost. Interests accrued are recognized in the Statement of Profit and Loss using the effective interest rate method.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate, as well as called-up payments on equity instruments, the amount of which is expected in the short-term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting the cash flows is not significant.

In guarantee deposits received for operating leases, the difference between the fair value and the amount received is considered an advance lease payment and is recognized in the Statement of Profit and Loss over the lease term. When estimating the fair value of guarantee deposits, the remaining period is considered to be the minimum contractual term.

Hedging derivatives

This category includes derivatives classified as hedging instruments. Financial instruments which have been designated as hedging instruments are measured as indicated in Note 3.M.

As of September 30, 2020 the Company has interest rate derivatives recognized under hedge accounting (Note 13). As of September 30, 2019, the Company had no interest rate derivatives recognized under hedge accounting.

Derecognition

The Company derecognizes a financial liability when the obligation under the liability is extinguished.

When debt instruments are exchanged with a lender, provided that their contractual terms are substantially different, the original financial liability is derecognized, and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner.

The difference between the carrying amount of the financial liability or part of the financial liability that has been derecognized and the amount paid to extinguish the liability, including attributable transaction costs and any asset transferred other than cash or liability assumed, is recognized in the Statement of Profit and Loss for the period.

When the debt instrument is replaced by another on terms that are not substantially different, the original liability is not derecognized from the Balance Sheet, and the carrying amount is adjusted for the fees paid. The new amortized cost of the financial liability is calculated using the effective interest rate, which is the discount rate that equals the carrying amount of the financial liability at the modification date with the cash flows payable under the new terms.

Accordingly, the contractual terms are considered to be substantially different when the same lender granted the original loan and the present value of the cash flows from the new financial liability, including net commissions, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, discounting both by the effective interest rate of the original liability.

M. HEDGE ACCOUNTING

The Company enters into hedge transactions of foreign exchange risk of receivables in foreign currencies.

Transactions are only designated as hedge accounting when they effectively eliminate any risk inherent to the hedged item or position throughout the forecasted duration of the hedge, which implies that at the inception of the hedge it is expected to be highly effective (prospective effectiveness) and that there is sufficient evidence that the hedge has proven itself effective throughout the life of the hedged item or position (retrospective effectiveness).

Hedging transactions are properly documented, including how the achievement and measurement of its effectiveness is expected to be obtained, in accordance with the risk management policy of the Company.

The hedge effectiveness is measured by testing that the differences arising from changes in the value of the hedged item and the corresponding hedging instrument remain within a range of 80% to 125% over the remaining term to maturity and comply with forecasts established at the related contract dates.

If at any time this range is breached, hedging transactions cease to be treated as hedge accounting and are reclassified as held-for-trading derivatives.

For measurement purposes, the Company classifies hedging transactions in the following categories:

- Fair value hedges: Hedges of the exposure to changes in the fair value of a recognized asset or liability, or unrecognized firm commitment, or an identified portion thereof, that is attributable to a particular risk and could affect the Statement of Profit and Loss. Changes in value of the hedging instrument and the hedged item attributable to the hedged risk shall be recognized in the Statement of Profit and Loss.

- Cash flow hedges: Hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, provided it can have an effect on the Statement of Profit and Loss. A hedge of the foreign currency risk of a firm commitment may be accounted for as a cash flow hedge. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall temporarily be recognized in equity and allocated to the Statement of Profit and Loss in the reporting period or periods in which the forecast hedged transaction affects profit or loss, except where the hedge relates to a forecast transaction that requires recognition of a non-financial asset or liability. In the latter case, the amounts recognized in equity shall be included in the cost of the asset or liability when it is acquired or assumed.

N. ESTIMATION OF FAIR VALUE

The fair value of the financial instruments traded in active markets is based on the market prices at the Balance Sheet date. The listed market price used for financial assets is the ordinary purchase price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and develops assumptions that are based on market conditions existing at each Balance Sheet date. For long-term debt market prices or agent quotation prices are used. Other techniques, such as the discounting of estimated cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of forward foreign exchange contracts is determined using listed forward exchange market rates at the Balance Sheet date.

The carrying amounts of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

O. PROVISIONS AND CONTINGENCIES

A distinction is drawn between:

- Provision: A present obligation (legal or constructive) as a consequence of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

- Contingent liability: A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the company; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

The Financial Statements include all material provisions for which it is considered likely that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are disclosed, but not recognized in the Financial Statements, except for those arising from business combinations.

Provisions are recognized based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period. Provisions are fully or partially reversed when the obligations cease to exist or are reduced, respectively.

Provisions are recognized when the obligation arises, with a charge to the relevant heading in the Statement of Profit and Loss based on the nature of the obligation. Provisions are recognized at the present value of the expected expenditure, when the effect of the time value of money is significant.

Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognizing those adjustments that arise from the financial update of those provisions as a financial expense as they accrue.

The compensation to be received from a third party on settlement of the obligation is recognized as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalized as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognized.

P. SEVERANCE PAYMENTS

In accordance with prevailing legislation, SIEMENS GAMESA is obliged to pay a compensation to employees with whom, under certain conditions, the employement relationship is terminated. Reasonably quantifiable severance payments are therefore recognized as an expense in the year in which the decision to terminate employment is made and communicated. During the period ended September 30, 2020 and 2019 a total of EUR 7,745 thousand and EUR 3,285 thousand have been recognized, respectively, as severance payments and for contract termination compensations (Note 17.C).

Q. CORPORATE INCOME TAX

The Company is subject to the consolidated tax regime, as the Parent Company of a consolidated group of the Tax Authority of Bizkaia (*Hacienda Foral de Bizkaia*) (Note 15).

The expense or income for Corporate Income Tax comprises the part that corresponds to the current tax expense or income and the part that corresponds to the deferred tax expense or income. Both the current and deferred tax income or expense is recorded in the Statement of Profit and Loss. However, the tax effect related to items that are recorded directly in “Equity” is recognized in “Equity”.

The current tax is the amount that the Company settles as a result of the tax filings of the income tax relating to a fiscal year. The deductions and other tax benefits in the tax liability, excluding the withholdings and payments on account, as well as the tax loss carryforwards from previous years, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the cancellation and recognition of deferred tax assets and liabilities. These include the temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of the assets and liabilities and their tax value, as well as the tax loss carryforwards pending to be compensated and the tax credits not applied. These amounts are recorded at the tax rate at which they are expected to be recovered or settled.

Under the liability method, temporary differences that arise from assets or liabilities are the difference between the tax base of an asset or liability and its carrying amount in the Balance Sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

Deferred tax liabilities will be recognized for all taxable temporary differences, except those deriving from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax base nor the accounting result and is not a business combination.

Deferred tax assets are only recognized to the extent that it is considered probable that the Company and/or the Tax Group to which it belongs will have taxable profits in the future against which the deferred tax assets can be utilized.

At each reporting period end, recognized deferred tax assets will be reconsidered and all appropriate adjustments will be made to the extent that there are any doubts regarding future recovery. Deferred tax assets not recognized in the Balance Sheet are also reviewed at each reporting period end in order to recognize the extent to which it is likely that they may be offset against future taxable profits.

R. INCOME AND EXPENSES

Income and expenses are recorded on an accrual basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Such income is measured at the fair value of the consideration received, less any discounts and taxes.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the Balance Sheet date, provided the outcome of such rendering can be estimated reliably.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment has been established. In any event, interest and dividends from financial assets accrued after the time of acquisition will be recognized as revenue in the income statement. Notwithstanding the foregoing, if distributed dividends arise from results generated prior to the acquisition date, they will be not recognized as an income, but decreasing the carrying amount of the investment.

The incomes obtained by the company referred to “Dividends from investments in group companies and associates” and “Income from credits to group companies and associates” are presented as part of “Revenue” pursuant to consultation no. 2 in issue 79 of the Official Gazette of the Spanish Accounting and Audit Institute (*Boletín Oficial del Instituto de Contabilidad y Auditoría de Cuentas*) published on September 30, 2009. According to this consultation, a line item should also be created within the operating margin with the needed subdivisions to reflect the valuation adjustments for impairment in the different financial instruments associated to its activity, as well as the losses and expenses incurred due to its derecognition or valuation at fair value (Note 9).

S. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company only has leases of the latter type (Note 17.D).

Incomes and expenses arising from operating leases are recognized in the Statement of Profit and Loss in the reporting period in which they accrue.

Any payment received or made on entering into an operating lease is treated as revenue received in advance or a prepaid lease payment that is accrued over the lease term in accordance with the pattern of economic benefits transferred or received.

T. TRANSACTIONS AND BALANCES WITH RELATED-PARTIES

Transactions between group companies are initially recognized at fair value. Transactions are subsequently measured in accordance with applicable standards.

Transactions with group companies are recognized based on the above measurement and recognition criteria, except for mergers, spin-offs, and the contribution of an indirect or direct subsidiary, in which case the acquired assets are measured at their Consolidated Group carrying amounts. If consolidated values are not available, at the time of the contribution, applying the criteria set forth in the Code of Commerce and enacting regulations, the Company recognizes investments received through contributions in kind at the carrying amount prior to the recognition of the transaction on the separate Financial Statements of the contributing Company. Any resulting gains or losses are recognized in reserves.

The prices of transactions with related parties are duly documented so that the Company believes that it is not exposed to risks that would give rise to significant tax liabilities.

U. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

The Company's functional currency is the euro. As a result, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are converted using the exchange rate at the Balance Sheet date. Any resulting gains or losses are recognized directly in the Statement of Profit and Loss in the reporting period in which they arise.

Non-monetary assets and liabilities which are measured at fair value and are denominated in foreign currency are translated at the exchange rates prevailing on the date on which the fair value was determined. Gains or losses that arise are taken to "Equity" or to the Statement of Profit and Loss following the same criteria used to recognize changes in fair value.

4. Financial Risk Management

Due to the nature of its activities, SIEMENS GAMESA is exposed to a variety of financial risks: (i) market risks, in particular foreign exchange risk, market price risk and interest rate risk, (ii) liquidity risk and (iii) credit risk. The aim of the Financial Risk Management is to identify, measure, monitor and mitigate those risks and their potential adverse effects on the operational and financial performance of SIEMENS GAMESA. The general conditions for compliance with the Financial Risk Management process are set out through policies approved by the Top Management. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit. Although some of the risks listed below do not directly affect the Company, SIEMENS GAMESA may be affected indirectly, as these risks affect the companies that are part of its group.

A. MARKET RISK

a) Foreign exchange risk

SIEMENS GAMESA Group carries out transactions with international counterparties in the normal course of business, leading to incomes in currencies other than Euro, and to future cash flows generated by SIEMENS GAMESA Group's companies, that are denominated in a currency other than their functional currencies, and are therefore exposed to risks from changes in foreign currency exchange rates.

Foreign currency exchange rate exposure is partially balanced by purchasing of goods, commodities and services in local market currencies, where the business is being conducted, as well as by locating the production activities and other contributions along the supply chain in those local markets. Furthermore, to the extent possible, currency clauses are integrated into commercial contracts to transfer total or partially foreign currency risk to counterparts.

In the cases where it is not possible to apply the measures described above, SIEMENS GAMESA Group uses financial instruments to hedge for the remaining risk exposure, since its objective is to generate profits through business operations, and not by speculating with the exchange rate fluctuations (Note 14). For this purpose, the Group analyses the foreign currency exposure on its confirmed order backlog as well as on the planned and highly probable foreign currency transactions.

Due to the international set-up of the Group, cash flows are generated in numerous different currencies. The majority of foreign currency transactions of the Company are denominated in Sterling pounds, US dollars, Danish krones and other currencies. According to SIEMENS GAMESA Group's general Foreign Exchange risk management framework, foreign currency risk has to be hedged within a band of at least 75% up to a maximum of 100%. The financial instruments used to hedge this risk are primarily foreign currency exchange forward contracts and foreign currency swaps (Note 14).

The equivalent value in euros of the monetary assets and liabilities denominated in currencies other than euro held by SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Sterling pound	156,483	248,521	114,882	68,337
US dollar	51,105	178,244	104,760	190,479
Danish krone	57,577	962,966	35,891	704,651
Other currencies	13,700	85,143	11,360	95,661
Total	**278,865**	**1,474,874**	**266,893**	**1,059,128**

The equivalent value in euros of the main balances of SIEMENS GAMESA denominated in currencies other than euro, based on the nature of the items concerned, is as follows:

	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
Nature of the balances	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Receivables from group companies and associates	281	-	13	-
Short-term credits in group companies	153,033	-	124,528	-
Cash and cash equivalents (Note 11)	125,551	-	142,352	-
Short-term payables to group companies and associates	-	1,474,038	-	1,058,993
Suppliers, group companies and associates	-	21	-	67
Trade and other payables	-	815	-	68
Total	**278,865**	**1,474,874**	**266,893**	**1,059,128**

b) Market price risk

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

COVID-19

On December 31, 2019, China alerted the World Health Organisation (hereinafter, "WHO") of the new Covid-19 disease. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 the WHO characterized the public health emergency situation caused by the outbreak as a pandemic.

As Covid-19 has spread globally, rapidly increasing the number of infections, many countries have required companies to limit or suspend business operations mainly during the second and third quarter of fiscal year 2020 and implemented restrictions regarding movement of people and quarantine measures. Those partly remain in force ever since and have

extensively disrupted regular way of business with negative implications for international trade and production processes, global supply chain disruptions and demand shocks and a high uncertainty in the capital markets.

SIEMENS GAMESA Group is taking measures as to ensure business continuity selling, manufacturing, installing and servicing wind turbine generators for its customers worldwide. From the very beginning of this crisis (Covid-19), SIEMENS GAMESA Group activated the global crisis management and has established a task force dedicated to continuously monitor the impact and mitigation measures.

This task force has adopted processes to address the group's utmost priority of keeping its employees and their families safe and healthy, implementing a series of actions aimed at balancing the demands of health and safety with those of business activity. Such actions were developed in three workstreams: "Business Continuity", "People" (Health and Safety) and "Communication".

Actions in the area of "Business Continuity" are aiming at fully understanding the pandemic implications on SIEMENS GAMESA Group's value chain and developing and implementing appropriate responses to minimize impact on business. Such responses included expediting critical supplies and transportation, enforcing eligible contract terms towards customers and vendors, continuous optimization of production plans and active participation in developing local safety protocols to ensure safe production. Further the monitoring of the financial implications of the Covid-19 pandemic was developed and implemented as well.

The "Business Continuity" workstream was closely interacting with the "People" workstream. That workstream focused on the development and implementation of enhanced strict safety protocols for all work stations in offices, plants and wind farm sites, defined testing and quarantine strategies and related traceability systems for employees, suppliers and customers where work in presence was unavoidable. SIEMENS GAMESA Group extended its virtual collaboration capacity tremendously in terms of number of users and introducing state of the art workplace software in order to gain the capability to close down entire office locations and switch to its smart working environment. Following the pandemic developments data driven decisions are made for closing SIEMENS GAMESA Group locations for in presence work. For each location a multi-phase re-opening strategy is defined with reference to the development of pandemic key indicators for employees to return on a must-have basis.

All actions are accompanied by a broad communication plan developed and implemented in the "Communication" workstream. It entails a daily update on SIEMENS GAMESA Group's rating of the pandemic development, safety protocols, testing strategies and a real-time voluntary monitoring tool. All communication is utilizing effective means of communication utilizing digital channels mostly.

Despite all efforts, SIEMENS GAMESA Group faced various adverse effects in its business, financial position, results of operations and cash flows. The main impact of the pandemic during the second quarter to the fourth quarter of 2020 was due to:

- Delays in executing projects in the Wind Turbines segment, which pushed part of the activity to fiscal year 2021 because of suspended tasks on project sites, disruptions to the supply chain, employees absence due to sickness and/or governmental restrictions and the resulting temporary closure and/or reduced capacities of plants in Brazil, China, India, Spain, United Kingdom (hereinafter, "UK") and the United States;

- delays in executing projects in the Operation and Maintenance segment mainly due to restrictive safety protocols and as part thereof quarantine regimes which delayed the resource allocation at wind farm sites and therefore causing additional costs and adversely impacting incentive schemes driven by high availability of wind turbines;

- the resulting costs of under-utilization of SIEMENS GAMESA Group's plants and equipment;

- the resulting higher costs due to prolongation and acceleration actions in project execution and higher shipping costs due to accelerating deliveries of disrupted supply chains;

- the resulting liquidated damages for not fulfilling contractual commitments; and

- the increase in the price of some raw materials, such as balsa wood, because of the supply disruptions.

The disruptions in SIEMENS GAMESA Group's supply chain, manufacturing operations, project execution and commercial activity have largely impacted the onshore activities within the Wind Turbines segment. The impact on the offshore activities within the Wind Turbines segment and in the Operation and Maintenance segment materialized to a lower extent. Therefore, since the second quarter of fiscal year 2020, SIEMENS GAMESA Group was affected by temporary factory closures of different duration at plants located in China, India, Spain and UK due to governmental regulation or material shortage. Project execution was consequently affected in all regions with different levels of impact due to the same reasons.

During August all manufacturing had returned to normal while Brazil and India were the latest countries getting back to full capacity due to significant portions of the workforce of SIEMENS GAMESA Group being unable to work effectively, mainly due to illness, quarantines or government actions.

SIEMENS GAMESA Group expects that the ultimate significance of the impact of the Covid-19 pandemic will be dictated by the extent such disruptions will recur in fiscal year 2021. At the moment of preparation of these Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. In this regard, due to the rapid spread of the virus in September and October, on October 25, 2020, the Spanish Government approved a second state of alarm by Royal Decree 926/2020 to contain the spread of infections caused by Covid-19, mainly through restrictions on the movement of people and quarantine procedures. Other countries in which SIEMENS GAMESA Group operates (such as UK, France and Germany, among others) adopted similar measures to contain the virus. There is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020 (Note 9), and the reach of the risk posed by Covid-19 is not clear. Therefore, further business disruptions (as well in the fiscal year 2021) due to Covid-19 protection measures cannot be excluded. If the Covid-19 pandemic is worsening again, macroeconomic conditions may be further adversely affected, potentially resulting in an economic downturn in the countries in which the Group operates and in the global economy more widely, which could adversely impact the business, results of operations and financial condition of the Group also in fiscal year 2021.

BREXIT

The exit of the UK from the European Union triggers an extended period of uncertainty, which adversely impacts future investments in the UK's energy market and also increases the uncertainty in the business development of SIEMENS GAMESA Group in the UK.

On March 29, 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (hereinafter, "the EU"). There was an initial 2 years timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship. On March 29, 2019 the UK Parliament voted for a third time against the Prime Minister´s Brexit deal, which, if approved, would have opened the way to the UK leaving the EU on a revised date of May 22, 2019. On April 10, 2019, the UK Government and the EU agreed an extension for the Brexit until October 31, 2019. On October 17, 2019, UK and the European Commission approved an orderly Brexit which was not supported by the Parliament. On October 28, 2019 the EU agreed a new extension for the Brexit until January 31, 2020. The Prime Minister, Boris Johnson, won the elections in the UK on December 12, 2019 and finally got the support from the UK Parliament to leave the EU on December 20, 2019. In January 2020, the UK left the EU after reaching an agreement with the EU to do so. A grace period has begun, ending on December 31, 2020. During this period, nothing regarding movement of people and goods or duties changes, being a period without any restrictions until a final agreement is reached between EU and UK.

At the time of the preparation of these Financial Statements, there is still significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, the period during which the existing EU laws for member states will continue to apply to the UK is also uncertain, as well as which laws will apply to the UK after the exit. The consequences derived from it, for any resulting scenario, are still uncertain, affecting, among other factors, the value of the pound against the euro, the access to the European single market, the circulation of people and goods, services and capital, or the valuation of the investments made in the UK.

Nowadays, the main Group operations related to the UK market are the following:

- Currently there is no significant pipeline of UK onshore projects due to government restrictions to the support to new onshore developments. Several projects are still in the sales phase, where Brexit risks can be covered in the contract negotiations. Projects in the Republic of Ireland continue but, as Ireland remains in the EU, no impacts are expected.

- Much of the Group´s current activity in the UK consists in the supply and installation of offshore projects.

- SIEMENS GAMESA Group has made a major investment in manufacturing in the UK with the establishment of a primary production of offshore wind turbine blades on a site that is closely located to the Group's port facility. Now, the Group manufactures the current generation of blades for its offshore projects, which will be used on both UK and European projects, and thus commencing with exports from the factory. The factory currently employs over 800 people.

- SIEMENS GAMESA Group also provides warranty services to new projects and long-term service of wind farm fleets for customers. With a major base in Newcastle upon Tyne, Service also operates a widely distributed workforce with satellite locations at offshore wind farms and onshore wind hubs across the UK.

- The specific risks that arise from the negotiations between the UK and the EU and which affect the Group´s activities are presented below:

- It is expected that the custom duties and tariffs will be applied to imported equipment that is currently tariff free. However, it is expected that the UK government would set temporary MFN ("Most favoured nation") rates and therefore, presumably, no tariff costs would arise in a post-Brexit situation, at least during the first year following the date of exit.

- The Group imports a significant part of the raw materials for the production of blades from the EU (Denmark and Germany). The Group is currently analysing the supply chain flows and the measures to be implemented aimed at reducing lead-times and mitigating other potential risks from Brexit.

- The status of EU employees working for SIEMENS GAMESA Group in the UK as residents and also the possibility that UK workers can travel and work freely in other EU countries is being analysed. However, the exposure to these risks is considered low.

- It is expected that the cost of blades exported to other EU countries increase due to additional duties in the EU.

The Group has evaluated the possible scenarios derived from the Brexit concluding that it will be able to cover these uncertainties through several risk mitigation measures, in particular:

- Creation of an inventory of spare parts and purchase diverse materials in advance.

- Logistical changes, mainly in the ports of entry of merchandise.

- Review of the "legal clause" in old contracts, as well as the introduction of a new "BREXIT" clause in possible new contracts.

Based on risk assessment and its mitigation, no significant risk on the recoverability of assets resulting from past investments in the UK is identified. In any case, no material impact on the Group´s total assets is expected as the Group´s UK investments represent less than 2.7% of the total Group´s consolidated assets as of September 30, 2020 (less than 0.8% as of September 30, 2019; the change compared to September 30, 2019 is due to the first-time adoption of IFRS 16 during fiscal year 2020). The cost of the investment in the UK subsidiary, Siemens Gamesa Renewable Energy Limited, amounts to EUR 203 milliions (Note 9) and no impairment has been detected related to said investment. A close analysis and follow-up of the situations that could suppose a significant risk and of the measures to be taken in this regard are performed on a regular basis through an established task force that continuously monitors the exit process.

TRADE WAR BETWEEN THE UNITED STATES, CHINA AND THE EUROPEAN UNION

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

At the time of preparation of these Financial Statements, there is still significant uncertainty about the potential trade war between the United States, China and the EU. Although a phase 1 of an agreement between the United States and China has been reached on January 15, 2020, there is significant uncertainty as to what tariffs will be applied in the different countries to different products. The United States administration introduced tariffs on various categories of goods and materials, including steel, and threatened to introduce further tariffs. In response, the EU, China and other jurisdictions introduced tariffs on certain goods and materials of the United States. Such tariffs increase the cost of certain key raw materials used in the Group's business, mainly in its manufacturing and construction processes. At the date of preparation of these Financial Statements no significant impacts, additional to those already included in the Consolidated Financial Statements for the year ended September 30, 2019, are expected. The Group has assessed the possible scenarios from the trade war, concluding that it will be able to reduce these risks by taking several risk mitigation measures including changes in its supply chain, transfer of costs to its clients, as well as request for exemptions to certain tariffs. A close analysis and follow-up is performed on a regular basis through the export control and customs and the purchasing departments.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SIEMENS GAMESA Group uses external sources to finance parts of its operations. Loans at variable rates expose the Group to interest rate risks, while loans at fixed rates expose the Group to fair value interest rate risk. The variable rates are mainly linked to the LIBOR or the EURIBOR. SIEMENS GAMESA Group continuously analyses the split of external financing at variable and fixed rates to optimise the interest rate exposure.

The Group has occasionally used derivative financial instruments to mitigate the interest rate risk. These interest rate hedges are assigned specifically to debt instruments and are matching their maturity as well as their nominal amount (Note 14).

B. LIQUIDITY RISK

Liquidity risk is the risk that SIEMENS GAMESA Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. The Group mitigates the liquidity risk by the implementation of an effective working capital and cash management as well as with arranged credit facilities with highly rated financial institutions. As of September 30, 2020, SIEMENS GAMESA has unused credit facilities amounting to EUR 2,857 million which represents 79.43% of total credit facilities limit (EUR 2,637 million as of September 30, 2019 which represented 84.1% of total credit facilities limit).

Furthermore, the Group attempts to maintain a financial debt structure that is in line with the maturity of the assets to be financed. Therefore, non-current assets are financed with long-term debt or equity, whereas working capital is mainly financed with short-term borrowings.

C. CREDIT RISK

The credit risk is the risk that exists when a counterparty or customer does not meet its contractual payment obligations, and this leads to a loss for SIEMENS GAMESA Group.

The Group deals generally with customers that have an appropriate credit history and rating. The customers usually are companies within the energy sector where the steady cash-inflows from the sale of electricity leads to an above average credit rating. Nevertheless, in cases of customers with a below average rating or credit history, SIEMENS GAMESA Group uses a variety of mitigation measures, such as irrevocable letters of credit or export insurances to cover the increased credit risk. Furthermore, the costumer contract is individually analysed, and specific conditions according to the credit risk exposure are included to safeguard the Group from an insolvency of the counterparty.

5. Critical valuation aspects and sources of uncertainty

The preparation of the Financial Statements has required management to make judgments and use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from Management's estimates: although the estimates are done based on the best information available of the analysed facts as of September 30, 2020 and 2019, future events might make it necessary to modify them (upwards or downwards) in later years, which would be applied prospectively, recognizing the change in estimations in future periods. These estimates relate basically to the following:

- Impairment of the value of equity instruments in group companies and associates: The measurement of long-term equity instruments requires estimating their recoverable amount in order to assess a possible impairment. In order to determine this recoverable amount, the Company estimates the expected future cash flows resulting from the mentioned investments by reference to future expected benefits and uses an appropriate discount rate to calculate the present value of these cash flows (Note 9).

- Useful life of intangible assets and property, plant and equipment: The Company's management estimates the useful life and relevant amortization / depreciation charges for its intangible assets and property, plant and equipment. The Company will increase the amortization / depreciation charges when useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold (Notes 7 and 8).

- Calculation of provisions: At the end of each reporting period the Company's Management estimates the liabilities arising from litigation and similar events which require the recognition of provisions of a legal and tax nature.

- Contingent liabilities: The Company's Management considers that there are no significant contingent liabilities for the year ended September 30, 2020 and 2019.

- Corporate Income Tax and "Deferred tax assets": The tax calculation is carried out based on Company Management's best estimates in accordance with the current tax legislation and taking into account the foreseeable development of such tax legislation.

  The Company recognizes "Deferred tax assets" only to the extent that its future recovery or use is sufficiently guaranteed. As future circumstances are uncertain and are partially beyond the control of SIEMENS GAMESA, it is necessary to make hypotheses to estimate future taxable income, as well as the period in which the deferred taxes will be recovered. The estimates are reviewed in the period in which there is sufficient evidence to review the hypotheses.

  When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on Corporate Income Tax and the provisions for deferred taxes in the year in which they are deemed to arise (Note 15).

6. Earnings allocation

At the date of preparation of these Financial Statements, SIEMENS GAMESA's Board of Directors, estimates that it will propose to the General Shareholders' Meeting for its approval the following allocation of results for the year ended September 30, 2020 as shown below, determined according to Spanish accounting regulations applicable to the Statutory Financial Statements of the Company:

Thousands of euros	09.30.2020
Basis of distribution	
Result for the year	(1,167,449)
Total	**(1,167,449)**
Distribution	
Prior period's losses	(1,167,449)
Total	**(1,167,449)**

A. LIMITATIONS FOR THE DISTRIBUTION OF DIVIDENDS

The Company is required to allocate 10% of the year's profit to the constitution of the legal reserve, until it reaches at least 20% of the issued capital. While this reserve does not exceed the limit of 20% of the issued capital, it is not distributable to the shareholders (Note 12.B).

Once all requirements provided for by the Law or the Bylaws have been met, dividends can only be distributed with charge to the year's profit, or freely available reserves, if the value of "Equity" is not or, as a result of the distribution, does not turn out to be less than the issued capital. For these purposes, benefits included directly in "Equity" cannot be subject to direct or indirect distribution. If there were losses from prior years that made the "Equity" of the Company less than the amount of the share capital, the profit will be allocated to offset these losses.

7. Intangible assets

The movements produced during the years 2020 and 2019 in the heading "Intangible assets" of the Balance Sheet have been the following:

Thousands of euros	10.01.2019	Additions (Amortization)	09.30.2020
COST			
Software	483	19	502
	483	**19**	**502**
AMORTIZATION			
Software	(320)	(97)	(417)
	(320)	**(97)**	**(417)**
Net total	**163**	**(78)**	**85**

Thousands of euros	10.01.2018	Additions (Amortization)	09.30.2019
COST			
Software	436	47	483
	436	**47**	**483**
AMORTIZATION			
Software	(182)	(138)	(320)
	(182)	**(138)**	**(320)**
Net total	**254**	**(91)**	**163**

As of September 30, 2020 and 2019 the acquisition cost of fully amortized intangible assets that remained in use amounted to EUR 60 thousand and EUR 41 thousand, respectively.

8. Property, plant and equipment

Movements in the accounts included under the heading "Property, plant and equipment" of the Balance Sheet during 2020 and 2019 are as follows:

Thousands of euros	10.01.2019	Additions (Depreciation)	09.30.2020
COST			
Other installations, tooling and fixtures	1,183	245	1,428
Other property, plant and equipment	886	-	886
	2,069	**245**	**2,314**
DEPRECIATION			
Other installations, tooling and fixtures	(242)	(104)	(346)
Other property, plant and equipment	(574)	(228)	(802)
	(816)	**(332)**	**(1,148)**
Net total	**1,253**	**(87)**	**1,166**

Thousands of euros	10.01.2018	Additions (Depreciation)	09.30.2019
COST			
Other installations, tooling and fixtures	1,100	83	1,183
Other property, plant and equipment	813	73	886
	1,913	**156**	**2,069**
DEPRECIATION			
Other installations, tooling and fixtures	(152)	(90)	(242)
Other property, plant and equipment	(302)	(272)	(574)
	(454)	**(362)**	**(816)**
Net total	**1,459**	**(206)**	**1,253**

SIEMENS GAMESA's policy is to contract insurance policies to cover the possible risks that could affect its different elements of property, plant and equipment. At the end of 2020 and 2019 there was no shortfall in the coverage for these risks.

As of September 30, 2020 and 2019 the Company has fully depreciated elements of “Property, plant and equipment” that are still in use, according to the following detail of their acquisition cost:

Thousands of euros	09.30.2020	09.30.2019
Other installations, tooling and fixtures	33	32
Other property, plant and equipment	124	77
Total	**157**	**109**

As of September 30, 2020 and 2019 the Company has no commitments to acquire property, plant and equipment.

9. Long-term financial instruments

The balances under the heading "Long-term investments in group companies and associates” as of September 30, 2020 and 2019 is as follows:

	Long–term financial instruments		
Thousands of euros	Equity instruments	Credits, derivatives and others	Total
Year 2020			
Long-term investments in group companies and associates			
Investments in group companies and associates	8,323,567	-	8,323,567
Credits to group companies and associates (Note 18)	-	-	-
Long-term financial investments			
Guarantees and deposits given	-	50,522	50,522
Total	**8,323,567**	**50,522**	**8,374,089**
Year 2019			
Long-term investments in group companies and associates			
Investments in group companies and associates	9,444,835	-	9,444,835
Credits to group companies and associates (Note 18)	-	500,000	500,000
Long-term financial investments			
Guarantees and deposits given	-	522	522
Total	**9,444,835**	**500,522**	**9,945,357**

Movement during 2020 and 2019 in "Long-term investments in group companies and associates” and “Long-term financial investments” is as follows:

	Long-term investments in group companies and associates				
Thousands of euros	10.01.2019	Additions	Disposals	(Impairment) Reversal	09.30.2020
Investments in group companies and associates	9,444,835	451,816	(121,617)	(1,451,467)	8,323,567
Credits to group companies and associates (Note 18)	500,000	-	(500,000)	-	-
Total	**9,944,835**	**451,816**	**(621,617)**	**(1,451,467)**	**8,323,567**

	Long-term investments in group companies and associates				
Thousands of euros	**10.01.2018**	**Additions**	**Disposals**	**(Impairment) Reversal**	**09.30.2019**
Investments in group companies and associates	9,190,858	308,700	-	(54,723)	9,444,835
Credits to group companies and associates (Note 18)	500,000	-	-	-	500,000
Total	**9,690,858**	**308,700**	**-**	**(54,723)**	**9,944,835**

A. INVESTMENT IN GROUP COMPANIES AND ASSOCIATES

The most significant information relating to group companies and associates as of September 30, 2020 and 2019 is as follows:

Thousands of euros Year 2020 (Appendix)	Registered address	% of ownership	Cost	Accumulated Impairment	Issued capital (1)	Rest of equity without results (1)	Operating profit (1)	Net results (1)
Siemens Gamesa Renewable Energy Wind Farms, S.A. Unipersonal (**) (****)	Spain	100%	6,761,042	(1,547,538)	35,491	752,059	(5,063)	19,142
Siemens Gamesa Renewable Energy 9Ren, S.L.U. (2) (**)	Spain	100%	8,185	(2,201)	11,957	(2,603)	2,285	(2,314)
Siemens Gamesa Renewable Energy Pty. Ltd. (**)	Australia	100%	31,372	-	31,269	(4,150)	(8,185)	(8,542)
Siemens Gamesa Renewable Energy GmbH (**)	Austria	100%	9,966	(2,719)	35	7,798	1,150	1,000
Siemens Gamesa Renewable Energy Limited (*)	Canada	100%	270,516	(104,264)	266,956	(266,934)	5,410	4
Siemens Gamesa Renewable Energy (Shanghai) Co, Ltd. (**)	China	100%	59,484	-	43,481	47,678	19,295	15,050
Siemens Gamesa Renewable Energy Limited (**)	Thailand	100%	5,439	-	10,254	(1,624)	3,290	2,508
Siemens Gamesa Renewable Enerji Anonim Sirketi (*)	Turkey	100%	53,108	-	3,704	9,430	(2,054)	(4,846)
Siemens Gamesa Renewable Energy Iberica S.L.U. (*)	Spain	100%	14,810	(10,085)	3	11,566	(8,993)	(9,493)
Siemens Gamesa Renewable Energy S.A.S (**)	France	100%	29,910	-	1,001	756	(3,845)	(3,494)
Siemens Gamesa Renewable Energy NV (**)(*****)	Belgium	100%	5,000	-	5,000	500	1,332	709
Siemens Gamesa Renewable Energy B.V. (**)	Netherlands	100%	113,060	(44,076)	1	5,012	5,608	3,485
Siemens Gamesa Renewable Energy S.A.C. (*)	Peru	100%	5,689	(3,200)	5,689	(3,687)	(240)	(223)
Siemens Gamesa Renewable Energy AB (**)	Sweden	100%	96,304	-	5	13,787	(6,305)	(7,591)
Siemens Gamesa Renewable Energy Limited (**)	United Kingdom	100%	202,815	-	207,141	(132,483)	104,388	74,583
Siemens Gamesa Renewable Energy Limited (**)	Ireland	100%	95,102	(15,410)	-	3,519	11,686	10,071
Siemens Gamesa Renewable Energy Italia S.r.l. (**)	Italy	100%	6,109	-	1,000	2,070	(408)	(546)
Siemens Gamesa Renewable Energy AS (**)	Norway	100%	48,852	(8,824)	276	9,366	(116)	(1,609)
Siemens Gamesa Renewable Energy, Inc. (*)	United States	100%	3,273,056	(1,557,694)	27,834	591,265	(13,966)	(6,035)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited (**)	India	100%	1,323	-	1,323	3,143	3,901	2,797
Siemens Gamesa Renewable Energy A/S (**)	Denmark	100%	333,526	-	2,690	205,750	(170,078)	(134,837)
Siemens Gamesa Renewable Energy Egypt LLC (**)	Egypt	100%	3,868	-	3,871	(1,769)	(1,757)	(2,198)
Siemens Gamesa Renewable Energy (Pty) Ltd. (**) (*****)	South Africa	70%	5,005	-	8,006	(2,947)	6,917	1,858
Siemens Gamesa Renewable Energy, Inc. (**)	Philippines	100%	11,773	(4,910)	10,760	(4,708)	997	(296)
Siemens Gamesa Renewable Energy Kft. (**)	Hungary	100%	2,873	-	32	1,619	530	322
Siemens Gamesa Renewable Energy Deutschland GmbH (*****)	Germany	100%	108,333	-	6,058	(1,056,720)	139,405	89,519
Oher investments	-	-	2,934	-	-	-	-	-
Associates:								
Windar Renovables, S.L. (***)	España	32%	65,034	-	9	90,975	33,625	16,742
Total			**11,624,488**	**(3,300,921)**				

(1) This information refers to the individual Financial Statements as of September 30, 2020 and 2019 for the respective companies except for the Windar Renovables data that refers to its Consolidated Financial Statements as of September 30, 2020 and 2019. None of the abovementioned companies are listed. In particular, the company Siemens Gamesa Renewable Energy Wind Farms, S.A.U. is the holding company of a subgroup of companies that brings together an important part of the Group's activities, so that its individual equity are not representative of the equity value of the subgroup headed by this company.

(2) 49% of direct ownership and 51% of indirect ownership.

(*) Companies not legally required to audit their Financial statements.

(**) Companies audited by EY.

(***) Companies audited by another audit firm.

(****) From now on, S.A.U.

(*****) Siemens Gamesa Renewable Energy NV., previously denominated as Siemens Gamesa Renewable Energy BVBA.
Siemens Gamesa Renewable Energy Deutschland GmbH, previously denominated Adwen GmbH.

Thousands of euros Year 2019	Registered address	% of ownership	Cost	Accumulated Impairment	Issued capital [1]	Rest of equity without results [1]	Operating profit [1]	Net results [1]
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.(**)	Spain	100%	6,458,746	-	35,491	386,072	43,684	26,413
Siemens Gamesa Renewable Energy 9Ren, S.L.U. (2) (**)	Spain	100%	8,185	-	11,957	(1,764)	(1,807)	(1,872)
Siemens Wind Power SpA. (*)	Chile	100%	2,740	-	2,740	(1,351)	1,355	1,020
Siemens GamesaRenewable Energy Pty. Ltd. (**)	Australia	100%	31,282	-	31,269	(8,980)	(33)	(104)
Siemens Gamesa Renewable Energy GmbH (**)	Austria	100%	9,966	(2,661)	35	7,559	(146)	(289)
Siemens Gamesa Renewable Energy Limited (*)	Canada	100%	270,495	(113,737)	266,956	(271,562)	16,908	21,643
Siemens Gamesa Renewable Energy (Shanghai) Co, Ltd. (**)	China	100%	59,517	-	43,481	34,184	19,746	15,841
Siemens Gamesa Renewable Energy Limited (**)	Thailand	100%	5,439	-	5,439	(5,094)	2,719	2,141
Siemens Gamesa Renewable Energy Sp. z.o.o (**)	Poland	100%	11,758	-	5,899	(7,072)	2,952	2,414
Siemens Gamesa Renewable Enerji Anonim Sirketi (*)(****)	Turkey	100%	43,849	-	3,704	2,744	4,024	1,035
Siemens Gamesa Renewable Energy Iberica S.L.U. (*)	Spain	100%	14,755	(10,085)	3	8,590	11,096	(4,082)
Siemens Gamesa Renewable Energy S.A.S (**)	France	100%	29,902	-	1,001	311	814	333
Siemens Gamesa Renewable Energy Belgium BVBA (**)(****)	Belgium	100%	5,000	-	5,000	500	18,243	11,811
Siemens Gamesa Renewable Energy B.V. (**)	Netherlands	100%	113,033	-	1	5,221	7,147	5,019
Siemens Gamesa Renewable Energy S.A.C. (*)	Peru	100%	5,688	(3,200)	5,689	(4,480)	1,832	1,232
Siemens Gamesa Renewable Energy AB (**)	Sweden	100%	96,304	(8,311)	5	10,097	4,752	3,487
Siemens Gamesa Renewable Energy Limited (**)	United Kingdom	100%	202,533	-	207,141	(217,173)	123,208	89,560
Siemens Gamesa Renewable Energy Limited (**)	Ireland	100%	95,087	(48,710)	-	(1,694)	6,412	5,178
Siemens Gamesa Renewable Energy Italia S.r.l. (**)	Italy	100%	6,103	-	1,000	1,571	653	500
Siemens Gamesa Renewable Energy AS (**)	Norway	100%	20,126	-	271	(9,420)	(507)	(274)
Siemens Gamesa Renewable Energy, Inc. (*)	United States	100%	3,272,557	(1,657,840)	27,834	395,132	7,526	(4,504)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited (**)	India	100%	1,323	-	1,323	736	4,086	2,936
Siemens Gamesa Renewable Energy A/S (**)	Denmark	100%	332,018	-	2,690	249,861	423,293	228,904
Siemens Gamesa Renewable Energy Egypt LLC (**)	Egypt	100%	3,868	-	3,871	(1,009)	(657)	(689)
Siemens Gamesa Renewable Energy GmbH & Co. KG (**)	Germany	100%	107,002	-	1,000	99,744	77,805	62,486
Siemens Gamesa Renewable Energy (Pty) Ltd (**)	South Africa	70%	5,005	-	8,006	(2,000)	3,538	3,036
Siemens Gamesa Renewable Energy, Inc (**)	Philippines	100%	11,773	(4,910)	10,760	(6,843)	285	228
Siemens Gamesa Renewable Energy Kft. (**)	Hungary	100%	2,873	-	32	549	1,302	340
Oher investments	-	-	2,328	-	-	-	-	-
Associates:								
Windar Renovables, S.L. (***)	Spain	32%	65,034	-	9	96,289	5,328	1,040
Total			**11,294,289**	**(1,849,454)**				

(1) This information refers to the individual Financial Statements as of September 30, 2020 and 2019 for the respective companies except for the Windar Renovables data that refers to its Consolidated Financial Statements as of September 30, 2020 and 2019. None of the abovementioned companies are listed. In particular, the company Siemens Gamesa Renewable Energy Wind Farms, S.A.U. is the holding company of a subgroup of companies that brings together an important part of the Group's activities, so that its individual equity are not representative of the equity value of the subgroup headed by this company.

(2) 49% of direct ownership and 51% of indirect ownership.

(*) Companies not legally required to audit their Financial statements.

(**) Companies audited by EY.

(***) Companies audited by another audit firm.

(*****) Siemens Gamesa Renewable Energy NV., previously denominated as Siemens Gamesa Renewable Energy BVBA.

The breakdown of investments grouped under “Other investments” as of September 30, 2020 and 2019 is as follows:

	Book value (thousands of euros)	% of direct ownership	Country
Year 2020			
Siemens Gamesa Renewable Energy d.o.o.	843	100%	Croatia
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	681	100%	Spain
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	654	100%	Germany
Siemens Gamesa Renewable Energy Limited	576	100%	South Korea
PT Siemens Gamesa Renewable Energy	142	95%	Indonesia
Siemens Gamesa Renewables Energy Limited	37	100%	United Kingdom
Siemens Gamesa Renewable Energy SARL	1	100%	Morocco
Total other investments	**2,934**		
Year 2019			
Siemens Gamesa Renewable Energy d.o.o.	843	100%	Croatia
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	681	100%	Spain
Siemens Gamesa Renewable Energy Limited	576	100%	South Korea
PT Siemens Gamesa Renewable Energy	142	95%	Indonesia
Siemens Gamesa Renewable Energy Management GmbH	85	100%	Germany
Siemens Gamesa Renewable Energy SARL	1	100%	Morocco
Total other investments	**2,328**		

Changes in the cost of investments are as follows:

Thousands of euros	Country	Additions (disposals)
Year 2020		
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	302,295
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	108,333
Siemens Gamesa Renewable Energy AS	Norway	28,726
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi	Turkey	9,259
Siemens Gamesa Renewable Energy A/S (Note 12.E)	Denmark	1,508
Siemens Gamesa Renewable Energy, Inc. (Note 12.E)	United States	499
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Germany	654
Siemens Gamesa Renewable Energy Limited (Note 12.E)	United Kingdom	282
Siemens Gamesa Renewable Energy Pty Ltd (Note 12.E)	Australia	90
Siemens Gamesa Renewable Energy Iberica, S.L.U. (Note 12.E)	Spain	55
Siemens Gamesa Renewables Energy Limited (Note 12.E)	United Kingdom	37
Siemens Gamesa Renewable Energy B.V. (Note 12.E)	Netherlands	27
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Canada	21
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Ireland	16
Siemens Gamesa Renewable Energy S.A.S. (Note 12.E)	France	8
Siemens Gamesa Renewable Energy Italia S.r.l. (Note 12.E)	Italy	6
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd. (Note 12.E)	China	(33)
Siemens Gamesa Renewable Energy Management GmbH	Germany	(85)
Siemens Wind Power SpA	Chile	(2,740)
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	(11,757)
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	(107,002)
Total additions (disposals)		**330,199**
Year 2019		
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	301,882
Siemens Gamesa Renewable Energy Kft.	Hungary	2,863
Siemens Gamesa Renewable Energy GmbH & Co. KG (Note 12.E)	Germany	1,160
Siemens Gamesa Renewable Energy, Inc.	Philippines	1,013
Siemens Gamesa Renewable Energy A/S (Note 12.E)	Denmark	892
Siemens Gamesa Renewable Energy, Inc. (Note 12.E)	United States	534
Siemens Gamesa Renewable Energy Limited (Note 12.E)	United Kingdom	174
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Spain	81
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd. (Note 12.E)	China	29
Siemens Gamesa Renewable Energy Iberica S.L. (Note 12.E)	Spain	16
Siemens Gamesa Renewable Energy B.V. (Note 12.E)	Netherlands	16
Siemens Gamesa Renewable Energy Italia S.r.l. (Note 12.E)	Italy	15
Siemens Gamesa Renewable Energy Pty Ltd (Note 12.E)	Australia	13
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Canada	6
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Ireland	5
PT Siemens Gamesa Renewable Energy (Note 12.E)	Indonesia	1
Total additions (disposals)		**308,700**

The main changes in fiscal year 2020 have been as follows:

- On March 20, 2020, and September 15, 2020, the Company, as the sole shareholder of Siemens Gamesa Renewable Energy AS (Norway), approved a capital increase of NOK 150,000 thousand (equivalent to EUR 12,833 thousand) and NOK 170,000 thousand (equivalent to EUR 15,893 thousand), by increase of the nominal value of the shares and share premium.

- On March 23, 2020, and on September 4, 2020, the Company, as the sole shareholder of Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain), approved a cash contribution of EUR 100,000 thousand and EUR 200,00 thousand, respectively.

- During the second half of the fiscal year 2020, SIEMENS GAMESA has reorganized its companies in Germany in order to optimize its operations in that country. The transactions carried out in this reorganization were as follows:

    - On June 16, 2020, the group company Adwen Offshore, S.L.U. has sold its shareholding in Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) to SIEMENS GAMESA for EUR 1.

    - On September 28, 2020, the Company, as the only shareholder of Siemens Gamesa Renewable Energy Deutschland GmbH (Germany), has made a capital increase of EUR 6 thousand.

    - On September 30, 2020, SIEMENS GAMESA has contributed, by means of a non-monetary contribution, to Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) the shares it owned in Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany), so that those companies are no longer directly owned by SIEMENS GAMESA.

  The price for the sale of Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) has been EUR 1, taking into account the overall reorganization as a whole. However, the fair value of this investment, without considering the contributions of Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany) has been initially estimated as negative EUR 940 million. Subsequently, after considering the aforementioned contributions, the fair value of the subgroup headed by this investee is higher than the cost of the investment as of September 2020 (EUR 108 million).

  The accounting treatment of this transaction has been as follows: Initially, SIEMENS GAMESA has recorded the acquisition of the shareholding in Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) for an amount of EUR 0, and a provision for risks in subsidiaries for an amount of EUR 940 million, with a charge to “Equity”.

  Subsequently, the Company has recorded the contributions of Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany) by means of additions and disposals in the cost of investments as reflected below:

Thousands of euros	Country	Additions (disposals) in investments
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	106,458
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	(106,373)
Siemens Gamesa Renewable Energy Management GmbH	Germany	(85)
Total		**-**

  Finally, according to the fair value of the subgroup arising from this reorganization, SIEMENS GAMESA has reversed the provision for risks in subsidiaries initially recognized with a credit to “Equity”, leaving the investment valued at EUR 106,464 thousand, also taking into account the capital increase of September 28, 2020. The remaining amount reflected in this shareholding as of September 30, 2020 amounts to EUR 1,869 thousand and is related to the recognition of the long-term incentive as detailed in the table below related to additions as a consequence of the Long-Term Incentive.

- On September 24, 2020, SIEMENS GAMESA as limited partner and Siemens Gamesa Renewable Energy Management GmbH (Germany) as general partner (ilimited responsibility, without vote, without participation in equity) constituded the company Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG (Germany) with a share capital of EUR 25 thousand. Moreover, on September 28, 2020, SIEMENS GAMESA

made a non monetary contribution (transfer) of EUR 629 thousand by contributing a purchase option on a plot of land in Cuxhaven, which was previously transferred by Siemens Gamesa Renewable Energy GmbH & Co. KG (Germany), the initial owner of the purchase option, to SIEMENS GAMESA.

- The company has sold the following investments to Siemens Gamesa Renewable Energy Eólica, S.L.U. (Spain):

Thousands of euros	Country	Date	Sale price	Result of the operation	Cancellation of the investment
Siemens Gamesa Renewable Energy Sp. z o.o.	Poland	July 1, 2020	13,546	1,789	(11,757)
Siemens Wind Power Energia Eólica Ltda.	Brazil	June 16, 2020	4,515	4,515	(-) (*)
Siemens Wind Power SpA	Chile	July 31, 2020	2,831	91	(2,740)
Total			**20,892**	**6,395**	**(14,497)**

(*) The cost of the investment of Brazil is of EUR 249.

- On October 8, 2019, Siemens Gamesa Renewable Energy Eólica, S.L.U. (Spain) has sold its 99% shareholding in Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey) to SIEMENS GAMESA for EUR 9,168 thousand, and on May 7, 2020, Siemens Gamea Renewable Energy Innovation and Technology, S.L.U. (Spain) has sold its 1% shareholding in the same company for EUR 91 thousand. On July 21, 2020, the merger between the companies Siemens Gamesa Renewable Enerji Anonim Sirketi, 100% owned by SIEMENS GAMESA, and Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey) was approved, so that the investment in the Company increases in an amount of EUR 9,259 thousand.

- Additionally, as a consequence of the Long-Term Incentive (Note 12.E), in the case of the subsidiaries detailed below, the Company has granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, resulting in an increase of the "Investments in group companies and associates" in amount of EUR 6,680 thousand for the year ended September 30, 2020.

Thousands of euros	Country	Additions (disposals)
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	2,295
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	1,869
Siemens Gamesa Renewable Energy A/S	Denmark	1,508
Siemens Gamesa Renewable Energy, Inc.	United States	499
Siemens Gamesa Renewable Energy Limited	United Kingdom	282
Siemens Gamesa Renewable Energy Pty Ltd	Australia	90
Siemens Gamesa Renewable Energy Iberica, S.L.U.	Spain	55
Siemens Gamesa Renewables Energy Limited	United Kingdom	37
Siemens Gamesa Renewable Energy B.V.	Netherlands	27
Siemens Gamesa Renewable Energy Limited	Canada	21
Siemens Gamesa Renewable Energy Limited	Ireland	16
Siemens Gamesa Renewable Energy S.A.S.	France	8
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	6
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	China	(33)
Total additions (disposals)		**6,680**

SIEMENS GAMESA, in view of the current situation of the Covid-19, as well as other market uncertainties (slowdown in important markets for the SIEMENS GAMESA Group such as India and Mexico) has carried out an update of impairment tests for its investments in group companies. To perform these impairment tests, SIEMENS GAMESA has used discounted cash flows for the following five years, taking into account the most up-to-date business plan available for each company, and considering a discount rate based on the weighted average cost of capital (hereinafter, "WACC") of 8.5% (in the selected countries the WACC is between 8% and 9%) and a terminal value growth rate (g) of 1.7% (in the selected countries this growth rate is between 1% and 2%). The main changes are as follows:

- The Company has detected impairment indicators in the investment in Siemens Gamesa Renewable Energy B.V. (Netherlands). As a result, an analysis of the recoverable amount of the shareholding has been made. The recoverable value has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 1.85% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 1.80% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 68% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 44,076 thousand has been recorded.

- The Company has detected impairment indicators in the investment in Siemens Gamesa Renewable Energy AS (Norway). As a result, an analysis of the recoverable amount of the shareholding has been made. The recoverable value has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 1.00% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 2.44% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 87% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 8,824 thousand has been recorded.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Canada has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy Limited (Canada) in an amount of EUR 9,473 thousand mainly due to the slight improvement in the company´s perspectives.

  The recoverable amount of the investment of Canada has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 6.07% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 6.81% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 57% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Sweden has been updated and as a result, SIEMENS GAMESA has totally reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy AB (Sweden) in an amount of EUR 8,311 thousand mainly due to the recovery in the company´s perspectives.

  The recoverable amount of the investment of Sweden has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 4.06% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 3.99% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 72% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Ireland has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy Limited (Ireland) in an amount of EUR 33,300 thousand mainly due to the improvement in the company´s perspectives.

  The recoverable amount of the investment of Ireland has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 12.28% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 11.55% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 59% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in United States has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy, Inc. (United States) in an amount of EUR 100,146 thousand mainly due to the slight improvement in the company´s perspectives.

  The recoverable amount of the investment of United States has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 6.36% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 5.95% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 67% of the total recoverable value.

- SIEMENS GAMESA has performed an impairment analysis on its investment in the subgroup of companies headed by Siemens Gamesa Renewable Energy Wind Farms, S.A.U., which brings together an important part of the Group's activities, as it is the case of the operations in India, China and Latin America, among others.

The impairment test is based on the expected cash flows from this company's investments in its subsidiaries, considering an operating margin that in general is between 4% and 9% and a weighted average of the recoverable terminal value of approximately 72%. As a result of this analysis, the Company has recorded an impairment loss of EUR 1,547,538 thousand, mainly due to the slowdown in its business in India, the regulatory uncertainty in Latin America regarding the development of renewable energies, mainly in Mexico, as well as due to the current pandemic circumstances.

The main changes in fiscal year 2019 were as follows:

- As of November 7, 2018, SIEMENS GAMESA, as the sole shareholder of Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain), approved an increase of reserves of said company in cash of EUR 300,000 thousand. The remaining amount, EUR 1,882 thousand, corresponded to the long-term incentive allocation (Note 12.E).

- As of March 14, 2019, the Company as the sole shareholder of Siemens Gamesa Renewable Energy Kft. (Hungary), approved an increase in cash of said company of HUF 900,000 thousand, equivalent to EUR 2,863 thousand, including HUF 7,000 thousand as a capital increase and HUF 893,000 thousand as a reserve increase.

- As of May 20, 2019, SIEMENS GAMESA, as the sole shareholder of Siemens Gamesa Renewable Energy, Inc. (Philippines), approved an increase in cash of PHP 59,000 thousand, equivalent to EUR 1,013 thousand, including it as a capital increase.

- As of September 23, 2019, the Company as the sole shareholder of Siemens Gamesa Renewable Energy International Wind Services, S.A.U. (Spain), approved an increase of reserves of said company in cash of EUR 81 thousand.

- Additionally, in those cases in which SIEMENS GAMESA granted equity instruments to its subsidiaries to make payment with these instruments to beneficiaries (Note 12.E), the Company booked in aggregate an increase in “Investments in group companies and associates” in amount of EUR 4,743 thousand for the year ended September 30, 2019.

- At 2019 year end, the impairment recorded in 2018 for its subsidiary in United States was updated and as a result, SIEMENS GAMESA partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy, Inc. (United States) in an amount of EUR 6,358 thousand mainly due to the slight improvement in the company´s perspectives.

  The recoverable amount of the american investment was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7% (8,5% and 1,4% in 2018, respectively). For the year 2020, an operating margin of 3.05% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 8.67% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 76% of the total recoverable value.

- At 2019 year end, the impairment recorded in 2018 for its subsidiary in Canada was updated and as a result, SIEMENS GAMESA partially reversed the impairment provision for the shareholding in Siemens Gamesa Renewable Energy Limited (Canada) in an amount of EUR 16,796 thousand mainly due to the slight improvement in the company´s perspectives.

  The recoverable amount of the canadian investment was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2020, an operating margin of 8.04% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 7.6% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 62% of the total recoverable value.

- The company detected impairment indicators in the investment in Siemens Gamesa Renewable Energy Limited (Ireland). As a result, an analysis of the recoverable amount of the shareholding was made. The recoverable value was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year

2020, an operating margin of 6.25% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 8.66% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 96% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 48,710 thousand was booked.

- Additionally, as a result of the analysis of the recoverable amount of the investments, further impairments were booked for several subsidiaries for a total amount of EUR 29,167 thousand, for which the same valuation methodology of discounted cash flow as for the cases described above was used, being the impairment derived mainly from the decrease in the future business expectation for these subsidiaries.

The Appendix reflects a breakdown of the subsidiaries, joint ventures and associates included in the consolidation of SIEMENS GAMESA Group, as well as information related to them.

None of SIEMENS GAMESA's subsidiaries, joint ventures and associates are listed on organized markets.

B. NON-CURRENT FINANCIAL ASSETS

The breakdown, by years, of the maturity of the items composing "Long-term financial investments – Guarantees and deposits given" as of September 30, 2020 and 2019 is as follows:

Thousands of euros	2021	2022	2023	2024	2025	Total
Year 2020						
Guarantees and deposits given	441	81	-	-	50,000	50,522
Total	**441**	**81**	**-**	**-**	**50,000**	**50,522**

Thousands of euros	2020	2021	2022	2023	2024	Total
Year 2019						
Guarantees and deposits given	401	40	81	-	-	522
Total	**401**	**40**	**81**	**-**	**-**	**522**

The increase of this account is due to the amount of EUR 50,000 thousand corresponding to a deposit used as a guarantee for the transfer to a third party of the derivatives portfolio held with SIEMENS Group, whose maturity is 5 years (Note 18).

"Long-term financial investments" are recognised at amortised cost, which fundamentally coincides with their market value.

C. EFFECT OF NON-CONSOLIDATION

SIEMENS GAMESA's Financial Statements are presented in compliance with current mercantile legislation. However, the management of SIEMENS GAMESA and of the Group companies is carried out on a consolidated basis. As a result, SIEMENS GAMESA's Financial Statements do not reflect neither the financial and equity changes that result from applying consolidation criteria neither to the investments nor to the transactions carried out by them, some of which derive from the Group's global strategy. These changes are reflected in the Consolidated Financial Statements for SIEMENS GAMESA Group for the period ended September 30, 2020 and 2019.

The main figures in SIEMENS GAMESA Group Consolidated Financial Statements for 2020 and 2019, prepared in accordance with International Financial Reporting Standards approved by the European Union (IFRS-EU) are as follows:

Thousands of euros	09.30.2020	09.30.2019
Total assets	16,331,835	16,689,413
Equity		
Parent Company	4,934,094	6,270,104
Non - controlling interests	768	2,701
Revenue from continuing operations	9,483,209	10,226,879
Net income for the year		
Parent Company	(918,178)	140,002
Non - controlling interests	(781)	936

10. Short-term financial instruments

The breakdown of short-term financial instruments, including "Trade and other receivables", "Short-term investments in group companies and associates" and "Short-term financial investments", without considering the balances with Taxation Authorities, as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Receivables from group companies and associates (Note 18)	79,455	52,040
Personnel	179	47
Short-term investments in group companies and associates (Note 18)	1,958,974	495,460
Derivatives (Notes 14 and 18)	-	1,497
Total	**2,038,608**	**549,044**

11. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Cash in euros	345,589	580,143
Cash in foreign currency (Note 4.A)	125,551	142,352
Total	**471,140**	**722,495**

Cash and cash equivalents accrue interest at market interest rates. There are no restrictions on the use of these balances.

12. Equity

A. ISSUED CAPITAL

SIEMENS GAMESA's issued capital as of September 30, 2020 and 2019 amounts to EUR 115,794 thousand being composed of 681,143,382 ordinary shares of EUR 0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

According to information of the Company, the shareholder structure of SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

	09.30.2020
Shareholders	**% shareholding**
SIEMENS ENERGY AG (*) (Note 1.D)	67.071%
Other (**)	32.929%
Total	**100.000%**

(*) 67.071% through Siemens Energy Global GmbH & Co. KG (formerly named Siemens Gas & Power GmbH & Co. KG).

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as 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.

	09.30.2019
Shareholders	**% shareholding**
SIEMENS (*)	59.000%
Iberdrola, S.A.	8.071%
Other (**)	32.929%
Total	**100.000%**

(*) 28.877% through Siemens Beteiligungen Inland GmbH.

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as 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's shares are listed in the IBEX 35 through the Automated Quotation System (*Mercado Continuo*) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The rating agencies gave the following credit rating to SIEMENS GAMESA Group.

Issuer rating of SIEMENS GAMESA (*)			
Agency	**Rating**	**Outlook**	**Date**
Standard & Poor's	BBB	Stable	September 28, 2020
Moody's	Baa3	Negative	September 28, 2020
Fitch	BBB	Negative	May 12, 2020

(*) Long-term: the above ratings may be revised, suspended or withdrawn by the rating agency at any time.

B. RESERVES

Capital reserve

The Spanish Companies Act expressly allows the use of the capital reserve to increase issued capital and there are no specific restrictions for the availability of that amount.

Legal Reserve

Under the Spanish Companies Act, limited responsibility companies (*Sociedad Anónima*) must transfer each year 10% of net profit to the "Legal Reserve" until the balance of this reserve reaches at least 20% of the "Issued Capital".

The "Legal Reserve" can be used to increase capital, as long as the remaining reserve balance does not fall below 10% of the increased "Issued Capital" amount. Except for the aforementioned purpose, and as long as the legal reserve does not exceed 20% of the "Issued Capital", this reserve can only be used to offset losses, provided that there are no other reserves available for that purpose.

As of September 30, 2020 and 2019, this reserve is not fully set up.

C. DIVIDENDS

The General Shareholders´ Meeting of SIEMENS GAMESA held on July 22, 2020 has approved a dividend amounting to EUR 35.2 million, charged to the results of the year ended September 30, 2019. This dividend has been paid on July 30, 2020.

The General Shareholders´ Meeting of SIEMENS GAMESA held on March 27, 2019 approved a dividend amounting to EUR 17.5 million, charged to the results of the year ended September 30, 2018. This dividend was paid on April 4, 2019.

D. TREASURY SHARES, AT COST

The change in the heading "Treasury shares, at cost" within "Total Equity" as a consequence of the transactions during the year ended September 30, 2020 and 2019, is as follows:

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2019	**1,635,425**	**(21,616)**	**13.217**
Acquisitions	6,029,563	(82,232)	13.638
Disposals	(6,039,119)	79,919	13.234
Balance at 09.30.2020	**1,625,869**	**(23,929)**	**14.718**

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2018	**1,698,730**	**(20,343)**	**11.975**
Acquisitions	18,136,391	(235,668)	12.994
Disposals	(18,199,696)	234,395	12.879
Balance at 09.30.2019	**1,635,425**	**(21,616)**	**13.217**

The nominal value of the treasury shares acquired directly or indirectly by SIEMENS GAMESA, together with those already held by SIEMENS GAMESA Group does not exceed 10% of the "Issued Capital" for the years ended September 30, 2020 and 2019.

On July 10, 2017, SIEMENS GAMESA entered into a liquidity contract with Santander Investment Bolsa, which was communicated to the CNMV through a notice of a Significant Event on the same date. As of January 31, 2020, this contract has been terminated, as communicated to *CNMV* through a notice of Significant Event, since its objectives of fostering the liquidity of the shares and favouring the consistency of the share quotation have been successfully achieved. Under this contract, during the period between October 1, 2019 and January 31, 2020, SIEMENS GAMESA has acquired 6,029,563 own shares at the average price of EUR 13.64 per share, and has sold 6,039,119 own shares at an average price of EUR 13.23 per share and during the period between October 1, 2018 and September 30, 2019 SIEMENS GAMESA acquired 18,136,391 own shares at the average price of EUR 12.99 per share, and sold 18,199,696 own shares at an average price of EUR 12.88 per share.

The difference between the cost and sales price, has led to an increase of EUR 129 thousand as of September 30, 2020 (an increase of EUR 811 thousand as of September 30, 2019), recognized in "Equity".

E. LONG-TERM INCENTIVE

The General Shareholders' Meeting held on March 23, 2018 approved a Long-Term Incentive Plan for the period between 2018 and 2020, which includes the delivery of shares of the Company linked to the achievement of certain strategic objectives after measurement periods of 3 years. This Long-Term Incentive Plan is addressed to the Chief Executive Officer, Top Management, certain Managers and employees of SIEMENS GAMESA and, where appropriate, of subsidiaries of SIEMENS GAMESA Group.

The Plan has a duration of 5 years divided into three independent cycles with a measurement period of 3 years each.

The settlement period of the Plan will fall within fiscal years 2021, 2022 and 2023. The shares will be delivered, as appropriate, within sixty (60) calendar days from the date on which the Company's Board of Directors issues the Financial Statements for the relevant period, in order to determine the degree of achievement of the objectives for each cycle ("Delivery Date"). The Plan will end on the Delivery Date for cycle FY2020 (i.e. following the preparation of the 2022 Financial Statements).

The Plan is addressed to a maximum of 300 beneficiaries, and the designation of an individual as a beneficiary of a Plan cycle will not necessarily entitle the participation in other Plan cycles.

The Plan could not exceed, as a maximum, the delivery of a total of 5,600,000 shares, which represents a 0.82% of SIEMENS GAMESA's capital and was calculated considering the potential inclusion of additional beneficiaries. The Company will allocate shares of treasury stock to cover the Plan or otherwise meet the commitments derived from the Plan with a financial instrument that provides adequate coverage. As a result of the amendments to the Plan for the second and third cycles, the total number of shares allocated to the Plan has increased to the limit of 7,560,000 shares, which represent 1.1% of the share capital of SIEMENS GAMESA.

For all 3 cycles, the delivery of shares is subject to both the fulfilment of a service condition as well as the fulfilment of several performance vesting conditions. In particular, such performance vesting conditions include both market-related conditions and non-market conditions.

<u>First cycle of the Plan</u>

With respect to the first cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date, which resulted in a debit amounting EUR 160 thousand and EUR 1,417 thousand, respectively, in "Staff costs" in the Statement of Profit and Loss by nature for the year ended September 30, 2020 and 2019.

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 753 thousand and EUR 2,856 thousand under the heading "Long-term investments in group companies and associates – Investments in group companies and associates" of the accompanying Balance Sheet as of September 30, 2020 and 2019 (Note 9), respectively, crediting the heading

"Reserves – Other reserves" under "Equity", equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is -0.05%.
- The share price volatility is 43.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the first cycle: 55% (78% for fiscal year 2019).

Initially, the number of employees entitled to the Plan´s first cycle was 174.

Second cycle of the Plan

In the General Shareholders' Meeting held on March 27, 2019, the modification of the Long-Term Incentive for the FY2019 and FY2020 cycles was approved.

The objective of this modification was to improve and to better align the Plan with the Company's strategic priorities, like the L3AD2020 program. Finally, these improvements will eliminate the redundancies with the Short-Term Incentive System and will enforce the ownership culture among the Company.

With respect to the second cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments assigned at grant date, which resulted ina debit amounting EUR 741 thousand and EUR 643 thousand, respectively, in the heading "Staff costs" in the Statement of Profit and Loss by nature for the year ended September 30, 2020 and 2019.

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 3,624 thousand and EUR 1,887 thousand under the heading "Long-term investments in group companies and associates – Investments in group companies and associates" of the accompanying Balance Sheet as of September 30, 2020 and 2019 (Note 9), respectively, crediting the heading "Reserves – Other reserves" under "Equity", equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is 0.18%.
- The share price volatility is 42.98% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the second cycle: 100% (100% for the year 2019).

Initially, the number of employees entitled to the Plan's second cycle was 191.

Third cycle of the Plan

With respect to the third cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments assigned at grant date, which resulted in a debit amounting EUR 784 thousand in "Staff costs" in the Statement of Profit and Loss by nature for the year ended September 30, 2020 (the accounting for the cost of this Plan has begun in the second quarter of fiscal year 2020, so no amount was recognized in the Statement of Profit and Loss for the year ended September 30, 2019).

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 2,303 thousand under the heading "Long-term investments in group companies and associates – Investments in group companies and associates" of the accompanying Balance Sheet as of September 30, 2020 (Note 9), crediting the heading "Reserves – Other reserves" under "Equity", equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group has used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement have been as follows:

- The risk-free rate is -0.27%.
- The share price volatility is 42.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the third cycle: 100%.

Initially, the number of employees entitled to the Plan's third cycle has been 183.

13. Current and non-current financial liabilities

The current and non-current financial liabilities as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Long-term debts		
Debt with financial institutions	731,520	494,127
Derivatives (Note 14)	240	
Short-term debts		
Debt with financial institutions	312	-
Derivatives (Notes 14 and 18)	2,826	979
Total	**734,898**	**495,106**

A. DEBT WITH FINANCIAL INSTITUTIONS

Syndicated loan and other loans

The amount of "Debt with financial institutions" included in the Balance Sheet as of September 30, 2020 and 2019 mainly relates to the multi-currency revolving credit facility and the loan signed as of May 30, 2018, amounting both to a total of EUR 2,500 million, replacing the EUR 750 million credit facility from 2017. In December 2019, SIEMENS GAMESA has signed an amendment of that contract, modifying both the maturity and some of the lending banks. The facility includes a fully drawn term loan tranche of EUR 500 million maturing in 2022 (previous maturity in 2021) and a revolving credit line tranche of EUR 2,000 million maturing in 2024 (previous maturity in 2023) with two 1 year extension options. This novation has been considered as a substantial modification of the contract terms, and it has led to the transfer to the Statement of Profit and Loss of accrued borrowing costs pending to be recognized corresponding to the previous syndicated loan in amount of EUR 5.7 million. The syndicated loan interest rate is Euribor plus a market spread.

As of September 30, 2020 and 2019, the EUR 500 million loan tranche is fully drawn. Such amounts have been recorded, in each case, after the deduction of the borrowing costs. This loan may be used for general corporate purposes and to refinance outstanding debt.

In January 2020, SIEMENS GAMESA has signed two loans amounting in total to EUR 240 million, both with maturity in January 2023, accruing an interest rate of 0.35% for the financing of the Senvion business acquisitions (Note 1.B). As of September 30, 2020 these loans are fully drawn.

Interest rate hedges

SIEMENS GAMESA has entered into interest rate hedges to reduce the effect of the changes in interest rates on future cash flows of loans linked to variable interest rates. As of September 30, 2020, the nominal value of the liabilities covered by interest rate hedges amounts to EUR 500,000 thousand, not having entered into any interest rate derivatives as of September 30, 2019.

The main features of the interest rate hedges are as follows:

	Hedge estimated maturity (Nominal value in thousand euros)	
09.30.2020	**2020**	**2021 and subsequent**
Interest rate hedges	-	500,000

	Estimated cash-flows in the period (thousand euros)	
09.30.2020	**2020**	**2021 and subsequent**
Interest rate hedges	(190)	(240)

	Hedge estimated maturity (Nominal value in thousand euros)	
09.30.2019	**2019**	**2020 and subsequent**
Interest rate hedges	-	-

	Estimated cash-flows in the period (thousand euros)	
09.30.2019	**2019**	**2020 and subsequent**
Interest rate hedges	-	-

Credit facilities

During fiscal year 2020, SIEMENS GAMESA has signed new bilateral credit lines in euros in total amount of EUR 375 million, of which EUR 50 million mature in December 2020, EUR 275 million mature in 2021 (from January to August) and EUR 50 million mature in July 2022, accruing an average interest rate of 0.82%. In addition, from the bilateral credit lines signed in fiscal year 2019 in amount of EUR 512 million, an amount of EUR 482 million is still outstanding, of which EUR 50 million mature in December 2020, EUR 212 million mature in 2021 (March and April) and EUR 220 million are extendable by tacit agreement until 2022 (from March to July), accruing an average interest rate of 0.75%. As of September 30, 2020, and 2019, the Company has not drawn any amount out of these credit lines.

As of September 2020, the average cost of the gross debt is of 0.48% (0.5% as of September 30, 2019). As September 30, 2020 and 2019, the Company does not have financing subject to financial covenants.

14. Derivatives

The Company uses derivative financial instruments to hedge the risks to which its activities and transactions related to exchange rate fluctuations are exposed. The breakdown of balances representing the valuation of derivatives on the September 30, 2020 and 2019 Balance Sheet is as follows:

	Short-term		Long-term	
Thousands of euros	**Assets (Note 10)**	**Liabilities (Note 13)**	**Assets (Note 10)**	**Liabilities (Note 13)**
Year 2020				
Interest rate derivatives				
Interes rates derivatives (Note 13)	-	190	-	240
Foreign currency derivatives				
Foreign currency derivatives	-	2,636	-	-
Total	**-**	**2,826**	**-**	**240**
Year 2019				
Interest rate derivatives				
Interes rates derivatives (Note 13)	-	-	-	-
Foreign currency derivatives				
Foreign currency derivatives (Note 18)	1,497	979	-	-
Total	**1,497**	**979**	**-**	**-**

At closing of fiscal years 2020 and 2019, the amount booked under the line item "Exchange differences" of the Statement of Profit and Loss due to the fair value of derivative instruments is a negative exchange difference of EUR 2,621 thousand and positive exchange difference of EUR 1,156 thousand, respectively.

SIEMENS GAMESA uses derivatives as foreign currency hedges to offset the potential volatility effects due to fluctuations in exchange rates on future cash flows from transactions in currencies other than the Company's functional currency, as well as for certain intragroup monetary transactions carried out by companies with different functional currencies. As of September 30, 2020 and 2019, the total nominal value hedged by currency derivatives is as follows:

	Thousands of euros	
Currency	**09.30.2020**	**09.30.2019**
Danish krone	906,263	669,057
United States dollar	197,751	54,858
Sterling pound	93,504	46,291
Norwegian krone	43,964	18,167
Australian dollar	22,284	6,774
Swedish krona	9,569	25,667
Japanese yen	8,073	2,796
New Zealand dollar	3,123	-
Canadian dollar	2,233	30,132
South African rand	908	751
Total	**1,287,672**	**854,493**

15. Current tax assets / liabilities and income tax

Since 2002 SIEMENS GAMESA and some of its subsidiaries located in the Basque Country, subject to Bizkaia´s corporate tax regulations, are taxed under the Special Consolidated Tax Regime, being SIEMENS GAMESA the Parent company of this Tax Group. This regime is now regulated under the chapter VI of the title VI of the *Norma Foral 11/2013* (Local Income Tax regulation), of December 5, and the *Norma Foral 2/2018*, of March 21, of the Bizkaia Historical Territory.

Moreover, since 2009, SIEMENS GAMESA and its subsidiaries which meet the requirements are subject to the application of the Special Regime of Value Added Tax for Group Entities included in chapter IX of the title IX of the *Norma Foral* 7/1994 of November 9 of Bizkaia which regulates this tax at its basic level, being SIEMENS GAMESA the Parent Company of the Tax Group.

The companies that integrate the Consolidated Tax Group under the Regional Regulations of Bizkaia for the purposes of Corporate Income Tax for the fiscal year 2020 are the following:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Sistemas Energéticos Sierra de Valdefuentes, S.L.U.
Siemens Gamesa Renewable Energy Europa, S.L.U.	Sistemas Energéticos Fonseca, S.A.U.
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Sistemas Energéticos Balazote, S.A.U.
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	Adwen Offshore, S.L.U.
Siemens Gamesa Renewable Energy Invest, S.A.U.	Sistemas Energéticos Argañoso, S.L.U.
Sistemas Energéticos Tablero Tabordo, S.L.U.	Sistemas Energéticos Carril, S.L.U.
Sistemas Energéticos Tarifa, S.L.U.	Sistemas Energéticos Loma del Reposo, S.L.U.
Parque Eólico Dos Picos, S.L.U.	Sistemas Energéticos Cabezo Negro, S.A.U.
Sistemas Energéticos Sierra de Las Estancias, S.A.U.	International Windfarm Developments IX, S.L.U.
International Windfarm Developments II, S.L.U.	Sistemas Energéticos Cuerda Gitana, S.A.U.
Sistemas Energéticos Cuntis, S.A.U.	Sistemas Energéticos Tomillo, S.A.U.
Sistemas Energéticos La Cámara, S.L.U.	Sistemas Energéticos Ladera Negra, S.A.U.
Sistemas Energéticos Argestes, S.L.U.	Sistemas Energéticos Ábrego, S.L.U.
Sistemas Energéticos Céfiro, S.L.U.	Sistemas Energéticos Boreas, S.L.U.
Sistemas Energéticos Gregal, S.L.U.	Sistemas Energéticos Eolo, S.L.U.
Sistemas Energéticos Terral, S.L.U.	Sistemas Energéticos Siroco, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	

The following companies are subject to the aforementioned Special Regime of Value Added Tax for Group Entities in the year 2020:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.
Adwen Offshore, S.L.U.	Sistemas Energéticos La Cámara, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Cabezo Negro, S.A.U.

A. NON-CURRENT AND CURRENT TAX ASSETS AND LIABILITIES

The breakdown between non-current and current balances with Taxation Authorities as of September 30, 2020 and 2019 is the following:

Thousands of euros	**09.30.2020**	**09.30.2019**
Non-current receivables		
Deferred tax assets	1,370	920
Current receivables		
Current income taxes receivable	5,125	-
VAT receivable	9,976	7,793
Withholdings and payments on account receivable	1,240	1,454
Total	**17,711**	**10,167**
Current payables		
Income tax payable	-	11,546
Accounts payable for withholdings	842	772
Social Security	685	442
Total	**1,527**	**12,760**

B. RECONCILIATION BETWEEN REPORTED PROFITS AND TAXABLE PROFITS

Due to the different accounting / tax considerations that certain operations have for the purpose of taxation of Corporate Income Tax, the taxable base for the year differs from the accounting result.

The reconciliation between the accounting result and the tax base of the SIEMENS GAMESA Corporate Income Tax at the individual level is as follows:

Thousands of euros	
Year 2020	
Result before tax	**(1,183,596)**
Plus (less) Permanent differences	1,146,439
Plus (less) Temporary differences	1,448
Other provisions	
Individual tax base	**(35,709)**
Plus (less) Eliminations due to consolidated taxation	-
Individual tax base contributed to the Group	**(35,709)**
Year 2019	
Result before tax	**169,107**
Plus (less) Permanent differences	(209,913)
Plus (less) Timing differences	
Other provisions	(710)
Individual tax base	**(41,516**)
Plus (less) Eliminations due to consolidated taxation	-
Individual tax base contributed to the Group	**(41,516)**

Permanent differences mainly correspond to the non-integration in the tax base of dividends received from its investees and the non-integration of certain portfolio provisions recorded in the current fiscal year that have been considered as non-deductible.

Within the permanent differences, the adjustment related to the income from received dividends, EUR 334 million (Note 18), is included, which generate income that is not integrated into the taxable income tax base (EUR 287 million as of September 30, 2019).

Temporary differences refer to the different accounting / tax allocation criteria for the calculation of the tax base.

C. RECONCILIATION BETWEEN REPORTED PROFITS AND THE INCOME (EXPENSE) FROM CORPORATE INCOME TAX

The reconciliation between reported profits and the Corporate Income Tax and expense is set out below:

Thousands of euros	2020	2019
Result before tax	**(1,183,596)**	**169,107**
Impact of permanent differences	1,146,439	(209,913)
Tax payable at 24% (26% in 2019)	**8,918**	**10,610**
Regularisation current and deferred taxes, Tax-loss carryforwards of the year not activated	7,229	(11,135)
Total Corporate Income Tax income (expense)	**16,147**	**(525)**

D. BREAKDOWN OF INCOME (EXPENSE) FROM CORPORATE INCOME TAX

The detail of the income (expense) from Corporate Income Tax for the periods ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Current tax		
From continuing operations	15,799	(206)
Deferred tax		
From continuing operations	348	(319)
Corporate Income Tax - income (expense)	**16,147**	**(525)**

E. RECOGNIZED DEFERRED TAX ASSETS

The breakdown as of September 30, 2020 and 2019 and movements in this account during the year are as follows:

Thousands of euros	10.01.2019	Statement of Profit and Loss	Equity	09.30.2020
Year 2020				
Temporary differences	920	348	-	1,268
Hedge derivatives	-	-	102	102
Total deferred tax assets	**920**	**348**	**102**	**1,370**

Thousands of euros	10.01.2018	Additions (disposals)	Regularization from changes in the tax rate	Other regularizations	09.30.2019
Year 2019					
Temporary differences	1,239	(185)	(81)	(53)	920
Total deferred tax assets	**1,239**	**(185)**	**(81)**	**(53)**	**920**

Deferred tax assets are mainly derived from the different tax / accounting allocation criteria applicable to certain remunerations and long-term incentives of personnel.

During fiscal year 2019, as a result of the reduction of the tax rate approved in Bizkaia applicable from the year 2020 onwards (24%), deferred taxes were assessed in accordance with this tax rate.

The legislation applicable to the current year establishes a temporary limitation of 30 years for the deductions and negative tax bases generated, also establishing that, for those deductions and negative tax bases existing prior to January 1, 2014, the term of 30 years starts counting from January 1, 2014. In the previous year, the temporary limitation was 15 years.

In addition, the applicable legislation, *Norma Foral 2/2018 de 21 de marzo*, amongst other modifications, introduced a reduction of the percentage for the application of deductions with limitation of quota from 45% to 35%, and also has limited the compensation of tax-loss carryforwards, so that in each tax period the compensation may not exceed 50% of the positive tax base prior to said compensation.

As of September 30, 2020, the Tax Group of which SIEMENS GAMESA is the Parent Company has tax-loss carryforwards that have not been registered in the amount of EUR 527,953 thousand (EUR 576,321 thousand as of September 30, 2019).

Generation period	Maturation period	Thousands of euros
2010	2043	1,789
2011	2043	8,701
2012	2043	44,876
2013	2043	143,400
2014	2044	21,430
2015	2045	4,557
2016	2046	21,557
2017	2047	250,306
2018	2048	3,162
2020	2050	28,175
Total		**527,953**

Additionally, there are tax losses pending of compensation not registered and generated before the taxation in the Special Tax Consolidation Regime for an amount of EUR 362,686 thousand (EUR 362,686 as of September 30, 2019), coming from the company Adwen Offshore, S.L.U. included in the Tax Group in the year 2018.

Likewise, as of September 30, 2020, SIEMENS GAMESA has outstanding tax credits generated prior to its taxation under the Special Tax Consolidation Regime amounting to EUR 4,386 thousand (EUR 4,386 thousand as of September 30, 2019). To the extent that these are tax credits generated prior to the taxation under the Consolidation Regime, such tax credits can only be used with future taxable bases generated by SIEMENS GAMESA itself. Due to the activity of SIEMENS GAMESA, and by application of the criterion of prudence, the Company has not recognized the tax effect of such tax credits, which will be recognized as a reduction in the Corporate Income Tax expense in the periods in which they are effectively applied.

Generation period	Maturation period	Thousands of euros
1998	2043	1,733
1999	2043	16
2000	2043	617
2001	2043	2,020
Total		**4,386**

On the other hand, as the parent of the Tax Group, SIEMENS GAMESA recognizes as deductions of the Tax Group, if applicable, the deductions pending to be applied as of September 30, 2020 corresponding to the subsidiaries of the Tax Group, for the current period, as well as for previous periods, along with the recognition of the corresponding accounts payable its subsidiaries. As of September 30, 2020, the Tax Group of which SIEMENS GAMESA is the parent has not recognized deductions amounting to EUR 94,970 thousand (EUR 94,270 thousand as of September 30, 2019).

Generation period	Maturation period	Thousands of euros
2009 and previous years	2043	4,931
2010	2043	598
2011	2043	187
2012	2043	2,973
2013	2043	84,842
2014	2044	798
2015	2045	173
2016	2046	193
2017	2047	104
2018	2048	29
2019	2049	142
Total deductions		**94,970**

Additionally, there are deductions which are not recorded amounting to EUR 25,659 thousand generated by other companies of the Tax Group before the taxation under the Special Tax Consolidation Regime (EUR 25,659 thousand as of September 30, 2019), mainly, coming from the company Adwen Offshore, S.L.U. included in the Tax Group in the year 2018.

As a result of the Corporate Income Tax expense estimates made by the companies of the Tax Group, and of the recognized deductions and tax credits, SIEMENS GAMESA, as the parent of the Tax Group, has booked a decrease in the account receivable from group companies in an amount of EUR 8,069 thousand (an increase of EUR 14,852 thousand in period ended September 30, 2019).

F. YEARS OPEN TO INSPECTION AND TAX AUDIT ACTION

As established by current legislation, taxes cannot be considered to be definitively settled until the relevant returns have been reviewed by the tax authorities or four years have elapsed since filing. As of September 30, 2020, in Spain the Group has all years since 2016 open for review for Corporate Income Tax and for the other taxes to which it is subject to.

The Company considers that all tax returns have been properly prepared and therefore, should there be any dispute regarding the interpretation of the current legislation with respect to the tax treatment of operations, any liabilities that may arise would not significantly affect the accompanying Financial Statements.

16. Guarantees

As of September 30, 2020, SIEMENS GAMESA has granted financing and performance guarantees to companies of SIEMENS GAMESA Group in front of third parties, for an amount of EUR 30,188 million (EUR 24,410 million as of September 30, 2019).

SIEMENS GAMESA considers that the liabilities, if any, that could arise from the obligations and guarantees as of September 30, 2020 and 2019, would not be significant.

17. Income and expenses

A. REVENUE

The “Revenue” for the year ended September 30, 2020 and 2019 corresponds entirely with operations carried out in the domestic territory (Note 18).

B. OTHER OPERATING INCOME, ACCESSORY AND OTHER ORDINARY INCOME

The heading “Other operating income - Accessory and other current income” in the accompanying Statement of Profit and Loss for the year ended September 30, 2020 and 2019 includes an amount of EUR 61,572 thousand and EUR 33,568 thousand (Note 18), respectively, basically related to services rendered by the management of the Company to other group companies for advisory, assistance and support to management and to other departments, in monitoring the business objectives set by the Company.

C. STAFF COSTS

The breakdown of the heading "Staff Costs" in the Statement of Profit and Loss for the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Salaries and wages	30,630	21,596
Variable compensation	6,256	3,002
2016-2017 Incentives Plan	-	89
2018-2020 Incentives Plan (Note 12.E)	1,685	2,060
Termination benefits (Note 3.P)	7,745	3,285
Wages, salaries and similar expenses	**46,316**	**30,032**
Social security costs	6,092	3,552
Other employee benefits	2,966	3,302
Social security costs	**9,058**	**6,854**
Total	**55,374**	**36,886**

The item "Variable compensation" includes the amounts accrued during the period for management and other employees of the Company for the achievement of the targets set for the period.

The amount under the “Termination benefits” item for fiscal year 2020 and 2019, corresponds to compensations to several executives of the Company, as well as to the capacity adjustments made to face the changes in the market conditions.

The average number of employees during the years ended on September 30, 2020 and 2019, distributed by professional categories and gender is as follows:

	2020			2019		
Average number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Executives and Top Management	37	7	44	38	9	47
Management	74	42	116	43	23	66
Employees	110	144	254	85	52	137
Total	**221**	**193**	**414**	**166**	**84**	**250**

During the year ended September 30, 2020 the Board of Directors of SIEMENS GAMESA is formed on average by 12 members, 9 males and 3 females, and during 2019 by 13 members, 10 males and 3 females.

The Top Management is formed as average during the year ended September 30, 2020 and 2019 by 7 and 6 members, respectively, all of them male.

The distribution of employees in September 30, 2020 and 2019 is as follows:

	09.30.2020			09.30.2019		
Number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Executives and Top Management	40	7	47	38	9	47
Management	79	48	127	50	24	74
Employees	131	162	293	60	98	158
Total	**250**	**217**	**467**	**148**	**131**	**279**

The Board of Directors is formed by 10 members, 7 males and 3 females as of September 30, 2020 and 13 members, 10 males and 3 females as of September 30, 2019.

The Top Management of SIEMENS GAMESA Group is formed by 6 and 7 members as of September 30, 2020 and 2019, respectively, all of them male.

The increase of the average number of employees in 2020, is due to the centralization of the purchasing and personnel departments in SIEMENS GAMESA. As a consequence of this decision, a large part of the employees of those departments have become part of the personnel of SIEMENS GAMESA.

The average number of employees of SIEMENS GAMESA in 2020 and 2019 with a disability equal to or greater than 33%, by category, is as follows:

Categories	**2020**	**2019**
Managers	3	2
Total	**3**	**2**

D. OTHER OPERATING EXPENSES

The breakdown of the “External Services” and “Taxes other than income tax" under the heading "Other operating expenses” in the Statement of Profit and Loss for the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	**2020**	**2019**
Leases and royalties	2,201	4,891
Repairs and maintenance	334	839
Independent professional services	71,853	51,627
Transport costs	21	13
Insurance premiums	4,418	5,512
Bank commissions	12,956	5,342
Advertising, publicity and public relations	2,535	880
Utilities	498	899
Other services	12,519	9,735
Other taxes	8	27
Total	**107,343**	**79,765**

The increase of the heading “Independent professional services” is mainly due to the transaction costs of the adquisitions described in Note 1.B.

As of September 30, 2020 and 2019, the future minimum lease payments under non-cancellable operating leases arranged by SIEMENS GAMESA amount approximately to EUR 1,097 thousand and EUR 2,150, respectively. The breakdown by maturity of payments of the non-cancellable operating lease instalments is as follows:

Thousands of euros **09.30.2020**	**2021**	**2022-2025**	**2026 onwards**
Non-cancellable operating lease instalments	492	527	78

Thousands of euros **09.30.2019**	**2020**	**2021-2024**	**2025 onwards**
Non-cancellable operating lease instalments	1,074	1,028	48

The decrease mainly corresponds to the change of the ownership of some of the lease contratcts, mainly in Pamplona, which have been assumed by other companies of the Group. As of September 30, 2020 and 2019, the Company

maintains various lease contracts, mainly related with offices located in Zamudio and Madrid. There are no material car lease contracts.

E. EXCHANGE DIFFERENCES

Note 4.A provides a breakdown of the assets and liabilities denominated in foreign currency as of September 30, 2020 and 2019.

The exchange differences recognized in the Statement of Profit and Loss, except for those caused by financial instruments measured at fair value with changes in the Statement of Profit and Loss (Note 14), amount to EUR 3,043 thousand (income) and EUR 345 thousand (income) in fiscal years 2020 and 2019, respectively.

18. Transactions and balances with related parties

A. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The balances maintained with group companies and related parties, without considering the investments in Group companies and associates, as of September 30, 2020 and 2019 are as follows:

Thousands of euros		2020						
Company	Country	Long-term credits to group companies and associates (Note 9)	Receivables from group, associates and related companies (Note 10)	Short-term credits to group companies and associates (Note 10)	Derivative assets (Notes 10 and 14)	Derivative liabilities (Note 14)	Short-term payables to group companies and associates	Suppliers, group, associates and related companies
Siemens Energy Group	Germany	-	-	-	-	-	-	40
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	1,920	196,205	-	-	374,294	23,099
Siemens Gamesa Renewable Energy Pty Ltd	Australia	-	556	-	-	-	40,683	-
Siemens Gamesa Renewable Energy GmbH	Austria	-	23	8,531	-	-	258	62
Siemens Gamesa Renewable Energy Eólica, S.L.U.	Spain	-	8,107	1,084,156	-	-	131	83
Siemens Gamesa Renewable Enerji Anonim Sirketi	Turkey	-	1,647	570	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	1,327	-	-	-	110,073	-
Siemens Gamesa Renewable Energy NV	Belgium	-	1,052	-	-	-	25,574	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	3,523	-	-	-	79,396	-
Siemens Gamesa Renewable Energy AB	Sweden	-	678	-	-	-	44,121	940
Siemens Gamesa Renewable Energy Limited	United Kingdom	-	5,521	138,105	-	-	246,652	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	183	-	-	-	23,557	-
Siemens Gamesa Renewable Energy AS	Norway	-	1,610	-	-	-	59,908	-
Siemens Gamesa Renewable Energy, Inc.	United States	-	10,573	-	-	-	168,167	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	450	12,932	-	-	-	3
Siemens Gamesa Renewable Energy A/S	Denmark	-	15,466	-	-	-	851,001	3,187
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	-	260	377,286	-	-	-	-
Adwen Offshore, S.L.U.	Spain	-	29	-	-	-	730,583	-
Gamesa Wind (Tianjin) Co., Ltd.	China	-	5,149	-	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	420	80,887	-	-	-	7
Siemens Gamesa Renewable Energy Limited	Canada	-	438	-	-	-	4,286	81
Siemens Gamesa Renewable Energy Latam, S.L.	Spain	-	201	-	-	-	12,638	-
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	-	416	39,601	-	-	-	-
Siemens Gamesa Renewable Energy Offshore Wind Limited	Taiwan	-	4,608	-	-	-	53,242	-
Siemens Gamesa Renewable Energy d.o.o.	Croatia	-	61	9,296	-	-	-	-
Other SIEMENS GAMESA Group companies	-	-	15,237	11,405	-	-	11,493	8,210
Siemens AG	Germany	-	-	-	-	-	235,040	114
Total balances, group companies and associates		**-**	**79,455**	**1,958,974**	**-**	**-**	**3,071,097**	**35,826**

Thousands of euros		2019						
Company	Country	Long-term credits to group companies and associates (Note 9)	Receivables from group, associates and related companies (Note 10)	Short-term credits to group companies and associates (Note 10)	Derivative assets (Notes 10 and 14)	Derivative liabilities (Note 14)	Short-term payables to group companies and associates	Suppliers, group, associates and related companies
Siemens AG	Germany	-	-	-	1,497	979	264,266	3,586
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	1,508	35,839	-	-	278,261	22,149
Siemens Gamesa Renewable Energy Pty Ltd	Australia	-	784	-	-	-	26,297	-
Siemens Gamesa Renewable Energy GmbH	Austria	-	13	8,185	-	-	309	65
Siemens Gamesa Renewable Energy Eólica, S.L.U.	Spain	380,000	11,027	82,344	-	-	131	-
Siemens Gamesa Renewable Enerji Anonim Sirketi	Turkey	-	826	2,206	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	51	-	-	-	57,914	-
Siemens Gamesa Renewable Energy NV	Belgium	-	445	-	-	-	33,829	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	549	-	-	-	67,039	-
Gamesa Energy Transmission, S.A.U.	Spain	-	1	-	-	-	19,828	-
Siemens Gamesa Renewable Energy AB	Sweden	-	198	-	-	-	25,456	-
Siemens Gamesa Renewable Energy Limited	United Kingdom	-	1,772	101,927	-	-	72,241	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	81	-	-	-	2,287	-
Siemens Gamesa Renewable Energy AS	Norway	-	508	-	-	-	10,339	-
Siemens Gamesa Renewable Energy, Inc.	United States	-	5,341	-	-	-	161,134	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	94	4,534	-	-	-	-
Siemens Gamesa Renewable Energy A/S	Denmark	-	13,519	-	-	-	637,809	3,423
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	120,000	10	148,692	-	-	-	-
Adwen Offshore, S.L.U.	Spain	-	155	-	-	-	717,643	-
Siemens Gamesa Renewable Energy Technology (China) Co. Ltd.	China	-	4,439	-	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	2	78,442	-	-	-	105
Siemens Gamesa Renewable Energy Latam, S.L.	Spain	-	-	-	-	-	11,455	522
Siemens Gamesa Renewable Energy Apac, S.L.	Spain	-	8	-	-	-	15,001	-
Siemens Gamesa Renewable Energy Deutschland GmbH	Germay	-	-	8,801	-	-	-	-
Siemens Gamesa Renewable Energy Limited	Canada	-	35	-	-	-	30,584	-
Other SIEMENS GAMESA Group companies	-	-	10,674	24,490	-	-	17,461	3,631
Total balances, group companies and associates		**500,000**	**52,040**	**495,460**	**1,497**	**979**	**2,449,284**	**33,481**

B. RELATED-PARTY TRANSACTIONS

The breakdown of the transactions with group companies, associates and related parties during the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	Siemens Energy Group	Siemens AG	Other Siemens Group companies	SIEMENS GAMESA Group companies	Associates	Total
Year 2020						
Dividends from investments in group companies and associates	-	-	-	333,908	-	**333,908**
Income from credits to group companies and associates	-	-	-	37,568	-	**37,568**
Accessory and other current revenues	-	-	-	61,572	-	**61,572**
External services (*)	750	7,546	646	32,830	-	**41,772**
Financial expenses on debts to group companies and associates	-	-	-	962	-	**962**
Other financial results (**)	-	3,535	-	-	-	**3,535**
Year 2019						
Dividends from investments in group companies and associates	-	-	-	286,503	-	**286,503**
Income from credits to group companies and associates	-	-	-	32,262	-	**32,262**
Accessory and other current revenues	-	-	-	33,568	-	**33,568**
External services	-	10,169	1,523	27,342	584	**39,618**
Financial expenses on debts to group companies and associates	-	-	-	2,676	-	**2,676**
Other financial results (**)	-	123	-	-	-	**123**

(*) The amount of "External services" with Siemens AG mainly belongs to a service agreement for procument services signed on August 1, 2018 and the service agreement on specific accounting related topics signed on October 1, 2018.

(**) This amount belong to exchange rate differences.

Dividends from investments in group companies and associates

During the years 2020 and 2019 the following "Dividends from investments in group companies and associates" have been approved:

Thousands of euros			
Company	**Country**	**Dividend**	**Date of approval**
Year 2020			
Siemens Gamesa Renewable Energy A/S	Denmark	254,245	January 8, 2020
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	56,310	June 23, 2020
Siemens Gamesa Renewable Energy NV	Belgium	12,267	December 16, 2019
Siemens Gamesa Renewable Energy B.V.	Holland	5,228	January 7, 2020
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	2,248	May 20, 2020
Siemens Gamesa Renewable Energy (PTY) Ltd	South Africa	2,172	February 14, 2020
Siemens Gamesa Renewable Energy Limited	Thailand	1,438	January 31, 2020
Total dividends received		**333,908**	
Year 2019			
Siemens Gamesa Renewable Energy A/S	Denmark	136,761	January 28, 2019
Siemens Gamesa Renewable Energy Limited	United Kingdom	79,296	September 30, 2019
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	22,744	May 21, 2019
Siemens Gamesa Renewable Energy Limited	Canada	20,096	June 24, 2019
Siemens Gamesa Renewable Energy BVBA	Belgium	10,081	January 8, 2019
Siemens Gamesa Renewable Energy B.V.	Netherlands	8,302	February 21, 2019
Siemens Gamesa Renewable Energy S.A.S.	France	2,280	February 28, 2019
Siemens Gamesa Renewable Energy d.o.o.	Croatia	2,109	June 13, 2019
Siemens Gamesa Renewable Energy (PTY) LTD	South Africa	1,743	December 7, 2018
Siemens Gamesa Renewable Energy Limited	South Korea	940	December 28, 2018
Siemens Gamesa Renewable Energy Limited	Thailand	843	January 18, 2019
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	662	April 1, 2019
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	646	January 23, 2019
Total dividends received		**286,503**	

Main financing arrangements between SIEMENS GAMESA Group companies

Long-term credits to group companies and associates

On September 30, 2020 there are no long-term credits since the three existing credits as of September 30, 2019 mature in the short-term (maturity during fiscal year 2021).

Short-term credits to group companies and associates

On July 2, 2018 a credit was granted to Siemens Gamesa Renewable Energy Eólica S.L. U. (Spain) for EUR 200,000 thousand and whose maturity will be July 2, 2021. This credit accrued interests of EUR 2,440 thousand and EUR 2,327 thousand during the fiscal year 2020 and 2019, respectively, which are pending of collection on September 30, 2019 and 2018 and therefore, registered under the heading "Short-term credits to group companies and associates". In addition, on July 24, 2018 another credit was granted to the Company amounting to EUR 180,000 thousand and whose maturity will be July 23, 2021, accruing interests of EUR 2,196 thousand and EUR 1,920 thousand during the fiscal years 2020 and 2019, respectively.

On July 3, 2018 a credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A. (Spain) for an amount of EUR 120,000 thousand and whose maturity will be June 30, 2021. This credit has accrued interests of EUR 1,464 thousand and EUR 1,397 thousand during the fiscal years 2019 and 2018, respectively, which are pending of collection on September 30, 2020 and 2019, and therefore registered under "Short-term credits to group companies and associates".

On January 15, 2018 a credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain) for an amount of EUR 140,000 thousand, accruing interests of EUR 854 thousand for the year 2019. Both credit and interests were fully amortized as of the closing of the year 2019.

On January 29, 2019, another credit was granted to the same company with a limit of EUR 180,000 thousand, whose first drawdown amounted to EUR 142,900 thousand. This amount has been reduced during the year, presenting on September 30, 2020 an amount of EUR 129,364 thousand, accruing a total amount of interests of EUR 866 thousand and EUR 729 thousand during 2020 and 2019, and which are pending of collection as of the closing of the year.

As of September 30, 2020 there is still a credit with Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain) amounting to EUR 99,214 thousand (EUR 99,214 thousand for the year ended September 30, 2019). The interest accrued in the years 2020 and 2019 for that credit amounts to EUR 1,210 thousand and EUR 1,410 thousand, respectively, and are pending of collection as of September 30, 2020 and 2019.

On February 20, 2018 a credit was granted to Siemens Gamesa Renewable Energy Eólica S.L.U. (Spain) for an initial amount of EUR 100,000 thousand and extended on April 3, 2018 to EUR 170,000 thousand and on May 21 to EUR 270,000 thousand. There was a new a new extension on January 1, 2019 to reach the limit of EUR 520,000 thousand. On January 16, 2020 an extension of this credit limit up to EUR 800,000 thousand has been signed. The drawdown of this credit as of September 30, 2020 amounts to EUR 664,922 thousand. The interests accrued during the years 2020 and 2019 amounted to EUR 6,385 thousand and EUR 4,625 thousand, respectively. They are pending of collection as of September 30, 2020 and 2019.

As of October 22, 2018, SIEMENS GAMESA granted to the same company a short-term loan of EUR 100,000 thousand, accruing in this period EUR 287 thousand. This loan and the interests had been settled in January 2019.

As of May 14, 2019, a credit was granted to Siemens Gamesa Renewable Energy, S.A. de C.V. (Mexico) in amount of USD 15,000 thousand. On May 13, 2020 this credit was cancelled. It has accrued interests amounting USD 216 thousand (equivalent to EUR 193 thousand), which are pending of collection on September 30, 2020 and 2019, included in the line item of "Other SIEMENS GAMESA group companies".

On December 30, 2019, a credit was granted to Siemens Gamesa Renewable Energy 9REN, S.L.U. in amount of EUR 2,500 thousand. The drawdown of this credit on September 30, 2020 amounts to EUR 1,330 thousand. The interests accrued during the year 2020 amount to EUR 5 thousand. They are pending of collection as of September 30, 2020.

Additionaly, as of September 30, 2020 and 2019, SIEMENS GAMESA has credits granted at market conditions amounting to EUR 490,770 thousand and EUR 279,129 thousand, respectively, to Group companies under the SIEMENS GAMESA Cash Management System.

This system is based on the premise that all transactions between certain group companies are managed through SIEMENS GAMESA, which records amounts receivable from group companies and payable to the parent company of SIEMENS Group, so that it minimizes its receivable positions with group companies.

Interest accrued during the years ended September 30, 2020 and 2019 on the SIEMENS GAMESA Cash Management System added up EUR 23,002 thousand and EUR 18,520 thousand, respectively, included under the heading "Revenue - Income from credits to group companies and associates" of the Statement of Profit and Loss.

Short-term payables to group companies and associates

As of September 30, 2020 and 2019 SIEMENS GAMESA has loans to group companies amounting to EUR 3,059,646 thousand and EUR 2,412,931 thousand, respectively, under SIEMENS GAMESA Cash Management system.

Interest accrued during 2020 and 2019 on these payables amount to EUR 935 thousand and EUR 2,667 thousand, respectively, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

On July 2, 2019 Siemens Gamesa Renewable Energy Latam, S.L. granted a credit to SIEMENS GAMESA for an amount of EUR 30,000 thousand. The initial drawdown was EUR 6,900 thousand, amounting as of September 30, 2020 to an amount of EUR 12,610 thousand. Interest accrued during 2020 and 2019 on this credit amounts to EUR 23 thousand and EUR 5 thousand, respectively, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

On September 25, 2020 Siemens Gamesa Renewable Energy Latam, S.L. granted a credit to SIEMENS GAMESA for an amount of USD 50,000 thousand. There has been no drawdowns of this credit until September 30, 2020.

On July 2, 2019 Siemens Gamesa Renewable Energy 9REN, S.L.U. granted a credit to SIEMENS GAMESA for an amount of EUR 5,000 thousand. The initial drawdown was EUR 3,500 thousand, amounting as of September 30, 2020 to EUR 0 thousand. Interest accrued during 2020 and 2019 on this credit amounts to EUR 2 thousand and EUR 3 thousand, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss, included in the line item of "Other SIEMENS GAMESA group companies".

On September 25, 2019 Siemens Gamesa Renewable Energy Apac, S.L. granted a credit to SIEMENS GAMESA for an amount of EUR 20,000 thousand, of which an amount of EUR 15,000 thousand has been drawn. On September 24, 2020 this credit was cancelled. Interests accrued during 2020 and 2019 on this credit amount to EUR 2 thousand and EUR 1 thousand, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

C. TRANSACTIONS WITH SIEMENS GROUP

Goods and services purchased

On June 17, 2016, SIEMENS GAMESA and SIEMENS signed a Strategic Alliance Agreement, relating to the framework for the supervision of the strategic relationship between the parties and which included, as part of the strategic partnership established, the intention of the parties to conclude the so called "Implementation Agreements".

One of such signed "Implementation Agreements" is the Strategic Supply Agreement by virtue of which SIEMENS became the strategic SIEMENS GAMESA supplier of gears, segments, and other products and services offered by SIEMENS for the wind power business. The award system set out therein ensures that the supplies will be carried under market conditions, as well as the involvement of and access to other suppliers. In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS signed in May 2020 an Extension and Amendment Agreement to the Strategic Supply Agreement (as further detailed below).

On March 31, 2017, SIEMENS GAMESA and SIEMENS entered into a Trademark and Name Use License Agreement by virtue of which SIEMENS GAMESA was entitled to use the SIEMENS brand during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as SIEMENS holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Accordingly, in the context of SIEMENS ENERGY Spin-Off, this Trademark and Name Use License Agreement has expired.

On May 4, 2017 SIEMENS GAMESA and SIEMENS signed a Framework Agreement concerning the relationship between the parties. In the context of SIEMENS ENERGY Spin-Off, this Framework Agreement is no longer in force.

On August 1, 2018, SIEMENS GAMESA and SIEMENS entered into an external services agreement (hereinafter, "ESA") (as amended in September 2019) by which SIEMENS provides procurement services enabling SIEMENS GAMESA Group to benefit from collective bargaining power. The initial term of the ESA was 1 year for operational procurement services while the initial term for other procurement services was 2 years from effective date, both extendable for 2 additional years. ESA was as of September 2019 extended until end of July 2022, although certain services will terminate in March/April 2021 as a result of a termination notice issued by SIEMENS GAMESA to SIEMENS.

On August 20, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy GmbH & Co. KG and SIEMENS entered into a contractual agreement (in the form of a memorandum of understanding) by which both parties cooperate in the development and deployment of thermal energy storage systems. The project is co-funded by the Federal Ministry of Economic Affairs and Energy of Germany.

On September 3, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy LLC, and SIEMENS, through its subsidiary OOO Siemens Gas Turbine Technologies, entered into a contract manufacturing agreement for the assembly of wind turbines for the Russian market. The initial term is set to 3 years.

On October 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on specific accounting related topics. This agreement has expired on September 30, 2020.

On January 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support for administration of Intellectual Property related matters.

On April 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides licenses for Teamcenter software maintenance and original equipment manufacturer support utilized for managing the product development process. This agreement has been extended until September 30, 2021.

During fiscal years 2020 and 2019, SIEMENS GAMESA Group has purchased supplies for the Wind Turbine construction from SIEMENS Group, from the SIEMENS divisions "Process Industries and Drives" and "Energy Management". In addition, SIEMENS Group provided services to SIEMENS GAMESA Group based on Transitional Service Agreements for IT services, tax services, selling support, human resources, legal, treasury services and corporate finance services, among others.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on manpower for United States onshore projects.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into service agreements by which SIEMENS provides sales support and government affairs support.

During fiscal years 2020 and 2019, SIEMENS GAMESA and SIEMENS extended same existing office lease agreements and also new office lease agreements have been signed.

During fiscal year 2020, SIEMENS GAMESA and SIEMENS extended several existing license agreements, and license maintenance and service agreements.

On May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an "umbrella" for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements covered under the Umbrella Agreement:

<u>Agreements signed with SIEMENS</u>

- Trademark and Name Use (Sub-) Licensing Agreement with a fixed initial term of 10 years for a worldwide, fully paid up right – and also obligation - to use the trademark and designation "SIEMENS" to SIEMENS GAMESA and as long as SIEMENS has a trademark licensing agreement with SIEMENS ENERGY and provided, inter alia, that SIEMENS ENERGY remains the controlling shareholder of SIEMENS GAMESA.

- Amendment Agreement to the Service Agreement regarding the use of SIEMENS's cash management tool, in order to continue using that tool after the Spin-off.

- Amendment of the contractual conditions of the Guarantee Facility Agreements (hereinafter, "GFA") for the existing guarantee portfolio with SIEMENS to adapt the new conditions applicable for SIEMENS not being a majority shareholder of SIEMENS GAMESA. Essentially the agreement is continued until the expiration of the guarantees. Although the level of fees paid for the guarantees does increase especially during the first two years (compared to the period during which SIEMENS GAMESA was still part of SIEMENS), the fee level has been substantially reduced compared to the original applicable contractual stipulations for the scenario.

- Extension and Amendment Agreement to the Strategic Supply Agreement for future supply of components and services from SIEMENS. The scope of the Strategic Supply Agreement includes, inter alia, the supply by SIEMENS to SIEMENS GAMESA of segments and gears.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS also signed the following agreements:

- On August 13, 2020, Preferred Financing Agreement which provides a framework whereby the parties collaborate in the development and execution of financial solutions - through Siemens Financial Services ("SFS") and related Financing Entities - towards customers using SIEMENS GAMESA technology and/ or services.

- On August 20, 2020, US Government Affairs & Lobbying Support for government affairs support from Siemens Corporation in Washington DC.

- On September 24, 2020, Service Contract for the SIEMENS common Remote Service Platform classic ("cRSP") which is a Siemens proprietary platform used to provide secure remote access to Wind Turbines equipment and it is used by SIEMENS GAMESA to get remote access to legacy Siemens Wind Power wind farm systems and components.

- On September 1, Service Contract for the SIEMENS Extensible Security Testing Appliance ("SiESTA") which is an appliance box for extensive security testing of industrial IT systems that provides vulnerability scanning services.

Agreements signed with SIEMENS ENERGY

Detailed below in Section G.

Guarantees provided between SIEMENS GAMESA Group and SIEMENS Group

As of September 30, 2020, SIEMENS Group has provided guarantees to third parties for the performance of SIEMENS GAMESA Group amounting to EUR 11,414 million (EUR 21,204 million as of September 30, 2019).

In December 2018, SIEMENS GAMESA and SIEMENS entered into an agreement by which SIEMENS GAMESA issued a technical guarantee to SIEMENS related to several repowering projects in United States involving tax equity investment from SIEMENS.

Share-based payments

Certain employees of SIEMENS GAMESA Group that have transferred from other SIEMENS Group entities participate in share-based payment awards implemented by SIEMENS. SIEMENS delivers the respective shares on behalf of SIEMENS GAMESA. Due to the limited extent of participation in the share-based programs, the effect on the Financial Statements is not significant in the periods presented. These programs are ended as of September 30, 2020.

Hedging and derivatives

SIEMENS GAMESA Group's hedging activities were partially performed via SIEMENS and Siemens Capital Company LLC on an arm's length basis until March 2020. The consideration was based on the market rates. The outstanding

portfolio of hedges with SIEMENS and Siemens Capital Company LLC was terminated and transferred to external banks during September 2020, before the SIEMENS ENERGY Spin-off.

On February 2019, SIEMENS GAMESA, issued a guarantee to SIEMENS regarding the provided hedging services amounting to approximately 3% of the outstanding hedging volume. The parent company guarantee expiration was linked to the termination of the hedging contracts with SIEMENS and Siemens Capital Company LLC, which are already finished as of September 30, 2020.

Insurance program

At the end of September 2017, SIEMENS GAMESA, as a company member of SIEMENS Group, adhered, with effective date from October 1, 2017, to a global stand-alone insurance program including all-risk property damages insurance policies, civil liability insurance policies, transport, chartering of ships and all-risk construction insurance policies. Siemens Financial Services acts as insurance broker and service provider for the Global Insurance Program. This ended on September 30, 2019.

D. AGREEMENTS WITH THE IBERDROLA GROUP RELATED TO THE WIND TURBINES AND OPERATIONS AND MAINTENANCE SEGMENTS

On February 4, 2020, Iberdrola Participaciones sold all its shares at SIEMENS GAMESA to SIEMENS. At the same date, Iberdrola, SIEMENS and SIEMENS GAMESA signed a cooperation agreement that covers certain wind power projects. For these projects, Iberdrola, as a customer of SIEMENS and SIEMENS GAMESA, will grant these companies exclusive negotiation rights for a limited period of time.

From February 5, 2020, Iberdrola is no longer a related party of SIEMENS GAMESA (Note 1.C).

SIEMENS GAMESA Group, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U. and Iberdrola, S.A., concluded on December 21, 2011 a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, SIEMENS GAMESA Group and Iberdrola, S.A. assumed the following commitments:

- Iberdrola, S.A. shall acquire from SIEMENS GAMESA Group a quota of megawatts equivalent to 50% of the total onshore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the framework agreement.

  This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola Group from SIEMENS GAMESA Group totals 3,800 MW, whichever occurs first.

  Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), no sales were made in the framework of the abovementioned contract (approximately 110 MW during the first half of fiscal year 2019).

- SIEMENS GAMESA and Iberdrola, S.A. will closely collaborate with new opportunities relating to the offshore wind business.

- SIEMENS GAMESA and Iberdrola, S.A. will collaborate within the area of maintenance services so that Siemens Gamesa Renewable Energy Eólica, S.L.U. will become a company of reference with respect to wind farm maintenance throughout the Iberdrola Group's business.

- Likewise, during the period different minor components have been delivered, mainly spare parts.

In April 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U., closed an agreement with the Iberdrola Group for the maintenance of wind farms in the Iberian Peninsula of about 1,265 MW for a period of 2 years plus another optional year.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), the total of MW under maintenance in the Iberdrola Group's wind farms approximately amounted to 4,200 MW. An agreement for the supply of spare parts and repairs was currently in force, with an end date of December 2020.

In addition, in October 2015, SIEMENS GAMESA Group and the Iberdrola Group reached an agreement to implement the product Energy Thrust, aimed to increase the efficiency of the turbines and their production ratios, for a total of 1,602 MW.

In December 2016, a later addendum to the previous contract was signed extending it by additional 612 MW for the 2 MW platform. Moreover, for different companies in the Iberdrola Group an additional 795 MW was negotiated.

In July 2018, an agreement has been reached with the Iberdrola Group for the installation and activation of the Energy Thrust product in 941 wind turbines of the Avangrid Fleet, and in August 2018, for the installation and activation of the same product in part of the Scottish Power's fleet. The former, finalized in December 2018 and the latter was still ongoing at the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C).

In December 2018, SIEMENS GAMESA signed an agreement with Iberdrola Group for the sale of two special purpose vehicles for two windfarms in Spain with a total of approximately 70 MW. In July 2019, SIEMENS GAMESA closed an agreement with the Iberdrola Group for the sale of one special purpose vehicle for a windfarm in Spain with a total of approximately 49 MW.

In January and February 2019, SIEMENS GAMESA signed several long-term service agreements with the Iberdrola Group for several windfarms in Spain with a total of 106 MW.

Finally, in May 2019, SIEMENS GAMESA signed a supply agreement contract for high voltage electricity with Iberdrola in Spain for a 3 years period.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), several sales were made amounting to 202 MW. Additionally, several short and mid-term service agreements were made.

E. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND WINDAR RENOVABLES, S.L.

On June 25, 2007 SIEMENS GAMESA Group (through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U.) signed a tower supply agreement with Windar Renovables, S.L. On September 4, 2019, both parties signed a tower supply agreement for fiscal year 2020, in which SIEMENS GAMESA Group guaranteed Windar Renovables, S.L. 90% of the tower demand in region SE&A (included in EMEA geographical area).

In 2020, SIEMENS GAMESA Group and Windar Renovables, S.L. have signed a tower supply agreement for an offshore windfarm.

The conditions for transactions with associates are equivalent to those carried out with independent parties.

F. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND SCHAEFFLER TECHNOLOGIES AG & CO. KG

On September 28, 2018, SIEMENS GAMESA Group reached a settlement agreement with Schaeffler Technologies AG & Co. KG regarding a previous supply contract. This agreement consisted mainly of a payment to SIEMENS GAMESA Group in amount of EUR 4,000 thousand. During 2019 this amount was collected while other aspects of the settlement were modified mainly to components supply.

SIEMENS GAMESA Group and Schaeffler Technologies AG & Co. KG have a Master Framework Agreement for the price and volume of procurements entered into before the Merger effective date (through SIEMENS).

During fiscal year 2020, SIEMENS GAMESA and Schaeffler Technologies AG & Co. KG signed purchase agreements for components, spare parts and services.

G. TRANSACTIONS WITH SIEMENS ENERGY GROUP

Agreements signed with SIEMENS ENERGY Group

As mentioned above (Note 18.C), on May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an "umbrella" for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements between SIEMENS GAMESA and SIEMENS ENERGY covered under the Umbrella Agreement:

- External Service Agreement for the provision of software licenses and software license-related services by which SIEMENS ENERGY will manage specific software products and related services centrally to provide cost-effective and compliant services.

- Agreement on Siemens Guarantees with SIEMENS ENERGY as a joint and several guarantors in favor of SIEMENS under the GFA (as defined in the Note 18.C). As of September 30, 2020, SIEMENS ENERGY has provided counter-guarantees to SIEMENS in amounting of EUR 11,414 million to counter-guarantee the Parent Company Guarantees (PGC) and Corporate bonds issued by SIEMENS to SIEMENS GAMESA Group companies.

- Agreement on Netting and Settlement of Group Internal receivables and Payables for Goods and Services. The aim is to continue participating in SIEMENS Group internal netting and settlement system.

- Strategic Alliance Agreement (hereinafter, "SAA") with SIEMENS ENERGY as successor to existing SAA with SIEMENS. Scope of the SAA provides a framework for the supervision of the strategic relationship between the parties and follows the evolution of three agreements:

    - Strategic Supply Agreement for future supply of transformers and related services from SIEMENS ENERGY.

    - Key Account Management Service Agreement under which SIEMENS ENERGY and SIEMENS GAMESA provide sales support services to each other for a list of agreed common key customers.

    - Regional Support Agreement with the possibility for SIEMENS GAMESA to benefit from SIEMENS ENERGY worldwide country setup in the area of sales and marketing such as customer relationship management, proposal management, sales support and administration, sales consulting, marketing, market research and analysis, outbound marketing, promotion and event management.

- Framework Agreement setting forth certain rights and obligations concerning the relationship between the parties.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS ENERGY also signed the following agreements:

- Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of IT-related services to cover a small subset of the original service portfolio that SIEMENS GAMESA was receiving from SIEMENS.

- On 31 August 2020, a Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of HR-related services for the "Workday" and "Concur" platforms.

On October 1, 2020, SIEMENS GAMESA and SIEMENS ENERGY entered into a service agreement by which SIEMENS will provide corporate accounting support services until September 30, 2022.

19. Directors' remuneration

In the years 2020 and 2019, the Directors of SIEMENS GAMESA earned compensations for membership and assistance to the Board and Board´s Committees, when applicable, salary, severance, variable compensation in cash, long-term savings system and other concepts amounting to approximately EUR 4,885 thousand and EUR 3,498 thousand, respectively. The breakdown of Directors' compensation is as follows:

Thousands of euros	2020	2019
Members of the Board of Directors		
Type of remuneration		
Compensation for membership of the Board and Board´s Commissions	1,714	1,808
Salaries	908	1,027
Severance payment	1,623	-
Variable compensation in cash	402	428
Long-term savings system	215	167
	4,862	**3,430**
Other concepts	**23**	**68**
Total	**4,885**	**3,498**

The amount "Severance Payment" in fiscal year 2020 corresponds to the compensations received by the previous Chief Executive Officer for the following concepts: (i) non-competition covenant amounting EUR 718 thousand, (ii) no advance notice amounting EUR 179 thousand, (iii) housing expenses amounting EUR 9 thousand and (iv) severance payment as such amounting EUR 718 thousand.

The amount of "Other concepts" for the year 2020 corresponds to the amount of the premiums paid for the coverage of death and disability insurances amounting EUR 23 thousand. In 2019, the amount "Other concepts" amounting EUR 68 thousand included additionally the allocation of the Group insurance for executives, directors and other employees, which is not included in the table above for fiscal year 2020 as it does not strictly constitute a remuneration for tax purposes.

No advances or loans are given to current or prior Board members, and there are no pension obligations with them. Only the Chief Executive Officer receives contributions for pensions amounting EUR 215 thousand (includes EUR 167 thousand of the outgoing Chief Executive Officer) and EUR 167 thousand, respectively, during the financial years 2020 and 2019. Those amounts are included in the long-term savings system section in the table above.

Likewise, derived from his previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), the previous Chief Executive Officer has recognized rights on shares of SIEMENS derived from incentives granted before the Merger. During the fiscal year ended 2020 and 2019 the payment has amounted to EUR 771 thousand and EUR 873 thousand, respectively, which is not included in the table above since there is no cost for the Company.

Also, within the remunerations to the Chief Executive Officers as of September 30, 2020 and 2019, the provision recorded for the three cycles of the Long-Term Incentive Plan 2018-2020 has not been included, which amounts to EUR 488 thousand in 2020 (out of which EUR 383 thousand correspond to the outgoing Chief Executive Officer's profit accrual) and EUR 337 thousand in 2019. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the objectives of the first cycle of the Long-Term Incentive Plan, which will result in the delivery of: 41,685 shares to the CEOs (current and former). These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 984 thousand. This amount does not

correspond to the cost accrued for accounting purposes in accordance with the applicable accounting regulations, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Finally, the current Chief Executive Officer has a contractual agreement to receive a financial compensation in the event of termination for reasons attributable to the Company. The financial compensation agreed for such termination consists of the payment of a compensation up to a maximum of his annual fixed cash compensation according to the Board members remuneration policy approved in the General Shareholders meeting of March 27, 2019 and modified in the General Shareholders meeting of July 22, 2020.

At the end of 2020 the members of the Board of Directors of SIEMENS GAMESA and certain people related to them as defined in the Spanish Companies Act held ownership interests in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. Also, following is a breakdown of the positions held and functions discharged at those companies:

Owner	Investee company	Line of Business	Number of Shares	Functions
Nauen, Andreas	SIEMENS ENERGY AG	Power & Utilities	100	-
Nauen, Andreas	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	200	-
Nauen, Andreas	NKT A/S	Power & Utilities	-	Member of the Supervisory Board
Tacke, Markus [(1)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	10,195	-
Sen, Michael [(2)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	13,904	Member of the Managing Board of Siemens AG (until March 2020) and Chairman of the Supervisory Board, Chairman of the Chairman's Committee, Member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019)
López Borrego, Miguel Ángel	SIEMENS ENERGY AG	Power & Utilities	7,662	-
López Borrego, Miguel Ángel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	15,324	Chairman and CEO of Siemens, S.A., and Chairman of Siemens Holding, S.L.U., and Member of the Board of Directors of Siemens, S.A. (Portugal) and Siemens Rail Automation S.A.U, and Member of the Advisory Board of Siemens Healthineers, S.L.U.
von Schumann, Mariel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	17,161	Member of the Board of Directors of Siemens Ltd. India and Siemens Stiftung (Siemens Foundation)
Hoffmann, Andreas C.[(3)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	31,489	General Counsel and Head of Legal and Compliance of Siemens AG, Member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Energy Global GmbH & Co. KG, Member of the Supervisory Board of Siemens Healthcare GmbH and Member of the Board of Directors of Siemens Ltd., China, and Member of the Board of Trustees of Siemens Stiftung (Siemens Foundation)
Thomas, Ralf [(4)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	23,241	Member of the Managing Board and CFO of Siemens AG, Member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG (valid mandates in Siemens Healthineers AG at his resignation as director of Siemens

Owner	Investee company	Line of Business	Number of Shares	Functions
				Gamesa) and Siemens Aktiengesellschaft Österreich
Rosenfeld, Klaus	Schaeffler AG	Automotive and Industrial Sector	-	CEO
Davis, Lisa [5]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	-	Member of the Managing Board of Siemens AG (until February 2020) and Chairwoman of Siemens Proprietary Ltd., South Africa
Azagra Blázquez, Pedro [6]	Iberdrola S.A.	Power & Utilities	176,275	Member of the Management Committee and Corporate Development Director of Iberdrola, S.A., and Member of the Managing Board and Audit and Compliance Committee of Neoenergía, S.A. (Brazil)
Holt, Tim Oliver	SIEMENS ENERGY AG	Power & Utilities	1,181	Member of the Managing Board of Siemens Energy AG, Member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, Member of the Board of Directors of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi and Member of the Board of Trustees the Siemens Foundation US.
Holt, Tim Oliver	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	2,362	Member of the Board of Directors of Siemens Ltd. India
Dawidowsky, Tim	SIEMENS ENERGY AG	Power & Utilities	849	Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG
Dawidowsky, Tim	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	1,697	Member of the Board of Directors of Siemens Pakistan
Ferraro, Maria	SIEMENS ENERGY AG	Power & Utilities	1,873	Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH.
Ferraro, Maria	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	3,746	CFO of Siemens AG Digital Industries and CDO (Chief Diversity Officer) of Siemens AG Digital Industries (both posts until April 2020); Vice President of the Board of Directors of Siemens S.p.A., Italia, Member of the Board of Directors of Siemens Ltd. Seoul, Korea, Member of the Board of Directors of Siemens S.A., Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu, Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd, Member of the Supervisory Board of IBS Industrial Business Software (Shanghai), Ltd., Member of the Supervisory Board of TASS International Co. Ltd., Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou, Member of the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd., Company Supervisor of Siemens Numerical Control Ltd., Nanjing, Member of the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited, and Member of the Governing Board of Siemens AB, Sweden

(1) Markus Tacke has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on June 17, 2020.
(2) Michael Sen has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on March 31, 2020.
(3) Andreas C. Hoffmann has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on September 28, 2020.
(4) Ralf Thomas has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on November 27, 2019.
(5) Lisa Davis has ceased her position as Member of the Board of Directors of SIEMENS GAMESA on February 10, 2020.
(6) Pedro Azagra Blázquez has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on February 5, 2020.

On the other hand, the members of the Board of Directors have been affected by the following conflicts of interest during 2020:

Sen, Michael. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and December 17, 2019, and it happened also in the meetings of the Board of Directors of November 4 and 27 and December 16, 2019, and February 3 and 19 and March 18 and 26, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

von Schumann, Mariel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

López Borrego, Miguel Ángel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

Holt, Tim Oliver. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of February 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of April 16 and 30, 2020, and it happened also in the meetings of said Committee of March 17, April 20 and May 4, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Azagra Blázquez, Pedro. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Iberdrola, S.A. and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, December 17, 2019 and February 3, 2020.

Ferraro, Maria. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of May 11, June 9, July 9 and 23, and September 25, 2020.

Thomas, Ralf. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and November 4, 2019.

Rosenfeld, Klaus. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions including Schaeffler AG, where he holds the post as CEO, were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of March 26 and June 17 2020, and it happened also in the meetings of the Board of Directors of November 4, 2019 and February 3, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Davis, Lisa. According to the procedure established in article 31 of the Regulations of the Board of Directors of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 4 and 27, and December 17, 2019 and February 3, 2020, and it happened also in the meetings of the Board of Directors of October 24 and December 16, 2019, where she was represented by a proxy and her proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

Hoffmann, Andreas C. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17 and September 16, 2020, and it happened also in the meeting of the Board of Directors of July 29, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

20. Remuneration of Top Management

Excluding those who are simultaneously members of the Board of Directors (whose remuneration is detailed in the Note 19), the compensation for the year, paid or payable, to members of Top Management for employment services rendered before the closing of the years 2020 and 2019 is disclosed in the following table:

Thousands of euros	2020	2019
Compensation received by the Top Management	6,514	6,752
Total	**6,514**	**6,752**

Likewise, deriving from their previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), certain members of the Top Management have recognized rights on shares of SIEMENS derived from incentives granted before the Merger to be paid in cash during the next years. During this year the payment to members of Top Management (one of which has ceased the position before the year ended) has amounted to EUR 483 thousand (EUR 261 thousand in the fiscal year 2019).

Also, the remunerations to the Top Management, do not include, as of September 30, 2020 and 2019, the provision accrued for the three cycles of the Long-Term Incentive Plan 2018-2020 in the amount of EUR 1,310 thousand and EUR 762 thousand, respectively. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the FY2018 Cycle objectives of the Long-Term Incentive Plan, which will result in the delivery of: 58,766 shares to the Top Management. These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 1,387 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with the applicable accounting regulations, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Contributions to pension Plans have been made in amount of EUR 221 thousand and EUR 200 thousand included as remuneration in the table above, as of September 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019, there have been no transactions with Top Management other than those carried out in the ordinary course of the business.

21. Information regarding the deferral of payments made to suppliers

In accordance with the requirement of the Resolution of January 29, 2016 of the Accounting and Audit Institute in Spain, about the information to include in the notes to the Financial Statements related to the deferral of payments made to suppliers in commercial operations.

The average payment period to suppliers in the year 2020 and 2019 is the following:

Days	**2020**	**2019**
Average payment period	74	57
Settled operations ratio	75	59
Pending operations ratio	71	46
Thousands of euros	**2020**	**2019**
Total settled payments	67,066	55,792
Total pending payments	11,174	11,492

22. Audit fees

During the fiscal years 2020 and 2019 the fees for the financial audit and other services provided by the auditor of the Group's Consolidated Financial Statements and the fees invoiced by the auditors of the separate Statutory Financial Statements of the companies included in the consolidation, and by entities related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	2020	
Thousands of euros	**Services rendered by EY**	**Services provided by other audit firms**
Audit services	4,449	23
Attest services related to the audit	235	-
Other attest services	291	-
Total audit and related services	**4,975**	**23**
Tax advisory services	-	-
Other services	-	-
Total other services	**-**	**-**
Total professional services	**4,975**	**23**

	2019	
Thousands of euros	**Services rendered by EY**	**Services provided by other audit firms**
Audit services	4,044	14
Attest services related to the audit	235	-
Other attest services	313	-
Total audit and related services	**4,592**	**14**
Tax advisory services	-	-
Other services	-	-
Total other services	**-**	**-**
Total professional services	**4,592**	**14**

Out of the amount related to the services rendered by the main auditor, EUR 962 thousand correspond to audit services and attest services related to the audit provided to SIEMENS GAMESA in the fiscal year 2020 (EUR 880 thousand in the fiscal year 2019). The attest services related to the audit mentioned in the previous table, correspond to SIEMENS GAMESA in its entirety. Likewise, taking into account the corresponding amount related to other attest services provided by the main auditor, EUR 135 thousand correspond to SIEMENS GAMESA in the fiscal year 2020 (EUR 251 thousand in the fiscal year 2019).

23. Subsequent events

No significant events have occurred since the end of the fiscal year until the date of issuance of these Financial Statements.

24. Explanation added for translation to English

These Financial Statements are presented on the basis of Spanish Accounting Standards. Certain accounting practices applied by the Company that conform to Spanish Accounting Standards may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Appendix Siemens Gamesa Company List - 09/30/2020					Amounts in EUR		
COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
A) FULLY CONSOLIDATED COMPANIES							
Jalore Wind Park Private Limited	Other	-	India	100%	132	(16)	-
Mathak Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Tirupur Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Beed Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Tuljapur Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Rangareddy Renewable Private Limited	Other	-	India	100%	132	(16)	-
Nellore Renewable Private Limited	Other	-	India	100%	132	(16)	-
Gamesa Wind GmbH	Holding company	-	Germany	100%	994,990	(32,805,061)	(1,489,743)
Gadag Renewable Private Limited	Other	-	India	100%	132	(16)	-
Channapura Renewable Private Limited	Other	-	India	100%	132	(16)	-
Kutch Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Wind Power SpA	Service and distribution company	EY	Chile	100%	2,739,762	(504,118)	1,299,963
Adwen Blades GmbH	Production and distribution company	EY	Germany	100%	1,000,000	(18,543,426)	41,885
Siemens Gamesa Renewable Energy Pty Ltd	Service and distribution company	EY	Australia	100%	31,268,723	(4,150,108)	(8,542,160)
Siemens Gamesa Renewable Energy d.o.o.	Service and distribution company	EY	Croatia	100%	3,000	6,484,103	1,411,005
Uppal Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy GmbH	Service and distribution company	-	Austria	100%	35,000	7,797,935	1,000,000
International Wind Farm Development IV Limited	Holding company	-	Hong Kong	100%	1,104	(58,925)	(19,487)
Siemens Gamesa Renewable Energy Deutschland GmbH	Holding company	EY	Germany	100%	6,058,000	(1,056,719,718)	89,519,414
Siemens Gamesa Renewable Energy Eolica, S.L.	Holding company	EY	Spain	100%	200,500	686,664,403	(58,656,483)
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Canada	100%	266,955,963	(266,933,505)	4,070
Siemens Gamesa Renewable Energy Japan K.K.	Service company	EY	Japan	100%	4,307,639	(3,127,525)	(3,962)
International Wind Farm Development I Limited	Holding company	-	Hong Kong	100%	-	27,451	(6,502)
Sistemas Energéticos Sierra de Valdefuentes, S.L.U.	Project company	-	Spain	100%	3,006	3,660	(2,444)
International Wind Farm Development II Limited	Holding company	-	Hong Kong	100%	-	27,451	(8,376)
Siemens Gamesa Renewable Energy PA, LLC	Other	EY	United States	100%	93,800	299,618,281	-
International Wind Farm Development VII Limited	Holding company	-	Hong Kong	100%	1,104	26,945	#VALUE!
Siemens Gamesa Renewable Energy Singapore Private Limited	Service company	-	Singapore	100%	7,420,427	(6,813,481)	(101,877)
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	Production and distribution company	EY	China	100%	43,481,213	47,678,270	15,049,958
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Thailand	100%	10,253,950	(1,623,728)	2,508,158
Sistemas Energéticos de Tarifa, S.L. Unipersonal	Project company	-	Spain	100%	61,000	2,944,665	(1,142,725)
Sistemas Energéticos La Cámara, S.L.	Project company	-	Spain	100%	3,006	4,551,436	978,518
Siemens Gamesa Renewable Energy Offshore Wind Limited	Project company	-	Taiwan, Province of China	100%	-	(182,334)	(11,548,390)
Siemens Gamesa Renewable Energy Sp. z o.o.	Production and distribution company	EY	Poland	100%	5,899,475	5,188,342	(4,624,634)
Estructuras Metalicas Singulares, S.A. Unipersonal	Production and distribution company	-	Spain	100%	61,000	7,122,395	118,922
SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD	Production and distribution company	EY	South Africa	70%	8,005,594	(2,946,724)	1,857,636
Siemens Gamesa Renewable Energy Limited	Service and distribution company	-	Korea, Republic of	100%	576,187	450,477	1,656,546
SIEMENS GAMESA RENEWABLE ENERJI ANONIM SIRKETI	Production and distribution company	EY	Turkey	100%	3,703,930	9,430,455	(4,846,360)
Sistemas Energéticos Finca San Juan, S.L.U.	Project company	-	Spain	100%	3,006	40,319	(7,665)
Siemens Gamesa Renewable Energy Iberica S.L.	Production and distribution company	EY	Spain	100%	3,000	11,565,913	(9,492,601)
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	Philippines	100%	10,759,506	(4,708,444)	(295,910)
Siemens Gamesa Renewable Energy S.A.S.	Service and distribution company	EY	France	100%	1,001,000	755,758	(3,494,465)
Siemens Gamesa Renewable Energy NV	Service and distribution company	EY	Belgium	100%	5,000,000	500,000	709,324
Siemens Gamesa Renewable Energy B.V.	Production and distribution company	EY	Netherlands	100%	1,000	5,012,105	3,485,341
Gamesa Energy Transmission, S.A. Unipersonal	Production company	EY	Spain	100%	21,660,000	76,890,155	3,779,902
SIEMENS GAMESA RENEWABLE ENERGY S.A.S.	Project Company	-	Colombia	100%	8,438	4,636	(1,064)
Siemens Gamesa Renewable Energy S.A.C.	Production and distribution company	-	Peru	100%	5,689,432	(3,687,054)	(222,718)
SIEMENS GAMESA RENEWABLE ENERGY INSTALLATION & MAINTENANCE COMPAÑÍA LIMITADA	Service and distribution company	-	Guatemala	100%	541	(822,317)	223,108
Siemens Gamesa Renewable Energy AB	Production and distribution company	EY	Sweden	100%	5,194	13,787,338	(7,591,119)
Société d'Exploitation du Parc Eolien de Maindoie SARL	Project company	-	France	100%	10,001	(272)	-
Gudadanal Renewable Private Limited	Other	-	India	100%	132	(16)	-
Sistemas Energéticos La Plana, S.A.	Project company	Attest	Spain	90%	421,000	2,076,659	178,260
Haveri Renewable Power Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Limited	Production and distribution company	EY	United Kingdom	100%	207,141,442	(132,482,779)	74,583,045
Nirlooti Renewable Private Limited	Other	-	India	100%	132	(16)	-
Gerr Grupo Energético XXI, S.A. Unipersonal	Holding company	-	Spain	100%	1,605,032	(615,636)	33,804
Neelagund Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Kft.	Production and distribution company	EY	Hungary	100%	32,168	1,619,405	321,888
Hungund Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Ireland	100%	1	3,518,572	10,071,182
Sistemas Energéticos del Sur S.A.	Project company	-	Spain	100%	600,000	(181,342)	(1,021)
Saunshi Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Italia S.r.l.	Production and distribution company	EY	Italy	100%	1,000,000	2,069,658	(545,766)
Société d'Exploitation du Parc Eolien de Pouilly-sur-Vingeanne SARL	Project company	-	France	100%	10,001	(100)	(40)
Chikkodi Renewable Power Private Limited	Other	-	India	100%	132	(16)	-
Umrani Renewable Private Limited	Other	-	India	100%	132	(16)	-
SIEMENS GAMESA RENEWABLE ENERGY AS	Production and distribution company	EY	Norway	100%	275,944	9,365,891	(1,608,812)
Siemens Gesa Renewables Energy Services S. de R.L. de C.V.	Service company	EY	Mexico	100%	2,503	1,202,796	1,604,104
Zalki Renewable Private Limited	Other	-	India	100%	132	(16)	-

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Sistemas Energéticos Monte Genaro, S.L.U.	Project company	-	Spain	60%	3,006	(49,402)	50,475
Hattarwat Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	United States	100%	27,834,231	591,265,445	(6,034,929)
Siemens Gamesa Renewable Energy Europa S.L.	Holding company	-	Spain	100%	3,006	547,494	12,710
Siemens Gamesa Renewable Energy LLC	Service company	-	Ukraine	100%	1	(1)	-
Cedar Cap Wind, LLC	Project company	-	United States	100%	80	(80)	-
Société d'Exploitation du Parc Eolien de Vernierfontaine SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Messeix SARL	Project company	-	France	100%	10,001	(272)	(40)
Gesa Oax I Sociedad Anomima de Capital Variable	Project company	EY	Mexico	100%	-	(48,698)	(1,957,386)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited	Production and distribution company	EY	India	100%	1,322,515	3,142,798	2,797,266
Société d'Exploitation du Parc Eolien de la Belle Dame SARL	Project company	-	France	100%	10,001	(272)	(40)
Gesa Oax III Sociedad Anomima de Capital Variable	Project company	-	Mexico	100%	1,031,299	(234,166)	(847,510)
Siemens Gamesa Energy Tajdidpazir SSK	Service and distribution company	-	Iran, Islamic Republic of	100%	-	652,023	985,199
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,262,521	300,489
Gesa Oax II Sociedad de Responsabilidad Limitada de Capital Variable	Project company	EY	Mexico	100%	-	(66,048)	(1,723,651)
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Project company	-	Spain	100%	61,000	(17,480)	(501)
Société d'Exploitation du Parc Eolien de Champlong SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Broyes SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy SARL	Production and distribution company	-	Morocco	100%	943	6,193,069	(745,958)
Sistemas Energéticos Sierra de Las Estancias, S.A. Unipersonal	Project company	-	Spain	100%	61,000	439,701	11,896
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Viet Nam	100%	375,043	(144,610)	(3,804,236)
Sistemas Energéticos Cuntis, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(981)	(384)
Sistemas Energéticos Tomillo, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(28,519)	3,187
Siemens Gamesa Renewable Energy (Private) Limited	Other	-	Pakistan	100%	809	154,045	306,748
Windkraft Trinwillershagen Entwicklungsgesellschaft mbH	Project company	-	Germany	100%	51,129	470,407	(69,033)
Société d'Exploitation du Parc Eolien des Fontaines SARL	Project company	-	France	100%	10,001	(272)	(40)
Sistemas Energéticos Tablero Tabordo, S.L.	Project company	-	Spain	100%	3,006	53,372	1,739
Sistemas Energéticos Carril, S.L. Unipersonal	Project company	-	Spain	100%	61,000	(6,100)	(247)
CARMODY'S HILL INVESTMENT COMPANY PTY LTD	Project company	-	Australia	100%	627	(19)	-
Sistemas Energéticos Fonseca, S.A. Unipersonal	Project company	-	Spain	100%	61,000	522,217	1,849
Sistemas Energéticos Argañoso, S.L. Unipersonal	Project company	-	Spain	100%	61,000	1,238,396	(2,402,051)
Pocahontas Prairie Holdings, LLC	Project company	-	United States	100%	-	-	-
Siemens Gamesa Renewable Energy A/S	Production and distribution company	EY	Denmark	100%	2,690,468	205,750,461	(134,837,083)
Diversified Energy Transmission, LLC	Development and distribution company	-	United States	100%	1,461,449	(25,275,760)	-
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Holding company	EY	Spain	100%	35,490,984	752,059,420	19,142,210
Société d'Exploitation du Parc Eolien de Champsevraine, SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Other	EY	Spain	100%	600,000	(270,129)	(302,207)
International Wind Farm Developments IX, S.L.	Project company	-	Spain	100%	3,006	4,974,911	1,057,533
Siemens Gamesa Renewable Energy Innovation & Technology, S.L.	Research and develpoment company	EY	Spain	100%	4,355,000	248,823,171	(79,404,015)
Lindom Vindenergi AB	Project company	-	Sweden	100%	14,546	(3,847)	(809)
Siemens Gamesa Renewable Energy Wind Limited	Holding company	EY	United Kingdom	100%	16,128,021	(19,375,392)	(587,494)
Siemens Gamesa Renewable Energy UK Limited	Project company	EY	United Kingdom	100%	14,361,263	(14,739,495)	(64,621)
SIEMENS GAMESA RENEWABLE ENERGY, S.R.L.	Service company	-	Costa Rica	100%	8,755,306	(2,771,016)	(3,874,994)
Société d'Exploitation du Parc Eolien de Margny SARL	Project company	-	France	100%	10,001	(100)	(40)
Siemens Gamesa Renewable Energy AE	Project company	-	Greece	100%	837,110	(1,701,165)	(1,598,570)
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	Service company	-	Honduras	100%	5,763,800	560,914	(5,340,621)
Sistemas Energéticos Mansilla, S.L.	Project company	-	Spain	78%	6,000	(351,333)	(11,081)
Adwen Offshore, S.L.	Holding company	EY	Spain	100%	50,000,000	197,916,860	1,009,824,236
Parque Eolico Dos Picos, S.L.U.	Project company	-	Spain	100%	1,229,100	(339,970)	(37,534)
Siemens Gamesa Renewable Energy Service GmbH	Service company	EY	Germany	100%	26,000	119,330,005	(5,373,880)
Siemens Gamesa Renewable Energy Egypt LLC	Service and distribution company	EY	Egypt	100%	3,871,486	(1,769,376)	(2,197,733)
Siemens Gamesa Renewable Energy B9 Limited	Service company	EY	United Kingdom	100%	1,372,775	1,879,264	-
Siemens Gamesa Renewable Energy 9REN, S.L.	Service company	EY	Spain	100%	11,956,926	(2,602,516)	(2,313,988)
Sistemas Energéticos Cabezo Negro, S.A. Unipersonal	Project company	-	Spain	100%	61,000	1,523,680	1,077,970
Siemens Gamesa Renewable Energy Invest, S.A.	Holding company	EY	Spain	100%	1,200,000	6,993,335	12,539,745
Wind Portfolio Memberco, LLC	Project company	-	United States	100%	-	-	-
Société d'Exploitation du Parc Eolien d'Omécourt SARL	Project company	-	France	100%	10,001	(272)	(40)
International Wind Farm Developments II, S.L.	Project company	-	Spain	100%	3,006	2,841,508	1,072,653
Siemens Gesa Renewable Energy, S.A. de C.V.	Project company	EY	Mexico	100%	2,494	165,763,907	(36,681,994)
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Russian Federation	100%	144	(1,587,199)	(10,185,375)
Siemens Gamesa Renewable Energy Limited Liability Company	Service company	-	Azerbaijan	100%	71	212,704	12,662
Siemens Gamesa Renewable Energy Wind SARL	Project company	EY	France	100%	17,121,598	(10,693,702)	(9,392,651)
Sistemas Energéticos Balazote, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,755,703	43,303
Siemens Gamesa Renewable Energy EOOD	Service company	EY	Bulgaria	100%	143,055	3,848,975	805,915
Siemens Gamesa Megújuló Energia Hungary Kft	Service company	EY	Hungary	100%	11,973	(12,235)	(4)
EcoHarmony West Wind, LLC	Project company	-	United States	100%	-	-	-
GER Baneasa, S.R.L.	Service company	-	Romania	100%	49	11,386	(4,032)
Siemens Gamesa Renewable Energy Djibouti SARL	Service and distribution company	-	Djibouti	100%	5,100	(5,073)	(594)
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Real Estate company	-	Germany	100%	26,000	628,000	-
Sellafirth Renewable Energy Park Limited	Project company	-	United Kingdom	100%	1	-	-
Sistemas Energéticos Ladera Negra, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(16,972)	3,718
Siemens Gamesa Renewable Energy Romania S.R.L.	Service company	EY	Romania	100%	110,772	28,482,461	654,461
Siemens Gamesa Renewable Power Private Limited	Holding company	EY	India	100%	246,409,913	233,373,623	(322,985,216)
Société d'Exploitation du Parc Eolien de Saint-Lumier en Champagne SARL	Project company	-	France	100%	10,001	(272)	(40)
Gamesa Dominicana, S.A.S.	Service company	EY	Dominican Republic	100%	7,534,661	(7,377,777)	(3,097,392)
Société d'Exploitation du Parc Eolien de Saint Amand SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Wind Farms S.R.L.	Service company	-	Romania	100%	319	(13,069,893)	(527,625)

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Siemens Gamesa Renewable Energy Australia Pty Ltd	Service company	-	Australia	100%	3,066,453	(2,700,366)	(14,723)
Société d'Exploitation du Parc Eolien de la Monchot SARL	Project company	-	France	100%	10,001	(272)	(40)
GER Independenta, S.R.L.	Service company	-	Romania	100%	49	14,631	(6,439)
Gesacisa Desarolladora, S.A. de C.V.	Project company	EY	Mexico	100%	3,397	3,388,940	(1,723,037)
Société d'Exploitation du Parc Eolien du Mont Égaré SARL	Project company	-	France	100%	10,000	(271)	(40)
Gamesa Eólica VE, C.A.	Service company	-	Venezuela, Bolivarian Republic of	100%	17,840	(27,180)	-
ENERGIAKI MAVROVOUNIOU IDIOTIKI KEFALEOUCHIKI ETERIA	Project company	-	Greece	100%	5,000	-	(4,375)
Sistemas Energéticos Arinaga, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,446,015	8,964
Société d'Exploitation du Parc Eolien de Mailly-le-Camp SARL	Project company	-	France	100%	10,001	(272)	(40)
Smardzewo Windfarm Sp. z o.o.	Project company	-	Poland	100%	215,269	(164,322)	(23,723)
Osiek Sp. z o.o. w Likwidacji	Project company	-	Poland	100%	11,182	(159,057)	(34,303)
Société d'Exploitation du Parc Eolien de la Brie des Etangs SARL	Project company	-	France	100%	32,001	(272)	(40)
Siemens Gamesa Renewable Energy Ireland Limited	Service company	EY	Ireland	100%	100	(706,083)	-
Sistemas Energéticos Boyal, S.L.	Project company	-	Spain	60%	3,006	(3,127,491)	(3,519,721)
Siemens Gamesa Renewable Energy Wind S.R.L.	Service company	EY	Italy	100%	100,000	4,474,547	(3,124,942)
GER Baraganu, S.R.L	Service company	-	Romania	100%	49	12,993	(4,246)
Siemens Gamesa Energia Renovável Ltda.	Distribution and service company	EY	Brazil	100%	100,138,552	(9,167,237)	(54,989,115)
SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED	Development and distribution company	-	India	100%	108,912	988,167	(69,885,249)
Lingbo SPW AB	Project company	EY	Sweden	100%	408,953	4,876,464	(1,923,290)
Kadapa Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,285)	(253)
Siemens Gamesa Renewable Energy, Sociedad Anónima	Service company	-	Nicaragua	100%	1,363,089	4,448,067	(1,604,664)
Kurnool Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,322)	(189)
Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Project company	EY	Mexico	100%	10,010,461	(8,548,082)	(4,591,103)
Société d'Exploitation du Parc Eolien de Souvans SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Ltd	Service company	EY	Israel	100%	-	1,222,616	81,959
RSR Power Private Limited	Development and distribution company	-	India	100%	1,579	(7,061)	(1,640)
Rajgarh Windpark Private Limited	Development and distribution company	-	India	99%	2,053	(3,082)	(224)
SIEMENS GAMESA YENILENEBILIR ENERJI IC VE DIS TICARET LIMITED SIRKETI	Service and distribution company	-	Turkey	100%	43,386	5,860,344	352,103
Société d'Exploitation du Parc Eolien de Champeaux SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Pringy SARL	Project company	-	France	100%	32,001	(272)	(7,454)
Maski Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
ENERGIAKI VELANIDIAS SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	25,000	-	(1,999)
Siemens Gamesa Renewable Energy New Zealand Limited	Service company	-	New Zealand	100%	93	620,342	(25,018)
Gangavathi Renewable Private Limited	Other	-	India	100%	119	(3)	-
ENERGIAKI MESOVOUNIOU SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	25,000	86,947	(2,041)
Kanigiri Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V.	Service company	-	Mexico	100%	2,329	(419)	2,508
Siemens Gamesa Renewable Energy France SAS	Other	EY	France	100%	65,280	1,516,518	(1,753,164)
Kollapur Renewable Private Limited	Other	-	India	100%	119	(3)	-
Gesan I S.A.P.I de C.V.	Other	-	Mexico	100%	1	(2)	-
Société d'Exploitation du Parc Eolien de Chaintrix-Bierges SARL	Other	-	France	100%	10,001	(272)	(4,477)
Jamkhandi Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Digital Services, S.L.	Service company	-	Spain	100%	50,000	1,970,894	(618,956)
Siemens Gamesa Renewable Energy Morocco SARL	Other	-	Morocco	100%	866	883,832	(1,449,765)
Société d'Exploitation du Parc Photovoltaïque de Messeix SARL	Other	-	France	100%	10,001	(272)	(40)
Rayachoty Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service Limited	Service company	EY	United Kingdom	100%	109,607	4,867,801	30,756
SIEMENS GAMESA RENEWABLE ENERGY SWEDEN AB	Other	EY	Sweden	100%	2,525,695	(1,879,753)	179,587
Shivamogga Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Ria Blades S.A.	Production company	EY	Portugal	100%	50,000	29,018,981	5,336,161
Siemens Gamesa Renewable Energy Limited	Other	EY	Kenya	100%	2,638	(115,192)	(101,919)
Société d'Exploitation du Parc Eolien de Bouclans SARL	Other	-	France	100%	10,001	(272)	(40)
Nandikeshwar Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service S.A.S.	Service company	EY	France	100%	550,000	(2,124,634)	525,584
Siemens Gamesa Renewable Energy (Thailand) Co., Ltd.	Other	EY	Thailand	100%	2,832,978	3,062,939	(1,182,282)
Sindhanur Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service S.R.L.	Service company	EY	Italy	100%	50,000	767,152	558,183
Siemens Gamesa Renewable Energy Latam, S.L.	Other	EY	Spain	100%	3,000	67,633,954	(24,397,847)
Pocahontas Prairie Wind, LLC	Other	EY	United States	100%	26	(82,675,757)	2,082,843
Vempalli Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Senvion Austria GmbH	Service company	EY	Austria	100%	50,000	125,295	34,432
Société d'Exploitation du Parc Eolien de la Gartempe SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Service Sp.z.o.o	Service company	EY	Poland	100%	23,096	1,487,712	204,943
Siemens Gamesa Renewable Energy Oy	Service company	EY	Finland	100%	10,531,506	(7,546,903)	(1,164,327)
Anantapur Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,322)	(293)
Senvion Scandinavia AB	Service company	EY	Sweden	100%	9,460	77,687	(9,460)
Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien des Voies de Bar SARL	Project company	-	France	100%	10,001	(242)	(40)
Siemens Gamesa Renewable Energy II Service Unipessoal, Lda.	Service company	EY	Portugal	100%	100,000	1,320,870	(281,911)
Siemens Gamesa Renewable Energy Sp. z o.o.	Project company	EY	Poland	100%	7,086,260	3,293,393	1,102,807
Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL	Project company	-	France	100%	10,001	(272)	(40)
Gamesa Wind South Africa (Proprietary) Limited	Service company	-	South Africa	100%	273,121	(273,008)	5,654
Société d'Exploitation du Parc Eolien de Trépot SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Apac, S.L.	Holding company	EY	Spain	100%	3,000	1,708,955	82,442
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	Development and distribution company	EY	China	100%	14,544,437	130,148,063	(12,551,219)
Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad	Service company	-	Serbia	100%	-	125,180	263,443
Central Eólica de México S.A. de C.V.	Project company	EY	Mexico	100%	5,480	(1,886,191)	(6,320,474)

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Société d'Exploitation du Parc Eolien des Six Communes SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy, S.A.	Project company	EY	Portugal	100%	475,000	5,849,552	(144,923)
Siemens Gamesa Renewable Energy (Beijing) Co., Ltd.	Development and distribution company	EY	China	100%	318,151	(4,048,726)	(4,571,834)
SIEMENS GAMESA RENEWABLE ENERGY SARL	Service and distribution company	-	New Caledonia	100%	8,406	(650,182)	(11,915)
Gamesa Electric, S.A. Unipersonal	Production company	EY	Spain	100%	9,394,900	88,334,084	721,762
Société d'Exploitation du Parc Eolien de Sceaux SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy, Ltd	Service company	EY	Mauritius	100%	3,005	294,273	28,248
Société d'Exploitation du Parc Eolien de Guerfand SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Vaudrey SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien d'Orchamps SARL	Project company	-	France	100%	10,001	(272)	(40)
SPV Parco Eolico Aria del Vento, Srl	Project company	-	Italy	100%	10,000	-	-
Société d'Exploitation du Parc Eolien du Vireaux SAS	Project company	EY	France	100%	33,112	(14,995)	(3,784)
Société d'Exploitation du Parc Eolien de Dampierre Prudemanche SAS	Project company	EY	France	100%	27,420	(20,239)	(4,760)
Société d'Exploitation du Parc Eolien de Orge et Ornain SARL	Project company	-	France	100%	10,001	(272)	(40)
Ganquan Chaiguanshan Wind Power Co., Ltd.	Other	-	China	100%	1,812,910	(1,812,910)	(1,069,201)
Parco Eolico Manca Vennarda S.r.l.	Project company	EY	Italy	100%	30,000	(5,031)	(18,546)
Yongzhou Shuangpai Daguping Wind Power Co., Ltd.	Other	-	China	100%	-	-	-
Société d'Exploitation du Parc Eolien de Germainville SAS	Project company	EY	France	100%	13,150	(10,799)	(1,695)
Société d'Exploitation du Parc Eolien de Moulins du Puits SAS	Project company	EY	France	100%	27,102	(7,978)	(8,120)
Parco Eolico Banzy S.r.l.	Project company	-	Italy	100%	30,000	(5,031)	(18,546)
Gamesa Blade (Tianjin) Co., Ltd.	Development and distribution company	EY	China	100%	12,000,000	6,830,669	(2,241)
Shuangpai Majiang Wuxingling Wind Power Co., Ltd	Project company	-	China	100%	-	-	-
Siemens Gamesa Renewable Energy Italy, S.P.A.	Service company	EY	Italy	100%	570,000	473,493	(3,191,654)
Siemens Gamesa Renewable Energy Lanka (Private) Limited	Service company	-	Sri Lanka	100%	38,685	300,623	107,469
Sistemas Energéticos Eolo, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy Chile SpA	Service company	-	Chile	100%	7,064	4,143,094	(5,400,127)
Jilin Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	2,042,957	(7,768,328)	(159,954)
Inner Mongolia Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	2,042,957	(7,841,545)	(251,877)
Sistemas Energéticos Céfiro, S.L	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de Bonboillon SARL	Project company	-	France	100%	10,001	(272)	(40)
Sistemas Energéticos Siroco, S.L.	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de Saint Loup de Saintonge SAS	Project company	EY	France	100%	3,700	(99,384)	(1,508)
Sistemas Energéticos Boreas, S.L.	Project company	-	Spain	100%	3,000	-	-
SIEMENS GAMESA RENEWABLE ENERGY S.R.L.	Service company	EY	Uruguay	100%	822	9,082,411	(3,655,363)
Sistemas Energéticos Argestes, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy Greece E.P.E.	Service company	EY	Greece	100%	18,000	1,369,766	(300,111)
Sistemas Energéticos Terral, S.L.	Project company	-	Spain	100%	3,000	-	-
Sistemas Energéticos Ábrego, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy, SARL	Service company	Others	Mauritania	100%	2,539	632,667	64,763
Sistemas Energéticos Gregal, S.L.	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de la Tête des Boucs SARL	Project company	-	France	100%	32,001	(9,643)	(43)
Société d'Exploitation du Parc Eolien de Chepniers SARL	Project company	-	France	100%	10,001	(272)	(40)
SANTALPUR RENEWABLE POWER PRIVATE LIMITED	Other	-	India	99%	141,867	(199,991)	(21,686)
Siemens Gamesa Renewable Energy Limited	Service company	EY	Cyprus	100%	1,000	1,623,991	(6,304)
Fanbyn2 Vindenergi AB	Project company	-	Sweden	100%	5,699	3,688	(1,116)
Devarabanda Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Ghatpimpri Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Management GmbH	Other	-	Germany	100%	25,000	(24,875)	(1)
Poovani Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Kod Renewable Private Limited	Other	-	India	100%	132	(16)	-
Viralipatti Renewable Private Limited	Other	-	India	100%	132	(16)	-
PT Siemens Gamesa Renewable Energy	Service and distribution company	-	Indonesia	95%	148,910	139,784	658,043
Siemens Gamesa Renewable Energy Blades, SARL AU	Production and distribution company	-	Morocco	100%	40,000,000	(17,405,186)	(12,451,041)
Gagodar Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Thoothukudi Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Sankanur Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Osmanabad Renewable Private Limited	Other	-	India	100%	132	(16)	-
Dhone Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy GmbH & Co. KG	Production and distribution company	EY	Germany	100%	999,000	99,116,000	127,811,000
Bhuj Renewable Private Limited	Other	-	India	100%	132	(16)	-
Bapuram Renewable Private Limited	Other	-	India	100%	132	(16)	-
Koppal Renewable Private Limited	Other	-	India	100%	132	(16)	-
B) COMPANIES ACCOUNTED BY EQUITY METHOD							
Windar Renovables, S.L.	Production and distribution company	PWC	Spain	32%	9,394	90,974,606	16,742,000
Energía Eólica de Mexico S.A. de C.V.	Project company	-	Mexico	50%	386,431	(376,700)	(7)
Sistemes Electrics Espluga, S.A.	Project company	-	Spain	50%	61,000	(635,942)	(148,586)
Energías Renovables San Adrián de Juarros, S.A.	Project company	-	Spain	45%	60,200	16,352	(1,516)
Baja Wind US LLC	Venture Capital Investment	-	United States	50%	-	-	-
Energia Renovable del Istmo S.A. de C.V.	Operation of Wind Farms	-	Mexico	50%	372,225	(433,266)	(66,492)

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222, WITH EMPLOYER IDENTIFICATION NUMBER A -01011253.

HEREBY CERTIFY:

That the text of the annual accounts for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A., authorised for issue by the Board of Directors at its meeting held on November 27, 2020, is the content of the preceding 73 sheets of unstamped paper, on the obverse only, in respect of balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and the notes and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

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Mr. Miguel Angel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

The Secretary of the Board of Directors states for the records:

(i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.

(ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

Mr. Miguel Ángel López Borrego Chairman	Mr. Juan Antonio García Fuente Secretary of the Board of Directors

Siemens Gamesa Renewable Energy, S.A.

Management report for the year ended September 30, 2020

Business evolution

Siemens Gamesa is a holding company, and consequently, its results come mainly from its investee companies and from income accrued on the financing granted and the services provided to the companies in the Group.

Significant events of the year ended September 30, 2020

The sum of "Revenue" and "Other operating income" of the ended year September 30, 2020 amounts sto EUR 433,097 thousand, of which EUR 333,908 thousand correspond to dividends received from investements in group companies and associates, EUR 37,568 thousand to financial income from credits granted to subsidiaries and EUR 61,621 thousand to income from the services rendered to group companies (Note 18).

"Staff costs" amounting to EUR 55,734 thousand (Note 17), "Other operating expenses" amounting to EUR 107,343 thousand (Note 17), "Depreciation and amortization" amounting to EUR 429 thousand (Notes 7 and 8) and fundamentally "Impairment and losses on disposals of financial instruments in group companies and associates" amounted to EUR 1,445,072 thousand (Note 9), brings a negative "Operating result" of EUR 1,175,121 thousand. These impairments of investments are mainly driven by the uncertainties in the market, particularly the slowdown in important markets for the SIEMENS GAMESA Group such as India and Mexico, all accentuated by the Covid-19 pandemic.

The "Financial Result" has been negative in amount of EUR 8,475 thousand, mainly due to the financial expeses of the syndicated financing facility.

The Result before taxes amount to a loss of EUR 1,183,596 thousand and the Corporate Income Tax entails an income of EUR 16,147 thousand, which leaves a "Result for the year" from continuing operations of SIEMENS GAMESA of EUR 1,167,449 thousand of losses, compared to EUR 168,582 thousand of profit for the year ended September 30, 2019.

These negative results are mainly due to the portfolio impairments detailed in Note 9. The Company's Directors have prepared the Financial Statements on a going concern basis, as they consider that the future perspectives of the Company's and the Group's business will allow obtaining positive results and positive cash flows in the next years. Additionally, the Company´s liquidity needs are guaranteed at all moments through credit lines (Note 13).

SIEMENS GAMESA's activity is greatly influenced by the activity of the SIEMENS GAMESA Group, and therefore the significant aspects of its development are included below.

1. Introduction

The fiscal year from October 2019 to September 2020 (FY20) was one of intense activity and organizational changes in Siemens Gamesa[1], with the appointment of a new CEO, Andreas Nauen, in June, the presentation of a new management team in July[2], and the development of a business plan for the fiscal years 2021 (FY21) through 2023 (FY23) which was unveiled to the market in late August. Externally, the year was shaped by the COVID-19 pandemic and the decline of the Indian Onshore market, both of which had material unforeseen effects on the Group's financial performance. That performance was also hampered by cost overruns caused by the execution challenges in Onshore projects in Norway and Sweden, which at the date of this report have been delivered to the customers.

The impact of COVID-19 was concentrated in the second quarter (Q2 20), with disruptions to the supply chain located in China, and the third quarter (Q3 20) of the fiscal year, due to temporary closures of plants (mainly in Spain and India) and borders, with an impact on the movement of people and goods. The effect of COVID-19 tailed off in the fourth quarter of the fiscal year (Q4 20) and resulted mainly in execution delays in Onshore projects; at the date of this report, both the supply chain and manufacturing activities are operating as normal. However, given the uncertainty about how the pandemic will evolve, the company is maintaining the measures implemented in FY20, designed by the global crisis management task force, to ensure both employee safety and business continuity and serving the needs of customers: strict health and safety protocols in offices, factories and wind farms, telework for office staff, inventory management to avoid bottlenecks in components at risk, and acting on eligible contract terms towards customers and vendors, among others.

In this context, Group revenues in FY20 fell by 7% to €9,483m while EBIT pre PPA and before integration and restructuring costs was -€233m, equivalent to an adjusted EBIT margin of -2.5% on revenues, including a cumulative impact of the pandemic in the amount of €181m. As the company had predicted, the positive performance in Q4 20 was not enough to offset the losses accumulated in the first nine months of the year (9M 20). Revenues in Q4 20 decreased by 2.6% y/y to €2,868m and EBIT pre PPA and before integration and restructuring costs was €31m, i.e. an adjusted EBIT margin of 1.1%, including the direct negative impact of COVID-19 in the amount of €31m. The performance of the Service activities has been sound despite the impact of the pandemic.

Integration and restructuring expenses amounted to €462m in the year (€110m in Q4 20); in addition to the expenses predicted at the beginning of the year, that figure also includes the cost of executing up an extensive restructuring process in India to respond to the sharp adjustment in short- and medium-term demand prospects, and the integration and restructuring costs related to the acquisition of Senvion assets, none of which were foreseen when the year began. Including integration and restructuring expenses and the impact of PPA on the amortization of intangible assets (€262m in FY20 and €59m in Q4 20), reported EBIT in FY20 amounted to -€958m (-€139m in Q4 20) and net income to -€918m (-€113m in Q4 20).

As for the balance sheet, Siemens Gamesa ended the year with a net debt position of €49m, i.e. €328m below the net cash position at the beginning of the year[3]. The debt position reflects the impact of the net loss on cash generation, partly offset by the positive trend in working capital, which ended the year at -€1,976m, equivalent

[1]Siemens Gamesa Renewable Energy (Siemens Gamesa) is the result of merging Siemens Wind Power, which was the wind power division of Siemens AG, with Gamesa Corporación Tecnológica (Gamesa). The Group engages in wind turbine development, manufacture and sale (Wind Turbine business) and provides operation and maintenance services (Service business).

[2]In addition to CEO Andreas Nauen, the Siemens Gamesa management team comprises Beatriz Puente as CFO, Lars Bondo Krogsgaard as Onshore CEO, Pierre Bauer as Offshore CEO (acting), Juan Gutierrez as Service CEO, Christoph Wollny as COO and Jürgen Bartl as Secretary/General Counsel.

[3]The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the retrospective approach without restating comparative figures. As a result, the beginning balance sheet as of October 1, 2019 was modified. The main impacts of the first-time application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in property, plant and equipment corresponding to the right-of-use assets amounting to €679m, a decrease in advance payments recognized under "Other non-current assets" and "Other current assets", for an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of net financial debt) for €583m. See Note 2.D.3 to the consolidated financial statements for FY19. As of September 30, 2020, lease liabilities amounted to €611m: €115m short term and €496m long term.

to -21% of revenues in the last twelve months. As of September 30, 2020, Siemens Gamesa had over €4,200m in authorized funding lines, against which it had drawn c. €1,100m.

Siemens Gamesa maintained record commercial activities despite the pandemic's impact on the Onshore market, evidencing the resilience of its business. The Group ended FY20 with a backlog amounting to €30,248m, i.e. €4,742m more than at the end of September 2019. Of that backlog, 79% is in activities with performance in line with the Group's long-term vision, and longer duration: Offshore (28%) and Service (50%), enhancing the visibility of the Group's future performance. The value of the order book at September 30, 2020 was reduced by about 4% as a result of currency depreciation.

Order intake in FY20 amounted to a record €14,736m, due to strong performance by Offshore and Service that offset lower order intake in Onshore, which was affected by the pandemic and, above all, by the slowdown in the Indian market. This resulted in a book-to-bill ratio of 1.6. Order intake in Q4 20 totaled €2,564m, reflecting the normal volatility of the Offshore market which did not practically register any new orders in this quarter after a strong order intake in Q3 20. The commercial activities in the Onshore market recovered. The company signed Onshore orders for 2.7 GW in Q4 20, catching up in winning the business it had lost in Q3 20 and enabling total Onshore order intake in FY20 to reach 8.1 GW. This is in line with the company's projections of an average of 2 GW per quarter in new orders. Onshore platforms of over 4 MW continue to gain in importance, having accounted for 45% of Onshore order intake in the full year. In the Offshore division, the new SG 14-222 DD turbine unveiled in Q3 20 achieved very good customer reception, having gained 4.3 GW in preferential supply agreements and conditional orders signed to date.

It is important to note that, despite the significant impact of the pandemic, the energy market continues the transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental role thanks to its growing competitiveness. Consequently, any negative impact on the volume of wind installations projected for 2020 will not only be offset but will actually be exceeded in the coming years. Obviously, the industry's long-term demand prospects have improved in the last twelve months, driven by the role that renewable energy will play not only in the economic recovery but also in the development of a sustainable socio-economic model, which has been shown to be increasingly necessary during the pandemic. Additionally, a growing number of countries and companies announced that the plan to achieve net zero emissions by 2050. In order to achieve this objective worldwide wind installations need to rise to 280 GW per year by 2030, according to the latest report of the International Energy Agency (October 2020). Moreover, the increase in consumption of renewable energy since the beginning of the pandemic, despite a sharp decline in electricity demand, shows not only the industry's resilience but also the capacity of existing electricity systems to handle growing levels of renewable energy output.

In the course of improvement of its sustainable socio-economic models, Siemens Gamesa accelerated its commitment to ESG (environment, social and governance) commitments in FY20. During the year, the company:

- Achieved carbon neutrality, ahead of the target to reach this goal in 2025.
- Has reached a 100% renewable electricity consumption.
- Introduced criteria of sustainability in its entire funding strategy, ranging from the syndicated loan through guarantee lines to currency hedges.
- Obtained AENOR certification that its Tax Compliance System conforms to the UNE 19602:2019 standard.
- Has launched a global crisis management task force with one workstream focused on the development and implementation of enhanced strict safety protocols for offices, plants and wind farm sites, including testing, traceability and quarantine strategies, all to protect employees, suppliers, clients and communities where the company operates.

These actions were recognized by ESG rating agencies and by the indices. MSCI upgraded the company's sustainability rating by two notches to A; Vigeo-Eiris[4] ranked it #1 among the 25 companies in the Electric Components & Equipment sector for its ESG performance, and SGRE was included in the Bloomberg Gender

[4]Vigeo Eiris is a rating and research agency that evaluates organizations' integration of social, environmental and governance factors into their strategies, operations and management – with a focus on promoting economic performance, responsible investment and sustainable value creation.

Equality Index, which measures the financial performance of listed companies that are committed to gender equality. In Q4 20, FTSE Russell[5] and Sustainalytics[6] completed an assessment of Siemens Gamesa's ESG profile. According to FTSE Russell, SGRE attained a general score of 4.5 out of 5 in its industry and is in the 100th percentile within the Oil & Gas sector, with a very prominent position in the Renewable Energy Equipment subsector. According to Sustainalytics, the company attained a low ESG risk profile and score 3 out of 166 companies within the Electrical Equipment industry.

Main consolidated figures for FY20

- Revenues: €9,483m (-7% y/y)
- EBIT pre PPA and before integration and restructuring costs[7]: -€233m (% not applicable)
- Net income: -€918m (% not applicable)
- Net cash/(Net financial debt – NFD)[8]: -€49m
- MWe sold: 9,968 MWe (+5% y/y)
- Order book: €30,248m (+19% y/y)
- Firm order intake in Q4: €2,564m (-17% y/y)
- Firm order intake in the last twelve months: €14,736m (+16% y/y)
- WTG order intake in Q4: 2,713 MW (-16% y/y)
- Firm WTG order intake in the last twelve months: 12,260 MW (+7% y/y)
- Installed fleet: 107,502 MW
- Fleet under maintenance: 74,240 MW

Markets and orders

Despite the effects of the pandemic, solid sales efforts continue to drive the company's performance. Siemens Gamesa signed orders worth €14,736m (+16% y/y) in the twelve months to September 2020, when the order book stood at €30,248m[9] (+19% y/y). That figure is €4,742m more than at the end of fiscal year 2019 (FY19). The order book now includes the Service backlog associated with the assets acquired from Senvion in January 2020, amounting to c. €1,500m. Order intake in the year amounted to 1.6 times revenues in the fiscal year.

At the end of Q4 20, 50% of the order book (€15,138m) was in the Service division, which has higher margins and grows 27% year-on-year. The WTG order book is split into €8,614m Offshore (+32% y/y) and €6,496m Onshore (-8% y/y).

[5]FTSE Russell is a global provider of benchmarks, analytics and data solutions owned by the London Stock Exchange.

[6]Sustainalytics is a Morningstar company that rates sustainability in listed companies based on their environmental, social and corporate governance (ESG) performance.

[7]EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of €462m and the impact of fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of €262m.

[8]Cash / (Net financial debt) is defined as cash and cash equivalents less financial debt (both short- and long-term). The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the retrospective approach without restating comparative period figures. As a result of the forgoing, the opening balance sheet as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in Property, plant and equipment corresponding to the assets for the right of use in the amount of €679m, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of Net Financial Debt) amounting to €583m. Lease liabilities as of September 30, 2020 amounted to €611m: €115m short term and €496m long term.

[9]Currency devaluation had a negative impact on the backlog in the amount of c. €1,391m. Excluding the currency effect, the backlog would have increased by 24% y/y to c. 31,639m.

Figure 1: Order book at 09.30.20 (€m)

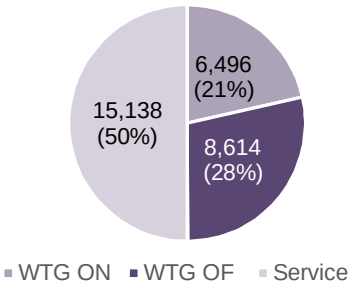
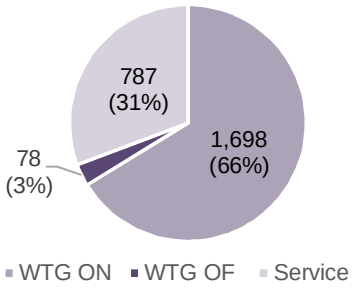


Figure 2: Order intake Q4 20 (€m)



Order intake for the Group in Q4 20 amounted to €2,564m, reflecting the recovery in Onshore commercial activities after weak performance in the second and third quarters, and the normal volatility in the Offshore activities, with very few orders in the quarter, after strong order intake in the first nine months of FY20.

Onshore commercial activities, with 2,713 MW in firm orders signed in Q4 20, i.e. 2.3 times the figure for Q3 20, evidences a recovery following two quarters that were impacted by the pandemic. In addition, the year-on-year change, -14% with respect to the fourth quarter of fiscal year 2019 (Q4 19), also reflects persisting weakness in the Onshore market in India, where firm orders totaled 473 MW, compared with 1,188 MW in Q4 19. Orders signed in the quarter totaled €1,698m, down 24% on the year-ago quarter. Order intake in the last twelve months amounted to 8,121 MW, 13% less than in FY19. This reduction with respect to the record performance in 2019 is attributable not only to the pandemic delaying the signature of orders in certain markets but also to the aforementioned weakness of the Indian market. Despite that decline, order intake in FY20 amounted to €5,531m, i.e. a book-to-bill ratio of 1.1 times ON WTG sales in the period. The book-to-bill ratio in Q4 20 was 1.1 times revenues in the period.

Figure 3: WTG ON order intake (€m) LTM (%)

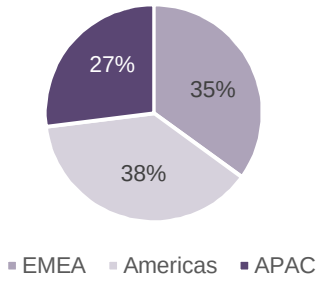
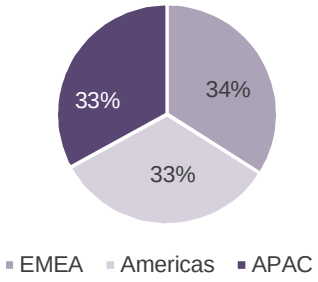


Figure 4: WTG ON order intake (€m) Q4 20 (%)



Of the 45 countries that contributed new Onshore orders in the last twelve months, the largest are US (18% of volume in €m), Brazil (9%), Spain (8%) and India (8%). They are followed by Poland (6%), Vietnam (6%) and Sweden (5%). The main sources of new orders in Q4 20 were US (35%), India (16%), Morocco (12%), Pakistan (7%) and Vietnam (7%). Commercial activities are now more diversified in APAC after the company strengthened its position in Vietnam and Pakistan in FY20.

Platforms with capacity of 4 MW or higher accounted for 45% of order intake in FY20 (c. 20 p.p. more than in FY19), including 755 MW in orders for the 5.X Onshore platform. In October 2020, Siemens Gamesa signed the largest contract to date for the SG 5.X platform: 372 MW for the Björnberget wind farm in Sweden. This contract raises the orders signed for this platform since its launch to over 1 GW.

Table 1: WTG ON order intake (MW)

WTG ON order intake (MW):	FY20	Q4 20
Americas	3,109	913
US	1,454	913
Brazil	804	0
Chile	330	0
Mexico	122	0
EMEA	2,514	766
Spain	592	31
Morocco	301	301
Sweden	459	107
APAC	2,498	1,035
India	628	473
China	634	130
Pakistan	431	273
Vietnam	453	90
Total (MW)	**8,121**	**2,713**

Offshore attained a record 4,139 MW of new orders in FY20, twice the FY19 figure (2,076 MW). Order entry in this market is normally very volatile; contract signatures were concentrated in the first and third quarters of FY20. Orders signed in FY20 include notably those to supply the HKZ I, II, III and IV wind farms, a total of 1,540 MW (140 units of the SG 11.0-200 DD Offshore turbine), which, once built, will be the first unsubsidized Offshore wind farms in the world. Contracts signed amounted to €5,053m, +63% y/y, i.e. 1.8 times revenues in the period.

In addition to firm order intake, the company's commercial activities also resulted in a considerable increase in the conditional pipeline, which ended FY20 at 9.3 GW after the signature of 5.6 GW of conditional orders and the conversion of 4.1 GW into firm orders. Among the conditional orders signed in FY20 were those for 4.3 GW of the new SG 14-222 DD Offshore turbine, reflecting Siemens Gamesa's technological lead in the Offshore market: US (2.6 GW for Dominion Energy), the UK (1.4 GW for Innogy) and Taiwan (300 MW for Hai Long Offshore Wind). The company also registered strong performance in new markets, with 4.4 GW in US, 2.5 GW in France and a combined 2.2 GW in Taiwan and Japan (all figures include firm orders and preferential supply agreements).

The Service division also achieved strong commercial performance, with €4,152m in order intake in FY20, 53% more than in FY19 and equivalent to 2.3 times revenues in the year. The intense commercial activities in the Service division included Offshore contracts signed in France, Taiwan, The Netherlands or Scotland, and 1,155 MW of Senvion technology contracts outside the acquisition perimeter, including a contract to maintain 200 MW in the Offshore Trianel Windpark Borkum II for at least five years and up to 15 years.

Table 2: Order intake (€m)

	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20
WTG	2,195	1,717	3,735	2,386	**10,034**	3,158	1,424	4,227	1,776	**10,584**
Onshore	1,799	1,200	1,695	2,240	**6,934**	1,611	1,350	872	1,698	**5,531**
Offshore	396	517	2,040	146	**3,100**	1,547	74	3,355	78	**5,053**
Service	346	749	931	690	**2,715**	1,470	779	1,115	787	**4,152**
Group	**2,541**	**2,466**	**4,666**	**3,076**	**12,749**	**4,628**	**2,203**	**5,342**	**2,564**	**14,736**

The transition towards affordable, reliable and sustainable energy systems is being accompanied not only by better demand prospects for renewable installations but also by a demand for greater competitiveness in the supply chain: more productive wind turbines at better prices. The introduction of auctions as a mechanism for allocating renewable capacity or production in electricity markets, pressure from alternative renewable sources to wind energy, and the

competitive pressure among wind turbine manufacturers themselves are the main reasons for the reduction in prices.

This decline in prices, which became particularly visible after the first auctions in Mexico, India and Spain during 2016 and 2017, has gradually stabilized since the beginning of FY18, a trend that was maintained in FY19 and FY20.

In this way, the WTG market went from initial high single-digit/low double-digit declines to low single-digit (<5%) declines, which are in line with the historical price trend associated with improvements in manufacturing productivity.

However, as noted in previous quarters, the average selling price[10] is influenced by other factors apart from turbine prices, including the country, the contract scope and the machine mix, and that it is not directly correlated with profitability. The main factors pressuring the average selling price in FY20 were the larger contribution from higher nominal capacity rating platforms and the narrower scope of contracts. In Q4 20 the decline in ASP is also due to a negative currency effect, together with the previous factors.

Figure 5: Average sale price (ASP) - Onshore order intake (€m/MW)

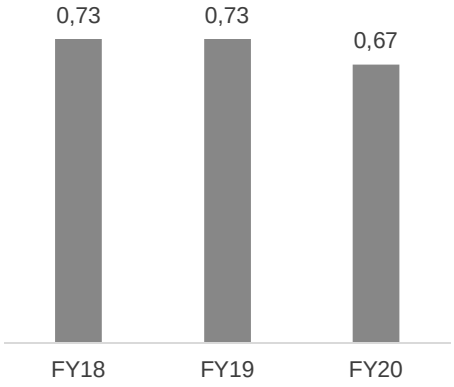
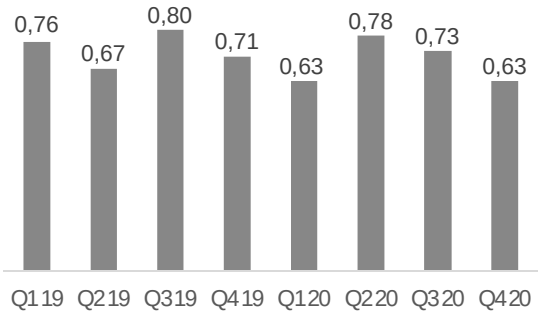


Figure 6: Average sale price - Onshore order intake (€m/MW)



[10]Average selling price excludes solar orders.

Key financial performance metrics

The table below shows the main financial aggregates for FY20 and FY19 and for the fourth quarter (July-September) of fiscal year 2020 and 2019, as well as the change between years and quarters.

Table 3: Key figures

€m	FY19	FY20	Var. y/y	Q4 19	Q4 20	Var. y/y
Group revenues	10,227	9,483	-7.3%	2,944	2,868	-2.6%
WTG	8,733	7,715	-11.7%	2,527	2,325	-8.0%
Service	1,493	1,768	18.4%	417	543	30.3%
WTG volume (MWe)	9,492	9,968	5.0%	2,585	3,226	24.8%
Onshore	6,936	7,704	11.1%	2,009	2,433	21.1%
Offshore	2,556	2,264	-11.4%	576	793	37.7%
EBIT pre PPA and before I&R costs	725	-233	N.A.	250	31	-87.6%
EBIT margin pre PPA and before I&R costs	7.1%	-2.5%	-9.5 p.p.	8.5%	1.1%	-7.4 p.p.
WTG EBIT margin pre PPA and before I&R costs	4.4%	-8.2%	-12.6 p.p.	5.9%	-4.3%	-10.2 p.p.
Service EBIT margin pre PPA and before I&R costs	23.0%	22.7%	-0.3 p.p.	24.1%	24.0%	-0.1 p.p.
PPA amortization[1]	266	262	-1.5%	67	59	-10.7%
Integration and restructuring costs	206	462	2.2x	116	110	-5.5%
Reported EBIT	253	-958	N.A.	67	-139	N.A.
Net profit attributable to SGRE shareholders	140	-918	N.A.	52	-113	N.A.
Net profit per share attributable to SGRE shareholders[2]	0.21	-1.35	N.A.	0.08	-0.17	N.A.
Capex	498	601	104	181	249	68
Capex/revenues (%)	4.9%	6.3%	1.5 p.p.	6.2%	8.7%	2.5 p.p.
Working capital (WC)	-833	-1,976	-1,143	-833	-1,976	-1,143
Working capital/revenues LTM (%)	-8.1%	-20.8%	-12.7 p.p.	-8.1%	-20.8%	-12.7 p.p.
Net (debt)/cash[3]	863	-49	-912	863	-49	-912
Net (debt)/EBITDA LTM	0.96	N.A.	N.A.	0.96	N.A.	N.A.

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q4 19: 679,504,347; Q4 20: 679,517,513; FY19: 679,490,974; FY20: 679,517,035.
3. The introduction of IFRS 16 in FY20 affected the opening net cash/(debt) position, reducing it from €863m to €280m. The variation in the net cash/(debt) position in the fiscal year, in comparable terms amounts to €301m: net cash as of September 30, 2019 (€863m), lease liabilities as of September 30, 2020 (€611m); net debt as of September 30, 2020 (€49m).

The Group's financial performance in FY20 was the result principally of:

- The impact of the pandemic, which mainly impacted Onshore activities.
- Additional costs as a result of the challenges in executing the Onshore pipeline in Northern Europe, which was also indirectly affected by the pandemic.
- The impact of volatility and the slowdown in the Onshore market in India, also accentuated by the pandemic, resulting in one of the longest lockdowns in the world.

The financial effect of the pandemic on the Group's results was due mainly to: (i) delays in executing Onshore projects, which in some cases have been carried over into FY21, due to commercial activities delays, to supply chain disruptions and also to temporary plant closures in India and Spain (in a very small number of cases, the execution delays triggered penalty clauses); (ii) costs of idle capacity; (iii) higher costs due to project prolongation, and higher transport expenses; and (iv) the increase in the price of certain commodities, such as balsa wood, due to supply chain disruptions. The impact commenced in the second quarter, peaked in the third quarter and tailed off sharply in the fourth quarter of FY20. Both the supply chain and manufacturing were operating normally in the fourth quarter.

In this context, Group revenues amounted to €9,483m in FY20, 7% lower than in FY19[11]. The decline in revenues reflects not only the impact of the pandemic on project execution and lower demand in India (neither of which were foreseen at the beginning of the year) but also the expected decline in Offshore sales and with a positive impact, the integration of the Service assets acquired from Senvion. COVID-19 impact on Group revenues due to the lower commercial activities and the delays on projects execution amounts to c. €1,000m. Revenues in Q4 20 amounted to €2,868m, 3% less than in Q4 19[12].

EBIT pre PPA and before integration and restructuring costs in FY20 amounted to -€233m, i.e. a 9.5 p.p. y/y reduction in the EBIT margin, to -2.5%. The effect of COVID-19 cut 1.9 p.p. off the margin in the fiscal year. EBIT pre PPA and before integration and restructuring costs in Q4 20 amounted to €31m, equivalent to an EBIT margin of 1.1%, i.e. 7.4 p.p. less than in the year-ago quarter. The effect of COVID-19 cut 1.1 p.p. off the margin in the Q4 20.

The trend in EBIT pre PPA and before integration and restructuring costs in FY20 reflects the impact of the following factors:

(-) The price cuts included in the order book (Onshore, Offshore and Service) at the beginning of the fiscal year.

(+) Improvements in productivity and fixed costs under the L3AD2020 program, which offset the price reduction.

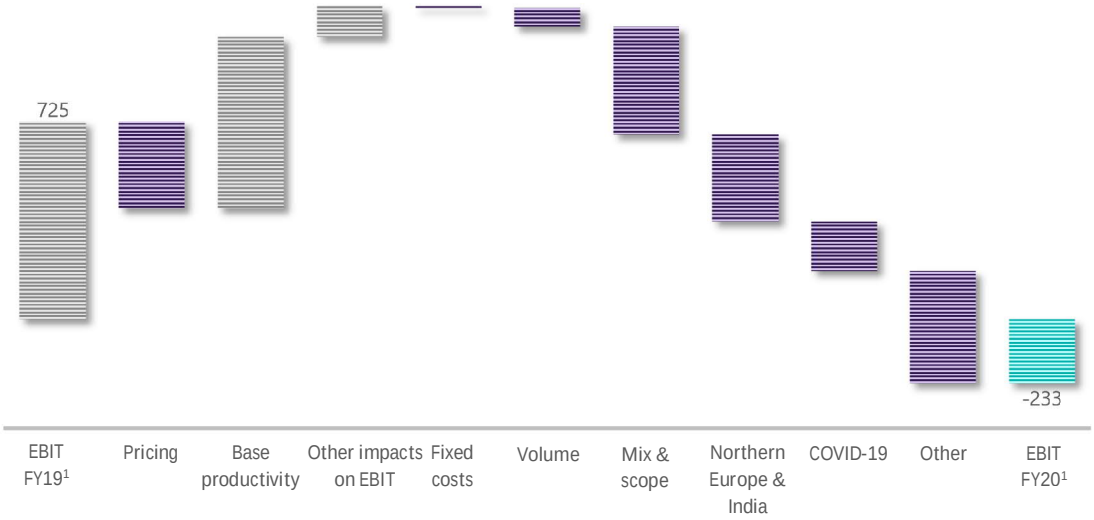
(-) The Group's project mix.

(-) Lower Offshore sales volume.

[11]At constant currency, revenues amount €9,657m. The impact of the weighted average annual depreciation of the currencies in which the Group operates amounts to €174m in FY20.

[12]At constant currency, revenues in Q4 20 amount €3,011m. The impact of the weighted average annual depreciation of the currencies in which the Group operates amounts to €144m in Q4 20.

Figure 7: EBIT pre PPA and before I&R costs (€m)



1. EBIT pre PPA and before integration and restructuring (I&R) costs.

It is important to note that, on conclusion of the FY18 - FY20 business plan, the synergies and productivity improvements achieved under the L3AD2020 transformation program surpassed the €2,000m target set by the company in 2018.

In addition to the aforementioned four factors, whose impact in FY20 was in line with the company's forecasts, the year-on-year variation was impacted by the continuing slowdown in the Indian market and cost overruns on project execution in Northern Europe, all negatively influenced by the impact of COVID-19. Regarding the costs associated with India and Northern Europe, Siemens Gamesa recognized €95m and €183m in cost deviations against EBIT pre PPA and before integration and restructuring costs in FY20, all incurred in the first nine months of FY20, with no impact in Q4 20.

EBIT pre PPA and before integration and restructuring costs in Q4 20 reflected a negative impact of €69m in Q4. Of these, €31m are recorded for provisions for warranty and onerous contracts. The remainder results from higher expected contract cost which reduced profit of projects which are in the execution phase and go with a reversal of revenue, both factors associated with preventive and corrective actions in the SG 4.X gearbox. This impact is partially in the “Others” category in the previous graph (Figure 7). This category also includes the negative currency effect in FY20, mainly in Q4 20, and the positive impact in FY19 of better fleet performance and product improvements on ordinary provisions (with no impact in FY20).

The impact of the PPA on amortization of intangible assets was €262m in FY20 (€59m in Q4 20), while integration and restructuring (I&R) expenses amounted to €462m in the same period (€110m in Q4 20).

I&R costs included notably the following items:

- Restructuring of operations in India to adjust capacity to the lower demand projected for the first half of the decade.
- Restructuring of capacity in EMEA with the closure of the Aoiz plant and the discontinuation of the Onshore blade manufacturing in Aalborg.
- In addition to the IT integration costs, the integration and restructuring costs associated with the acquisition of Service assets from Senvion and the Vagos blade plant.

In FY20, restructuring costs associated with the deterioration of the Indian market amounted to €219m including €82m in impairment of intangible assets, €126m write-off of inventory (including the landbank), and €11m in impairment of property, plant and equipment. Of that amount, €24m were booked in Q4 20. Although short- and medium-term demand prospects in India have declined, the long-term prospects remain intact, and have even improved recently to an average of 8 GW of installations per year in the second half of the decade. These long-term prospects support the company's commitment to the Indian market.

Financial expenses amounted to €59m in FY20 (€15m in Q4 20). Losses in the year resulted in a corporate tax income in the amount of €100m (€40m in Q4 20) driven by the recognition of additional net deferred tax assets in amount of €237m.

As a result, the Group ended the year with a negative net profit, which includes the impact on amortization of the PPA and integration and restructuring costs, both net of taxes, totaling €519m in FY20, that amounted to €918m (-€113m in Q4 20), whilst the net profit of the Group was €140m in FY19 (€52m in Q4 19). The net loss per share for equity holders of Siemens Gamesa is €1.35 (€0.17 in Q4 20).

The working capital management policies implemented in FY19 and the strong commercial activities resulted in an improvement in working capital despite the effect of the pandemic on project execution and on the need to maintain inventories of critical components to ensure business continuity. As of September 30, 2020, working capital amounted to -€1,976m, equivalent to -20.8% of revenues in the last twelve months, an improvement of €1,143m or 12.7 percentage points of revenues on the figure in FY19.

Table 4: Working capital (€m)

Working capital (€m)	Q1 19[1]	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Var. y/y
Accounts receivable	1,135	1,171	1,460	1,308	1,108	1,073	1,211	1,141	-167
Inventories	1,925	2,006	2,044	1,864	2,071	2,115	2,064	1,820	-44
Contract assets	2,033	1,771	1,952	2,056	1,801	1,808	1,715	1,538	-518
Other current assets	417	464	651	461[2]	578	466	584	398	-63
Accounts payable	-2,557	-2,505	-2,733	-2,886	-2,471	-2,544	-2,781	-2,694	-79
Contract liabilities	-2,340	-1,991	-2,267	-2,840	-3,193	-3,101	-3,362	-3,148	-308
Other current liabilities	-641	-706	-869	-798	-833	-682	-929	-761	36
Working capital (WC)	**-27**	**211**	**238**	**-833**	**-939**	**-865**	**-1,498**	**-1,976**	**-1,143**[2]
Change q/q	515	238	28	-1,071	-106[2]	74	-633	-477	
Working capital/revenues LTM	**-0.3%**	**2.2%**	**2.4%**	**-8.1%**	**-9.4%**	**-8.8%**	**-15.7%**	**-20.8%**	

1. For the purposes of comparison after the application of IFRS 9, which impacted the opening balance sheet in FY19: the foregoing table shows a €3m decline in "Trade and other accounts receivable" and a €3m decline in "Contract assets", with a corresponding €4.6m reduction in Group equity (including the tax effect).
2. The application of IFRS 16 modified the opening balance of the "Other current assets" account by €10m: from €461m at the end of FY19 to €451m at the beginning of FY20. Working capital at the beginning of FY20 amounted to -€843m, €10m less than at the end of FY19. Considering the impact of IFRS 16, working capital decreased by €95m during the first quarter of FY20 and €1,132m in FY20.

Capital expenditure amounted to €601m in FY20, in line with the guidance for the year announced in November 2019. Investment was concentrated in developing new services and Onshore and Offshore platforms, in tooling and equipment, and in the blades and nacelles factory in Le Havre. Offshore required investment to tap demand growth in coming years, represents more than half of the investment in the fiscal year.

The application of IFRS 16 in FY20[13] increased gross interest-bearing debt by €583m (see note 2.D.3 to the Group's consolidated financial statements for FY19). As a result, the net cash position went from €863m as of September 30, 2019 to €280m at the beginning of FY20 (October 1, 2019). Adjusting for this accounting change, the net cash

[13]The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the full retrospective approach without restating comparative figures. As a result of the forgoing, the opening balance sheet as of October 1, 2019 has been modified. The main impacts of the first-time application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in Property, plant and equipment corresponding to the assets for the right-of-use in the amount of €679m, a decrease in advance payments recorded under "Other non-current assets" and "Other current assets", for an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of Net Financial Debt) amounting to €583m. Lease liabilities as of September 30, 2020 amounted to: €115m short term and €496m long term.

position from the beginning of the fiscal year was reduced by c. €301m[14], to a net debt position of €49m at the end of the FY20. This reduction came after payments related to the acquisition of Service and manufacturing assets from Senvion in Q2 20 and Q3 20 for a net total of €177m and after Adwen-related cash outflows in the amount of €140m.

In the first quarter of FY20, Siemens Gamesa strengthened its funding structure by extending the maturity of the syndicated loan to December 2024 for the €2,000m tranche and to December 2022 for the €500m tranche, and by arranging more flexible terms as a result of achieving an investment grade rating. The maturity extension enables the company to address the impact of the pandemic and the related uncertainties with a strong liquidity position of c. €4,700m including available credit lines and cash. At September 2020, the company had c. €4,200m in credit lines, against which it had drawn c. €1,100m.

WTG

Table 5: WTG (€m)

€m	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Var. y/y
Revenues	1,904	2,060	2,242	2,527	**8,733**	1,634	1,808	1,947	2,325	**7,715**	-11.7%
Onshore	1,103	1,243	1,229	1,650	**5,225**	1,116	1,149	1,143	1,499	**4,907**	-6.1%
Offshore	801	817	1,013	877	**3,508**	518	660	805	826	**2,808**	-20.0%
Volume (MWe)	2,129	2,383	2,394	2,585	**9,492**	1,932	2,183	2,627	3,226	**9,968**	5.0%
Onshore	1,520	1,707	1,699	2,009	**6,936**	1,747	1,649	1,876	2,433	**7,704**	11.1%
Offshore	609	676	694	576	**2,556**	185	534	751	793	**2,264**	-11.4%
EBIT pre PPA and I&R costs	51	106	76	149	**382**	-224	-54	-256	-99	**-634**	N.A.
EBIT margin pre PPA and I&R costs	2.7%	5.1%	3.4%	5.9%	**4.4%**	-13.7%	-3.0%	-13.2%	-4.3%	**-8.2%**	-12.6 p.p.

WTG division revenues in FY20 amounted to €7,715m, 12% less than in FY19. Revenues in Q4 20 amounted to €2,325m, a decline of 8% with respect to the year-ago quarter.

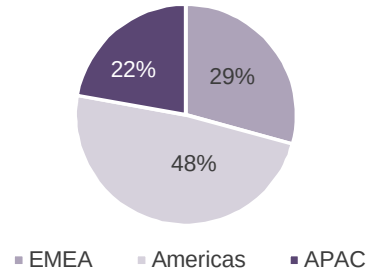
WTG revenues declined in FY20 mainly as a result of a reduction in Offshore revenues (-20% y/y). That was due to a slower pace of manufacturing (-11% y/y), in line with project planning for the year, and reduced installation activities, which fell 38% y/y (from 2,646 MW installed in FY19 to 1,652 MW in FY20).

The decline in Onshore revenues (-6% y/y) was due mainly to the geographic mix, with a larger contribution from the Americas and APAC (71% in FY20, vs. 51% in FY19, in MWe), where the scope is lower than in EMEA, as well as lower prices and a negative currency effect. The pandemic's impact on project execution was visible in the second and (above all) the third quarter, triggering a significant decrease in installation activities, followed by a partial recovery in the fourth quarter, as expected.

The main sources of Onshore sales (MWe) in FY20 were the US (30% of the total), China (10%), India (9%), Chile (8%) and Brazil (7%).

[14]Net cash as of September 30, 2019: €863m, increase in debt due to adoption of IFRS 16 in FY20, as of September 30, 2020: €611m, net debt as of September 30, 2020: €49m.

Figure 8: WTG ON sales volume (MWe) FY20 (%)



EBIT pre PPA and before integration and restructuring costs declined to -€634m in FY20, equivalent to an EBIT margin of -8.2%, i.e. 12.6 percentage points below the comparable figure in FY19. EBIT pre PPA and before integration and restructuring costs in Q4 20 declined to -€99m, equivalent to a -4.3% margin on revenues, i.e. 10.2 percentage points below the comparable figure in Q4 19.

The WTG division's profit margin reflects the effect of the following expected factors, whose impact was completely in line with expectations:

- Lower prices, offset by the results of the L3AD2020 transformation program.
- The cost of Offshore underproduction due to the reduction in volume.
- The sales mix, with a lower contribution from Offshore and a lower contribution by EMEA in Onshore.

However, in addition to these factors, there were events, some outside the company's control, whose impact could not be offset in the short term:

- The pandemic delayed execution of certain projects and raised costs by slowing the supply chain and the pace of manufacturing and execution. Moreover, some commodity prices and transport costs increased.
- A slowdown in some of Siemens Gamesa's major markets, such as India and Mexico, with an effect on contract signatures and on sales.
- Costs in excess of original estimates as a result of challenges encountered in executing 1.1 GW in Northern Europe, negatively influenced by the impact of the pandemic, particularly on the movement of people.

As indicated in the third quarter, the company took measures to regain profitability in Onshore operations; those measures, which are part of the FY21 - FY23 business plan, include:

- A full review of the business in India, consolidating capacity to actual demand, reducing the risk profile by limiting development activities and focusing operations on wind power, ceasing solar activities.
- Additional adjustment of Onshore manufacturing capacity to optimize from a product and competitive perspective.
- Launch of the LEAP program, unveiled to the market in August 2020, which is a continuation of the L3AD2020 program with a much broader scope and a clear focus to One SGRE that relies on three levers — innovation, productivity and asset management, and operational excellence — with the goal, among others, of restoring profitability in Wind Turbine activities.
- Appointment of Lars Bondo Krogsgaard as CEO of the Onshore division, to take office in November 2020.

Operation and Maintenance Service

Table 6: Operation and maintenance (€m)

€m	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Var. y/y
Revenues	358	330	390	417	**1,493**	366	395	464	543	**1,768**	18.4%
EBIT pre PPA and before I&R costs	87	73	83	100	**343**	88	87	96	130	**401**	16.9%
EBIT margin pre PPA and before I&R costs	24.3%	22.0%	21.3%	24.1%	**23.0%**	24.1%	21.9%	20.6%	24,0%	**22.7%**	-0.3 p.p.
Fleet under maintenance (MW)	56,828	56,875	58,708	60,028	**60,028**	63,544	71,476	72,099	74,240	**74,240**	23.7%

Service division revenues increased by 18% year-on-year to €1,768m. This growth was driven by the integration of the Service assets acquired from Senvion in January 2020. Revenues increased by 30% y/y in Q4 20, also reflecting the integration of Senvion assets in Q2 20.

The fleet under maintenance stands at 74.2 GW, 24% more than in FY19. The Offshore fleet under maintenance, 12 GW, expanded by 7% y/y, while the Onshore fleet expanded by 27% y/y to 62.2 GW, mainly as a result of integrating the fleet acquired from Senvion. It is important to highlight the success of the Service unit with respect to the operation and maintenance of the Senvion fleet, which closed the year with availability ratios similar to the SGRE fleet.

The contract renewal rate was over 70% in FY20, in line with the FY19 rate. In Q4 20, the renewal rate was 75% (71% in Q4 19). The fleet of third-party technologies under maintenance stands at 11 GW[15] as of September 30, 2020.

EBIT pre PPA and before integration and restructuring costs in the Service division amounted to €401m in FY20, equivalent to an adjusted EBIT margin of 22.7%, practically the same as in FY19 (23.0%).

EBIT pre PPA and before integration and restructuring costs in Q4 20 amounted to €130m, equivalent to an adjusted EBIT margin of 24.0%, in line with the figure in Q4 19 (24.1%).

[15]The fleet of third-party technology under maintenance has been redefined to exclude the technology of companies acquired before the merger between Siemens Wind Power and Gamesa Corporación Tecnológica (MADE, Bonus and Adwen).

Sustainability

The table below shows the main sustainability figures for FY19 and FY20 periods, and the annual variation.

Table 7: Main sustainability figures

	09.30.19	09.30.20 (*)	Var. y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR)[1]	1.67	1.36	-18%
Total Recordable Incident Rate (TRIR)[2]	4.71	3.14	-33%
Environment			
CO_2 direct (scope 1) emissions (kt)[3]	26.4	26.0	-2%
CO_2 indirect (scope 2) emissions (kt)[3]	44.3	1.9	-96%
Primary (direct) energy used (TJ)	455	472	4%
Secondary (indirect) energy use (TJ)	801	730	-9%
of which, Electricity (TJ)	707	655	-7%
from renewable sources (TJ)	435	655	50%
from standard combustion sources (TJ)	272	0.5	-100%
renewable electricity (%)	62	99.9	61%
Fresh water consumption (thousand m3)	450	454	1%
Waste production (kt)	59	68	15%
of which, hazardous (kt)	8	10	25%
of which, non-hazardous (kt)	51	58	14%
Waste recycled (kt)	45	49	9%
Employees			
Number of employees (at year-end)[4]	24,453	26,114	7%
employees aged < 35 (%)	37.4	36.7	-2%
employees aged 35-44 (%)	36.9	37.4	1%
employees aged 45-54 (%)	18.7	19.0	2%
employees aged 55-60 (%)	5.2	4.6	-11%
employees > 60 (%)	1.8	2.3	28%
Women in workforce (%)	18.8	18.8	-
Women in management positions (%)	10.2	11.7	15%
Supply chain			
No. of Tier 1 suppliers	17,890	18,932	6%
Purchase volume (€m)	8,238	7,365	-11%

1. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one work day loss.
2. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.
3. Emissions are reported annually, with fiscal year end closing.
4. Headcount totals include for the first time, the recent acquisition of Senvion.

Note: TJ=Terajoules; 1Terajoule= 277.77 MWh; kt=thousand tons

(*) Non-audited preliminary figures.

Health and safety

Workplace health and safety are key pillars for Siemens Gamesa and constitute a core component of the Group's risk management and internal control. At the end of fiscal year 2020, both the Lost Time Incident Frequency Rate (LTIFR: 1.36 in FY20 and 1.67 in FY19) and the Total Recordable Incident Rate (TRIR: 3.14 in FY20 and 4.71 in FY19) have decreased, illustrating that health and safety programs are in good track. Nevertheless, at the end of FY20 we regret a cumulative count of four fatalities, one SGRE employee and three contractors. Siemens Gamesa works proactively to analyze the causes of the accidents, including safety inspections, safety observations and health and safety audits, and has management indicators that track the degree of fulfilment of this work philosophy in day by day performance. Following the progress of the coronavirus pandemic, Siemens Gamesa maintains strict health and safety measures in offices, factories and wind farms to ensure maximum protection and minimize the risk for employees, customers, suppliers and, in general, the communities where the company operates.

Environment

Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard, which covers all locations. Total internal energy consumption amounted to 1,201,643 gigajoules (4% lower than in 2019). Hence, the figure for energy consumption per employee and year could be estimated to 46 GJ/employee in FY20. Total electricity consumption in 2020 amounted to 655,497 GJ, of which the share of renewable electricity amounted to 99.9%. Siemens Gamesa's electricity consumption is now covered by Energy Attribution Certificates (EACs), which guarantee that the origin of the electricity is from renewable sources. This has impacted on the drastic reduction of CO2 emissions. Natural gas is the most relevant primary energy source, representing 60 % of the total primary energy demand. The total volume of waste amounted to 68,311 t in FY20 (58,506 in FY19). The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:6, and the waste overall recycling rate was 72%, so that most of waste is recycled.

Employment

The workforce totaled 26,114 employees (24,453 in FY19). Most of them located in Europe, the Middle East and Africa region (68%), followed by Asia and Australia (19%) and the Americas (13%). From a gender perspective, women account for 18.8% of the total workforce in FY20, similar to FY19. Specifically, women represent 21% of the workforce in Europe, Middle East and Africa, 20% in America and 11% in Asia and Australia. Siemens Gamesa had 248 employees in management positions at the end of FY20, 11.7% of them women (10.2% in FY19).

Suppliers

Procurement volume in FY20 amounted to €7,365 m, from above 18,000 tier 1 suppliers. Those suppliers benefit from an impartial selection process and they are evaluated to ensure that they fulfil the high-quality standards required by our approach to excellence. As a foundation on sustainability for suppliers, and compliant to the Group policy, the Code of Conduct for Suppliers and Third-Party Intermediaries is compulsory and sets out the Group’s binding requirements.

ESG indexes

At the end FY20, Siemens Gamesa is a constituent member of prestigious international sustainability indexes, such as Dow Jones Sustainability Indices®, FTSE4Good®, Ethibel Sustainability Index® and Bloomberg Gender Equality Index®. The company attained ESG rating A (on a scale of AAA-CCC) in the MSCI ESG ratings assessment, enabling the company´s inclusion in the MSCI indices and with an investment grade rating. Vigeo-Eiris confirmed Siemens Gamesa Renewable Energy was ranked 1 out of 25 in the sector Electric Components & Equipment. Due to our company’s ESG performance, Siemens Gamesa Renewable Energy is currently included within the Euronext indices and Ethibel Sustainability Index-Excellence Europe powered by Vigeo Eiris. Finally, our company received a FTSE Russell ESG Rating of 4.5 out of 5 (Top Percentile Rank:100 in Alternative Energy - Renewable Energy Equipment sector) and, additionally, SGRE obtained from Sustainalytics a Low Risk ESG Rating (15.3) and ranked 3 out of 166 (top 2nd percentile) in the Electrical Equipment industry.

2. Outlook

Economic situation

The year 2020 has been marked by the COVID-19 coronavirus pandemic, which, in addition to the high cost in human lives, is having a significant impact on the global economy, affecting production, supply chains and companies' financial stability while also curtailing consumer and capital spending. The uncertainty about the pandemic, the scale of additional lockdowns required to contain it, and about the effectiveness of the proposed economic measures make it difficult to estimate the economic impact reliably.

According to the IMF's latest World Economic Outlook[16], the global economy will shrink by 4.4% in 2020 and resume growth in 2021, at 5.2% y/y, when global GDP will be just slightly higher than in 2019. The improvement in the IMF's projections for 2020 with respect to its June estimates is underpinned by better performance in China and the developed economies in the second quarter and by better prospects for the third quarter. The reduction in the growth projection for 2021 with respect to the June estimate is due not only to a smaller decline in 2020 but also to the persistence of social distancing, which will tail off as vaccines and better treatments become available. In the medium term, with local infection rates expected to be very low in 2022, economic growth is expected to stabilize around 3.5%. It's important to note that these projections carry a high degree of uncertainty.

The advanced economies are expected to shrink by 5.8% in 2020, i.e. less severely than had previously been anticipated, driven by a better performance in the second quarter of 2020 both in US and in the euro area. This group is expected to attain 3.9% growth in 2021.

However, in the emerging economies (excluding China), the recovery is proving to be weaker than expected. Faster growth in infections coupled with higher debt and higher funding costs mean that the amount of aid is proportionately lower than in the advanced economies. These economies are expected to shrink by 3.3% in 2020 and rebound to 6.0% growth in 2021 (excluding China in both cases). In particular, the Indian economy is expected to shrink due to sharp curtailment of consumer spending and a slump in capital expenditure, meaning that it is one of the few economies where the impact of the pandemic is even greater than initially expected, while Mexico's economy will also contract notably due to the continuing spread of the virus.

Having rebounded more robustly than expected, China is the only economy that will grow in 2020.

Table 8: IMF growth projections (%; calendar year)

	2020	2021
Global	-4.4%	5.2%
Advanced economies	-5.8%	3.9%
US	-4.3%	3.1%
Euro area	-8.3%	5.2%
Germany	-6.0%	4.2%
Spain	-12.8%	7.2%
UK	-9.8%	5.9%
Emerging economies	-3.3%	6.0%
China	1.9%	8.2%
India	-10.3%	8.8%
Brazil	-5.8%	2.8%
Mexico	-9.0%	3.5%

[16]International Monetary Fund. World Economic Outlook. October 2020.

Due to the nature of this pandemic, it is having a more severe impact on the services sector, which is more dependent on face-to-face interactions, than on industry.

Because of the uncertainty surrounding these projections, due to such factors as the duration of the pandemic, its impact on domestic and international economic activities, and how the financial markets react, the IMF considers two alternative scenarios:

- Scenario 1 – containing the virus proves to be more complicated and takes longer, until a vaccine becomes available worldwide: world GDP is expected to shrink by 0.75 p.p. in 2020 and 3.0 p.p. in 2021 with respect to the baseline scenario, with a greater impact on the emerging economies.
- Scenario 2 – the fight against the virus goes better than expected in all dimensions: global growth accelerates 0.5 p.p. above the baseline scenario in 2021.

As discussed in previous quarters, the major human and economic impact of the pandemic has highlighted the need to implement sustainable economic development models. In this connection, and as noted by the IMF, this crisis could represent an opportunity for the authorities to fulfill their climate change mitigation commitments, as the European Union, for example, is doing. Moreover, investment in "green" infrastructure could help revive global economic activities.

Long-term worldwide prospects for wind

The outlook for wind power over the long term has improved slightly since the pandemic began, further emphasizing the need to design sustainable economic models, in which renewable energy takes pride of place. In the last six months, governments and supranational bodies have made sustainability a core component of economic recovery plans. They have also announced plans to step up their emission reduction targets. The European Parliament voted to raise the 2030 emission reduction target from 40% to 60%. China has announced a goal of zero emissions by 2060, with emissions set to peak in 2030.

However, these commitments need concrete action policies, investment, and clear funding mechanisms that extend beyond those currently in place. As indicated in the latest World Energy Outlook[17] from the International Energy Agency (IEA), the current stated policies will lead to a considerable increase in wind and solar energy output in 2030, which will account for up to one-third of total power generation in the advanced economies and 25% in the emerging economies, but it will still be far from achieving the stated goal of zero emissions. With this scenario of stated policies, accumulated wind capacity at the end of the period (2040) will amount to 1,914 GW, equivalent to a sustained average of 60 GW of new installations each year, nearly 16% more than the average of recent years (2012-2019: 52 GW according to the Global Wind Energy Council – GWEC).

Investment in clean energy needs to increase substantially more in order to achieve net zero emissions worldwide. This increase, reflected in the sustainable development scenario, would lead to an accumulated global wind fleet of 3,000 GW by 2040, i.e. over 1,000 GW more than in the previous scenario, entailing 145 GW of installations per year in 2030 and 160 GW in 2040. In this scenario, Offshore wind power will be the top generation source in 2050, accounting for 25% of total electricity supply, followed by Onshore wind, nuclear and solar photovoltaic. The cost of generating power from wind, which has fallen by about 40% in the last decade, will continue to slide due to technology improvements and low funding costs, to reach about USD 50/MWh within 5 years. Nevertheless, even in this sustainable development scenario, the net zero emissions goal would not be achieved until 2070.

Achieving the goal of net zero emissions worldwide by 2050 would require even more ambitious and broader ranging measures, which must be implemented during this decade (2020 - 2030). These measures are set out in a new scenario, called "Net zero emissions by 2050" or NZE2050, in the IEA's latest report, WEO 2020. Broadly speaking, primary energy demand needs to be cut by 17% between 2019 and 2030, while the economy doubles in size, CO_2 emissions by the energy industry must be reduced by 60%, and end user emissions need to be cut by one-third. To attain these goals, by 2030:

- Renewable energies' share of electricity production must rise to 60%, from 27% in 2019, and there must be no coal-fired plants operational without systems for capturing, reusing and storing CO_2 emissions. This

[17] IEA. World Energy Outlook 2020 (WEO 2020). October 2020.

requires investment in the electricity system to triple, to USD 2.2 trillion in 2030, with one-third of that being allocated to expanding, modernizing and digitalizing the electricity grids.

- About 50% of buildings in developed countries and one-third in the rest of the world need to have been modernized to achieve energy efficiency, and close to 50% of passenger vehicles must be electric.
- Approximately 25% of the heat used in industrial processes must be obtained from electricity or low-emission combustion. Battery manufacture must double every two years, and hydrogen production and the related distribution infrastructure must expand substantially.
- Changes are required in consumer habits and in the use of transport — changes which the pandemic has shown are possible.

In this NZE2050 scenario, average annual wind installations must rise from 60 GW in 2019 to 160 GW in 2025 and 280 GW in 2030.

BloombergNEF, in its latest NEO 2020[18] report reaches similar conclusions. Just considering the economic fundamentals of the energy transition, and putting climate targets aside, wind installations would average 147 GW per year by 2050. Adding the necessary installations to allow global warming to be substantially below 2°C, an average of approximately 375 GW per year would be achieved.

Figure 9: Wind installations (cumulative GW_e)

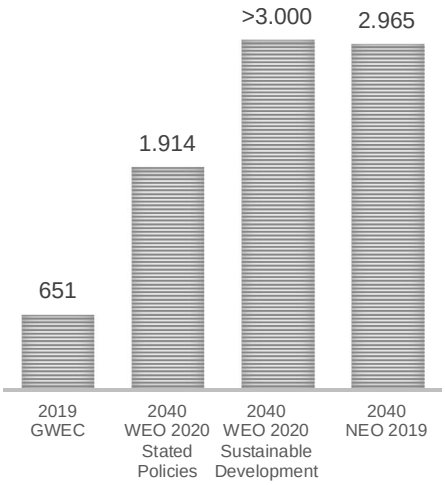
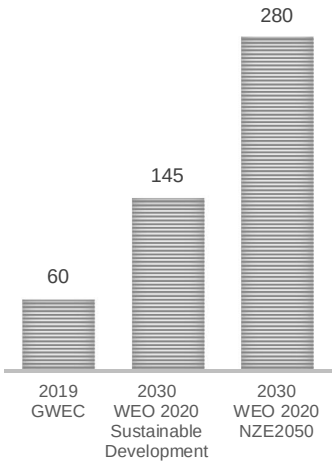


Figure 10: Annual installations 2019-30E ($GW/year_e$)



Quarterly update of short- and medium-term demand

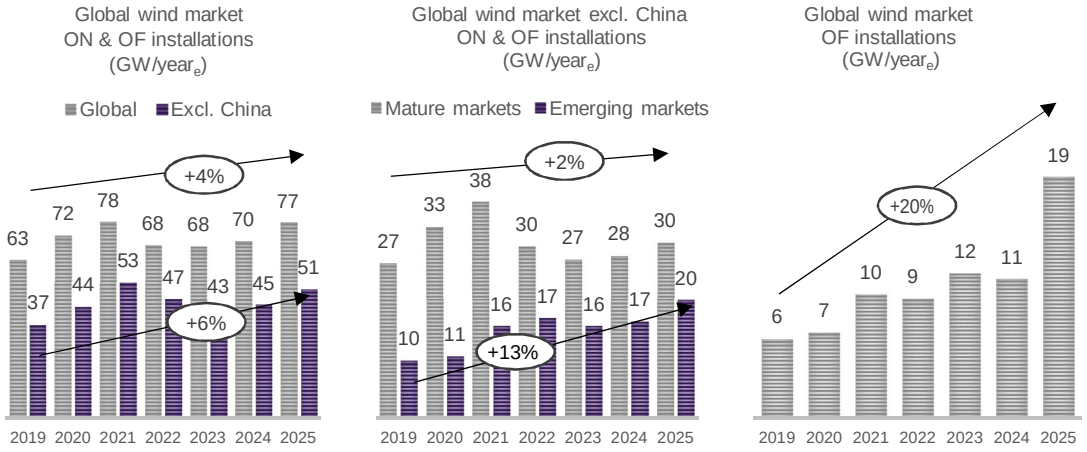
However, in the short and medium term, renewable energy is not immune to the pandemic, although it is proving to be much more resilient than any other energy source. This is particularly the case with Offshore wind, where demand and installation projections for the short and medium term have barely been affected. This low impact can be explained by the long development and execution times, and by the greater geographic concentration of demand and of supply chains. Conversely, in the Onshore wind market, which is much more diversified in geographic terms, with shorter lead times and dependent on a global supply chain, the disruptions to the supply chain and constraints on the movements of people and goods have jeopardized project execution in 2020, and shifted part of the planned

[18]BloombergNEF. New Energy Outlook 2020 (NEO 2020). October 2020.

volume to 2021, when the peak annual installations (in MW) formerly projected for 2020 is now expected to be attained.

The following figures present projections for installations in the medium term (2020-2025) and final installations reported for 2019[19] (the figures in the bubbles are compound annual growth rates for 2019-2025).

Figure 11: World wind market (GW installed/year)[20]



These projections factor in a lower impact of the pandemic on demand and execution of wind projects than had been projected the previous quarter. Wood Mackenzie (WM)[21] estimates that worldwide installations will amount to 72.0 GW in 2020 and 77.5 GW in 2021, which represents an increase of 1.3 GW for 2020 with respect to its forecast the previous quarter, concentrated almost entirely in Onshore (1.2 GW), while projections for 2021 are maintained stable.

The projection for global installations in 2020-2025 is up 7.0 GW, again almost entirely within the Onshore market (6.7 GW). The updated demand projections include increases in the Onshore markets in China (+2.0 GW), US (+1.3 GW), Vietnam (+1.1 GW) and Brazil (+0.7 GW). The improvement in China is driven by the rapid recovery in manufacturing and installations after the economy rebounded; in the US, by rapid project execution coupled with the positive impact of the extension of the Production Tax Credits (PTC); in Vietnam, by the potential elimination of feed-in tariffs (FiT) in November 2021; and, in Brazil, by the strength of the free market despite the impact of the pandemic in that country. The slump in India (-1.1 GW) is due to the pandemic's impact being greater than projected in the previous quarter.

Variations during fiscal year 2020 in the cumulative projections for the period 2020-2025 (between WM publications in Q3 19 and Q3 20, both calendar years) amount to an increase of just 0.2 GW, including Onshore (0.8 GW) and Offshore (-0.6 GW), evidencing the industry's resilience in the face of the pandemic. However, there has been a major change in the geographic composition, including a notable increase in Onshore installations in the United States (7.9 GW) and Spain (1.6 GW), offset by a sharp cut in the projections for India (-8.3 GW). The geographic variation in Offshore is much smaller, though it includes an increase in projections for US (0.7 GW) despite the uncertainty about project development, and in Europe (1.7 GW), headed by the UK (2.5 GW), with a reduction in projections for China (-2.6 GW).

China (127 GW), US (52 GW), India (23 GW) and Germany (16 GW) are expected to retain their positions as the largest Onshore markets, accounting for almost 60% of the total accumulated installations projected for 2020-2025.

[19]According to the GWEC's Global Wind Report 2019, ON + OF installations worldwide in 2019 amounted to 60 GW overall and to 34 GW excluding China; there were 25 GW in mature markets and 9 GW in emerging markets; 6 GW in OF (similar to the Wood Mackenzie installation figures).

[20]Wood Mackenzie. Global Wind Power Market Outlook Update: Q3 2020. September 2020. The balloons indicate compound annual growth rates.

[21]Wood Mackenzie. Global Wind Power Market Outlook Update: Q3 2020. September 2020. All projections in this section referring to Q4 19, Q3 20 and Q4 20 (fiscal quarters) are from the Wood Mackenzie quarterly Global Wind Power Market Outlook.

Brazil, France, Sweden, Spain and Australia, with cumulative installations of between 6 GW and 12 GW per country, will contribute more than 12% in the same period.

Although new markets are steadily being added, Offshore is still much more concentrated. China, with 23 GW of installations in 2020-2025, will account for 33% of total installations in the period. Europe, led by UK (12 GW of installations in the same period), will install 26 GW, accounting for 39% of the total. They are followed by US (9 GW in 2020-2025) and Taiwan (5 GW in that period).

Beyond the pace of installations, price dynamics are unchanged with respect to the previous quarter and Onshore prices continue to stabilize, reflecting mainly the stabilization of auction prices but also the commercial dynamic in the US, cost inflation, and the pressure on margins in the supply chain. According to BloombergNEF[22], the average price per Onshore MW for contracts signed in the first half of 2020 is USD 0.77m/MW considering the standard scope in the US (which normally excludes installation and commissioning), and USD 0.85m/MW considering the standard scope in Europe and Latin America (which normally includes installation and commissioning), which is slightly higher than the average price of contracts signed in the first half of 2019 in both cases, although the increase in the rated capacity of the wind turbines continues to drive the price per MW of wind turbines downwards. In terms of product, the >3 MW category practically dominates the market, while the average capacity in contracts for delivery in 2021 is now over 4 MW.

Summary of the main events relating to wind power in Q4 20 and FY20[23]

During the fourth quarter of fiscal year 2020, the following information was published and the following measures were adopted in connection with government commitments and actions aligned with the transition towards a more sustainable energy model.

Measures related to COVID-19

- There is a steady flow of announcements of new measures in support of renewable energy as a means of driving the recovery in many economies. As an example, the Chinese premier Xi Jinping recently spoke of the need to work on a greener economic recovery.
- The pandemic has created further delays and changes to planned auctions, as in the case of Chile and India, where project execution deadlines have been extended once again.

European Union

- In the European Green Deal framework, the heads of state and government of the European Union agreed to implement “Next Generation EU”, a recovery plan presented by the European Commission, as described in the Q3 20 activity report. Member States must present their recovery and resilience plans and establish an investment and reform agenda for the period 2021-2027. These plans must contribute to the goal of making the EU climate-neutral by 2050 and attain by 2030 the targeted emission reduction with respect to the 1990 baseline. The European Parliament voted to increase the 2030 target from the current 40% to 60%. For this new target to be binding, it must be approved by the Member States and the European Council.
- Also in the framework of the European Green Deal, the European Commission is drafting legislation to achieve the 2030 emission reduction target, which will be presented in the first half of 2021. The proposals include stepping up renewable energy policy and providing a border adjustment mechanism for carbon emissions, to be implemented no later than 1 January 2023[24]. Additionally, the European Commission has called for proposals for research and innovation projects that drive the green and digital transition, with a budget of €1bn. The goal is to achieve clear tangible results in the short and medium term in 9 of the EU's priority areas, one of which is "clean, affordable and secure energy".

[22]BloombergNEF. 1H 2020 Wind Turbine Price Index. June 2020.

[23]This section is a non-exhaustive list of government commitments and actions aligned with the energy transition towards a sustainable model.

[24]The goal of this mechanism is for the price of imported products to better reflect their carbon emission impact, so as to prevent production from being shifted to areas with less ambitious climate policies.

Germany

- A law has been passed under which infrastructure planning or construction processes cannot be halted by pending litigation, the goal being to accelerate growth of Onshore wind capacity.
- The results of the fourth and fifth wind auctions in 2020 were released, as well as the outcome of the first innovation auction (Table 9), and the sixth specific auction in 2020 and a sixth neutral auction were announced (Table 10).

Ireland

- The European Union approved the Renewable Electricity Support Scheme (RESS) with a budget of between €7.2bn and €12.5bn. The outcome of the first auction under this scheme was published (Table 9).

The Netherlands

- The Hollandse Kust Noord 700 MW unsubsidized project was assigned to Crosswind, a joint venture between Shell and Eneco. The project will include new technologies, such as hydrogen, short-term storage and floating solar photovoltaic, to test the capabilities of these technologies and their contribution to system stability. The outcome of the spring 2020 wind auction was reported (Table 9).

Norway and Sweden

- The joint green subsidy scheme was formally concluded (Sweden had already announced this, as noted in the Q1 20 activity report). It is estimated that there will be sufficient capacity to attain the production target (46.4 TWh) by 2021, 10 years ahead of schedule. If it is not attained, the scheme would be extended by two years.

Russia

- It has been proposed to amend the renewable energy support scheme, using energy output rather than capacity as the basis for calculating remuneration. Additionally, the local content requirement would be increased to 75% (currently 65% for projects installed through 2024).

South Africa

- In line with the Integrated Resource Plan (IRP), which was described in the Q1 20 activity report, South Africa plans to acquire 6.8 GW of new wind and solar photovoltaic capacity. This will occur through a series of auctions, including the fifth round of the Renewable Energy Independent Power Producer Procurement (REIPPP) program, for 1.6 GW of wind capacity, which is expected in the second quarter of calendar 2021.

UK

- The government confirmed that round 4 of the CfD (contracts for differences) auction will be held in 2021, as planned.

Brazil

- The draft National Energy Plan 2050, released for public consultation, envisages wind attaining between 110 GW and 195 GW of installed capacity, up from 16 GW at present. The draft refers to 597 GW of potential at sites with wind speeds of over 7 m/s.

US

- New Jersey announced the second Offshore wind auction (Table 10) targeting between 1.2 and 2.4 GW.
- New York announced its second Offshore wind auction (Table 10) targeting up to 2.5 GW (minimum: 1 GW), with a budget of USD 200 million to support new port infrastructure. It also announced an auction for 1.5 GW of Onshore wind and solar photovoltaic capacity, with the option of including storage (Table 10).

China

- China announced the goal of achieving carbon neutrality by 2060, with emissions peaking before 2030. This goal will require RMB 100 trillion in investment over the next 30 years in renewable energy, nuclear energy, storage and other energy infrastructure. In response, the Chinese wind industry proposes installing 50 GW per year between 2021 and 2025, and 60 GW per year between 2026 and 2030, compared with 26 GW installed in 2019[25]. In this way, China's wind industry plans to reach 800 GW installed by 2030 and 3,000 GW by 2060.
- A total of 11.4 GW of unsubsidized wind projects were approved, with the requirement that construction must start before the end of 2020 and that the capacity must be operational by the end of 2022. A total of 64 GW of unsubsidized renewable energy projects have been approved since 2017.

India

- The results of the SECI IX auction were announced (Table 9) and the SECI hybrid III and SECI RTC II auctions were postponed once again (Table 10).
- India has commenced the process of privatizing electricity distribution companies (DISCOM) with the goal of improving the electricity system's efficiency and restoring its finances.

Pakistan

- The government announced a system of tax exemptions to support Alternative and Renewable Energies (AREs) and increase their share of the energy supply to 20% by 2025 and to 30% by 2030, from the current 5%.

FY20 Conclusions

- Fiscal year 2020 was marked by the COVID-19 pandemic and the lockdown measures imposed by governments, whose impact highlighted the need to design sustainable development models in which renewable energy plays a central role. In Europe, the recently approved recovery plan requires that all measures be aligned with the European Green Deal presented in December 2019 and with the target to achieve carbon neutrality by 2050. Additionally, at least 30% of the recovery plan budget must be "green". Chinese premier Xi Jinping also spoke of the need to work on a greener economic recovery while announcing the goal of making China carbon neutral by 2060.
- Offshore wind installation targets were increased substantially during this fiscal year as a core means of achieving decarbonization, both in new markets (US and Taiwan) and in Europe. Despite the short-term uncertainty about project development in the US, Virginia (5.2 GW by 2034) and New Jersey (7.5 GW by 2035) announced new installation targets, in addition to targets set by New York (9 GW by 2035), Massachusetts (3.2 GW by 2035), Connecticut (2 GW by 2030) and Maryland (1.2 GW by 2030). European countries that increased their targets were the United Kingdom (40 GW by 2030), Germany (20 GW by 2030 and 40 GW by 2040), Denmark (approximately 9 GW by 2030), France (between 5.2 GW and 6.2 GW by 2028) and Poland (3.8 GW by 2030 and 8 GW by 2040), in addition to the objectives set by The Netherlands (11.5 GW by 2030), Ireland (3.5 GW by 2030) and Italy (0.9 GW by 2030). Taiwan set a new objective of 15 GW by 2035, having declared that attainment of the previous target of 5.7 GW set for 2025 is now assured.
- Additionally, the potential for Offshore installations is supported by Europe's strategy for the development of green hydrogen, published by the European Commission in July 2020, with the goal of installing at least 6 GW of renewable hydrogen electrolyzers between 2020 and 2024, and up to 40 GW between 2025 and 2030. Between 80 GW and 120 GW of renewable capacity will be required to power those electrolyzers. Hydrogen is classified as a priority for achieving the goals of the European Green Deal, while countries such as Germany, France, Spain and the United Kingdom have published their national strategies.

[25]Source: Global Wind Energy Council (GWEC) “Global Wind Report 2019”. March 2020.

- On the negative side, the pandemic is having a major impact on markets such as India, where auction delays and cancellations, coupled with pre-existing problems with project development and the low auction prices, have resulted in installation projections between 2020 and 2025 being cut by over 8 GW. However, the market is expected to recover in the medium and long term, with a slight increase in installation projections[26]. Mexico has taken a number of measures that are detrimental to renewable projects, but the projections have not been reduced substantially. The same can be said of Brazil, where auction suspensions have been offset by agreements and auctions (Copel and Engie) in the free market, resulting in a slight improvement in installation projections.

Auction summary

Table 9: Summary of auction results published in Q4 20

Auction	Type	Technology	MW[1]	Average price €/MWh[2]	COD
Germany, IV – 2020	Specific	ON	191	61	2022
Germany, V – 2020	Specific	ON	285	62	2022
Germany, I – Innovation	Neutral (ON, solar and storage)	ON	11	45[3]	2023
Australia – ACT	Hybrid ON and battery	ON	200	31	2022-2024[4]
Greece	Specific	ON	472	56	2023
India – SECI IX[5]	Hybrid ON + solar	ON	776	34	2022
Ireland – RESS 1	Neutral (renewable)	ON	479	74	2023
Italy	Neutral	ON	218	68	2023
Netherlands – SDE+ Spring 2020	Neutral	ON	116	24[6]	2024

1. MW awarded to ON or OF.
2. Using the exchange rate on the date the results were announced.
3. Weighted average premium of all winning projects.
4. Estimated. It is assumed that 100 MW will enter into operation and 100 MW will commence construction in 2022.
5. Hybrid, with 80% wind and 20% solar specified.
6. Weighted average premium.

[26]In its Global Wind Power Market Outlook Update: Q3 2020, Wood Mackenzie estimates a total of 23 GW in India in 2020-2025 and 24 GW in 2026-2028, 18 GW in Brazil in 2020-2028, and 5 GW in Mexico in the same period. In its Global Wind Power Market Outlook Update: Q3 2019, it estimated 31 GW in India in 2020-2025 and 22 GW in 2026-2028, 16 GW in Brazil in 2020-2028 and 5 GW in Mexico in the same period (Onshore installations in all cases).

Table 10: Auctions announced or amended in Q4 20 (includes previous auctions that are not yet finalized)

Auction	Type	Technology	Target	Expected date[1]
Germany, VI – 2020	Specific	ON	825 MW	October 2020
Germany - neutral VI	Neutral	ON and solar	200 MW	November 2020
Australia – Queensland - Renewables 400	Neutral	ON, solar and hybrid (storage optional)	400 MW	2021
Canada – Saskatchewan	Specific	ON	300 MW	November 2020
Chile[2]	Neutral	Renewable and thermal	2.7 TWh/year	January 2021
Denmark – Thor	Specific	OF	1 GW	December 2020[3]
US – New Jersey 2	Specific	OF	1.2 GW – 2.4 GW	December 2020
US – New Jersey – 4 auctions[4]	Specific	OF	1.2 GW – 1.4 GW	2022 – 2028
US – New York	Neutral	ON and solar (storage optional)	1.5 GW	September 2020
US – New York 2	Specific	OF	≤2.5 GW	October 2020
US – Virginia[5]	Neutral	ON, solar and storage	1 GW[5]	Sept. 2020 and March 2021[5]
US – AES + Google	Neutral	ON, OF, solar and storage	1 GW	July 2020
France – VI	Specific	ON	250 MW	July 2020
France – VII	Specific	ON	500 MW	November 2020
India – SECI Hybrid III	Specific	Hybrid: ON and solar (storage optional)	1,2 GW	Postponed - October 2020
India – SECI RTC II[6]	Neutral	ON and/or solar + coal	5 GW	Postponed – November 2020
Italy	Neutral	ON and solar	1.15 GW	October 2020
Netherlands – SDE++ Autumn 2020	Neutral	Renewables	€5,000m	Postponed - December 2020
Netherlands – Hollandse Kust West	Specific	OF	1.4 GW	2021
Netherlands – North of the Frisian Islands	Specific	OF	700 MW	2022
Netherlands – Ijmuiden I+II	Specific	OF	2 GW	2023
Turkey	Specific	ON	2 GW	October 2020

1. Deadline for proposals. In some cases, the outcome will be published later.
2. Initially planned for November 2020, with 5.9 TWh.
3. Deadline for presenting proposals for pre-qualification.
4. The schedule of auctions has been published, allocating between 1.2 GW and 1.4 GW per auction, to achieve the target of 7.5 GW. The auctions are scheduled for Q3 2022, Q2 2024, Q2 2026 and Q1 2028 (calendar quarters).
5. Request for proposals from Dominion Energy to acquire projects or sign power purchase agreements (PPA) for a total of 1 GW of Onshore wind and solar, and 250 MW of storage. Proposals for the sale of projects are due by September 2020, and for PPAs by March 2021.
6. Round the clock. 5 GW renewables (ON and/or solar), complemented by thermal plants to ensure 80% annual availability.

FY21 - FY23 business plan

FY20 saw the conclusion of Siemens Gamesa's first business plan (FY18 - FY20) and marks the beginning of a new era for the Group, with goals and lines of action set out in the FY21 - FY23 business plan that was presented to the capital markets on August 27, 2020.

During the period that has just concluded (FY18 - FY20), Siemens Gamesa achieved a sizeable proportion of the goals set in the previous business plan for the Group, including savings tied to the L3AD2020 transformation program with an overachievement of the €2,000m productivity target, strengthening the balance sheet and the Group's funding, and the commercial activities. It also advanced in areas, such as sustainability, that were not specifically set out in the plan. The Group made progress with its Offshore strategy by strengthening its lead in mature and emerging markets, and in Service through the acquisition of Senvion assets. At the same time, the company had to deal with market conditions that were more complex than at the time the plan was drafted, particularly in Onshore, including: i) trade tensions between US and China (which impacted commodity and component prices); ii) the deterioration of the Indian market (one of the company's key markets); and iii) commencing March 2020, the COVID-19 pandemic, which once again had a greater impact on the Onshore

activities. These conditions, plus the cost overruns caused by challenges executing five Onshore projects in Northern Europe, are the reasons for the negative bottom line this year.

In this context, the company is implementing the new business plan, leveraged on the LEAP program, with the goal to turn around the Onshore activities, and to maintain profitable growth in the Offshore and Service activities, Siemens Gamesa will achieve this with a strong plan and robust monitoring of the LEAP program's execution. In addition, the Group maintains its clear commitment to prioritize profits (over volume), cash generation and sustainability.

Onshore performance improvement will be achieved by developing cutting-edge technology incorporating cost criteria, reducing complexity in the supply chain and optimizing in-house production capacity, strengthening project execution capabilities, and reorganizing and standardizing processes. All these actions will support the new commercial strategy focused on profitable orders.

Profitable growth in Offshore will be maintained through technology leadership and differentiation as well as operational excellence while entering into new markets through early interaction with customers. To date, SGRE has been able to capture the bulk of preferential supply contracts that have been awarded in new markets by adapting its products and services, localizing content where required, and delivering market- and customer-specific solutions.

In the Service division, this goal will be achieved by developing new business models, working with customers, and landing maintenance contracts for third-party technology, all while maintaining productivity and operational excellence.

The LEAP program, which is the core of the business plan, operates through three levers — innovation, productivity and asset management, and operational excellence — implemented in a sustainable way and using digitalization as an enabler and differentiator feature:

- Innovation aimed at achieving or maintaining technology leadership and developing innovative business models for the benefit of our customers.
- Productivity and asset management aimed at cost reduction and optimizing and managing cash flow.
- Operational excellence focused on strengthening processes and attaining industry-leading levels of quality and safety.

Within the innovation lever, the SG 5.X Onshore platform (SG 5.8-155/170), with over 1 GW in firm orders[27], plays a key role to achieve the objectives in terms of both market share and profitability. With flexible capacity of up to 6.6 MW, it will offer our customers over 32% more annual energy production than its predecessor. Introduction of cost criteria into the product design made it possible to reduce weight using a compact drive train (the lightest in its class) and blades made of pultruded carbon and fiberglass, which, coupled with the turbine's higher productivity, optimize the cost of energy for the customer. Moreover, its modular flexible design and the option of segmented blades will facilitate transport and site access, construction and maintenance. Innovation in Offshore has enabled

[27]As of October 12, 2020.

the company to make the first unsubsidized offshore wind farms possible using the SG_11.0-200 DD turbine, which will be installed in Vattenfall's HKZ I, II, III and IV wind farms. The path to cost of energy optimization continues with the last product unveiled, the new SG_14-222_DD turbine, that can reach up to 15 MW capacity with the Power Boost option and will increase annual energy production by up to 25% compared to the previous model. In the Service division, innovation will play a key role in developing business models that adapt to emerging conditions, more competitive, in the markets in which our customers operate, such as the revenue-based availability warranty.

In the area of productivity, the company will continue to build on the achievements of the L3AD2020 transformation program with the goal of achieving more than 5% improvement in third-party spend each year and maintaining strict control over fixed costs. In Onshore, productivity will be enhanced by optimizing in-house manufacturing operations to adapt to demand in terms of volume, product and cost, strengthening relations with key suppliers, including joint development of components, and maintaining a strategy that combines vertical integration with outsourcing for critical components. These measures include the closure of the Aoiz and Aalborg Onshore blade production plants and the Brande nacelles plant. In the Service business, digitalization and the use of data will drive the increase in productivity, with services and solutions such as the "Service Train" to cater for Offshore plants owned by different customers that are in close proximity, the "Digital Troubleshooter", or the assets integrity analysis using drones.

The operational excellence lever plays a very important role in the new business plan, particularly in Onshore. This lever is vital for achieving the business plan profitability objective. The measures that the company has adopted will enable it to resolve challenges like those encountered in executing the pipeline in Northern Europe in FY20, by avoiding material cost overruns. Actions being taken in this connection include:

- Establishment of an organization-wide common operational framework for project management (PM@SGRE) that includes measures such as bringing project execution teams on board from the outset so as to identify risks and opportunities in new businesses.
- Strengthening project managers' resources and capabilities and the process of approving subcontractors.
- Implementing a common project management manual throughout the Group.

Moreover, the organization is pooling best practices and improving control over the order book following a full-scale review of risks and costs.

Apart from these levers, in order to improve Onshore performance, it is necessary to put returns before volume, with strict price control, and to reduce the operational risk profile by limiting the wind farm development business and strengthening EPC capabilities.

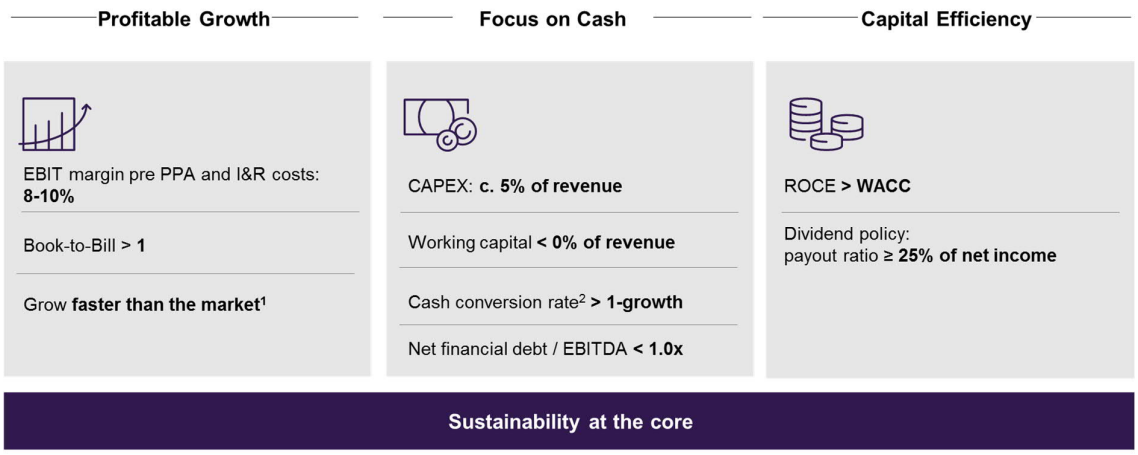
Financial framework and guidance for FY21 - FY23

The financial framework for the strategy to resume value creation for all the company's stakeholders is supported by three lines of action:

- Profitable growth through innovation, productivity and operational excellence. The goal of profitable growth is supported also by the organic development of the company's business, with growing exposure to the faster-growing, more profitable Offshore and Service areas. Executing LEAP coupled with the natural development of the company's businesses will enable the Group to grow faster than the market and achieve the vision of an EBIT margin pre PPA and before integration and restructuring costs of between 8% and 10%.
- Focus on cash with strict control of working capital and capital expenditure. Working capital performance is one of the company's major achievements in the FY18 - FY20 business plan, having reduced working capital by over €1,700m. Maintaining a low, but risk-free working capital level will remain a target for the Group in the current plan, by optimizing payment and collection terms, the delivery cycle and inventory management. Related to investments, in the early years of the plan, in order to launch new Onshore and Offshore products, globalize Offshore by entering into new markets and expand the top line, capital expenditure will increase to more than 5% of revenues, but it is expected to fall back to that level by FY23. Capital expenditure is expected to reach around 6% of revenues in the first two years of the plan.

  Combining the first two levers — profitable growth and a focus on cash management — will enable the company to deliver its commitment to regain free cash flow within the plan's time-scale.
- Efficiency in the use of capital based on the requirement that ROCE exceeds WACC, and an attractive dividend policy for shareholders.

All executed under criteria of sustainability.



1. In MW and EUR.
2. Before Adwen-related payments; growth measured in terms of order intake volume (MW) growth.

Considering the expected performance of the markets in which the Group operates, the lines of action presented, and the financial criteria defined, the targets set by the Group for FY21 and FY23[28] are as follows:

- Revenue between €10,200m and €11,200m in FY21, and faster-than-market growth through FY23. The order book as of September 30, 2020 provides a 91%[29] revenue coverage for FY21. Revenue growth in FY21 includes the positive impact of executing part of the Onshore projects that were postponed in FY20 because of the pandemic. That impact will not exist in subsequent years, in which the Onshore market is expected to decrease until 2024. Offshore revenue will grow in the period in line with the expected growth in the market, with annual performance dependent on project execution and delivery plans.
- The EBIT margin pre PPA and before integration and restructuring costs will be between 3% and 5% in FY21, normalizing between 8% and 10% in FY23. FY21 margin guidance assumes no impact from potential factory closures or supply chain disruptions due to pandemic lockdown measures in FY21, but it does include operating conditions under the new normal, with strict health and safety conditions in manufacturing and services, continuing telework for office staff, and management of critical component stocks in order to avoid disruptions in manufacturing and project execution. Moreover, profitability in the first year of the plan reflects only a partial benefit of the ongoing Onshore restructuring.

The total integration and restructuring expenses estimated to be necessary to complete the FY21 - FY23 business plan will amount to up to €500m, with a cash effect mainly in FY21 and FY22. Thereof, the company expects integration and restructuring expenses of c. €300m in FY21. By FY23 these effects are deamed to be non-material.

In addition to the impact of integration and restructuring expenses, cash generation and the net debt/(cash) position will be impacted by the usage of the Adwen provisions, estimated at a cumulative total of €250m til 2023. A usage of €125m is estimated in FY21.

The impact of the PPA on amortization of intangible assets is estimated at €250m in FY21.

[28]These targets are given at constant currency and exclude charges related to legal and regulatory matters.

[29]Revenue coverage calculated on the mid-point of the revenue guidance for FY21: €10,200m - €11,200m.

Conclusions

Fiscal year 2020 saw the completion of the FY18 - FY20 business plan, with achievements in the area of productivity and costs under the transformation program, with savings of over €2,000m accumulated over the three years; in the commercial area with a backlog of €30,248m as of September 30, 2020, i.e. 46% more than as of September 30, 2017; in financing, with liquidity of more than €4,700m, and an investment grade rating, and, in the area of sustainability, where the company attained a two-notch upgrade to an A rating from MSCI, among many other achievements. It was also an intense year for corporate activities and organizational changes, with the appointment of a new CEO, Andreas Nauen, and a new executive team, and the definition of a new business plan for FY21 - FY23 with the goal of resuming profitable growth, cash generation and value creation for all stakeholders.

However, financial performance in FY20 was marked by external events outside the company's control, such as the COVID-19 pandemic and the shrinkage of the Onshore market in India, and by internal events, such as the one-time cost overruns on executing five Onshore projects in Northern Europe. All these factors resulted in negative net income, within the adjusted guidance announced in July 2020.

Revenues in the year amounted to €9,483m, -7% y/y, and revenues in Q4 20 amounted to €2,868m, -3% y/y, reflecting the impact of COVID-19 on project execution (particularly Onshore), the expected reduction in Offshore project volumes in FY20, and, on the positive side, the integration of the Service assets acquired in January. Negative currency effects also impacts FY20 revenues, especially during Q4 20: at constant currency revenues for FY20 would amount €9,657m.

EBIT pre PPA and before integration and restructuring costs was negative in FY20 in the amount of €233m, i.e. an adjusted EBIT margin of -2.5% on revenues, as a consequence of the aforementioned factors. Apart from those non-recurring factors, the impact of the price cuts is still being fully offset by the productivity gains, whose results are in line with expectations for the fiscal year. In Q4 20, EBIT pre PPA and before I&R costs amounted to €31m, equivalent to 1.1% of revenues. Hence, the negative impact of the pandemic on EBIT pre PPA and before I&R costs was significantly reduced. However, Q4 20 was affected by preventive and improvements actions on the SG 4.X gearbox, which had an impact of €69m in the form of higher estimated project costs and increased provisions.

Reported EBIT in FY20, including the impact of PPA on the amortization of intangibles in the amount of €262m (€59m in Q4 20) and the impact of integration and restructuring expenses amounting to €462m (€110m in Q4 20), was -€958m (-€139m in Q4 20).

Despite the losses incurred in the year, the company had a solid balance sheet at year-end, with €49m in net debt, including €611m associated with capitalizing lease contracts under IFRS 16[30], thanks to strong working capital performance, which resulted in a negative working capital of €1,976m at year-end, i.e. -21% of revenues. This position was attained despite the acquisition of service and manufacturing assets from Senvion. In addition to its solid balance sheet, Siemens Gamesa has a very sound liquidity position: c. €4,200m in funding lines, of which it has drawn c. €1,100m.

Despite the difficult market situation, which has been affected by the pandemic, Siemens Gamesa Renewable Energy ended fiscal 2020 with a record order book: €30,248m, +19% y/y. Moreover, 79% of the order book as of September 30, 2020 was in markets with a sound track record, returns in line with the company's long-term vision, and longer duration. This record backlog was achieved after signing €14,736m in orders in the last twelve months, +16% y/y, equivalent to a book-to-bill ratio of 1.6x times revenues in the period. This includes the service contracts acquired from Senvion in January 2020. The €2,564m in orders signed in the fourth quarter (a book-to-bill ratio of 0.9x times revenues in the quarter) reflect a recovery in commercial activities in the Onshore market, strong commercial activities in Service, and the normal volatility in Offshore, which signed only very few contracts in Q4.

In the current context, Siemens Gamesa continues to strengthen its commitment to sustainability. This was reflected in Q4 20 when it obtained an ESG rating of 4.5 out of 5 from FTSE Russell, having ranked prominently in the renewable energy equipment sector, and in the low ESG risk rating awarded by Sustainalytics, ranking 3 out of 166 companies in the electrical equipment sector.

[30]Net cash as of September 30, 2019: €863m, increase in debt due to implementation of IFRS 16 in FY20, as of September 30, 2020: €611m (€115m short term and €496m long term), net debt as of June 30, 2020: €49m.

3. Main business risks

The SIEMENS GAMESA Group is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The management and limitation of financial risk is executed in a coordinated manner between SIEMENS GAMESA's Corporate Management and the business units, through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are responsibility of each business unit, together with the Corporate Management.

The risk associated with changes in exchange rates assumed for SIEMENS GAMESA's transactions involve the purchase and sale of products and services relating to its activities, that are denominated in various currencies.

In order to mitigate this risk, the SIEMENS GAMESA Group has entered into financial hedging instruments with several financial institutions (Note 10 of the Consolidated Financial Statements and Note 14 to the Individual Financial Statements as of September 30, 2020).

4. Use of financial instruments

The SIEMENS GAMESA Group uses financial hedges which allow the Group to mitigate risks involving exchange rates, interest rates, and equity volatility that could affect the Groups' estimated results, based on estimates of expected transactions in its various areas of activities.

5. Subsequent events

At the date of formal preparation of the Consolidated and Individual Financial Statements of SIEMENS GAMESA as of September 30, 2020 no issue has been revealed that might modify them or give rise to disclosures additional to those already included.

6. Research and development activities

Technological Development is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year, and to which a budget is finally assigned.

During the years 2020 and 2019, the main increase in the "Internally generated technology" of "Other intangible assets" in the Consolidated Balance Sheet of SIEMENS GAMESA Group is due to the development of new wind turbine models, software and the optimization of the components´ performance for an amount of EUR 182 million and EUR 159 million, respectively. These additions are mainly capitalized in our subsidiaries in Denmark amounting to EUR 107 million during 2020 (EUR 123 million during 2019) and our Spanish entities amounting to EUR 72 million during 2020 (EUR 29 million during 2019).

7. Treasury shares operations

As of September 30, 2020 SIEMENS GAMESA holds a total of 1,625,869 treasury shares, representing 0.24% of share capital.

The total cost for these treasury shares amounts EUR 23,929 thousands, each with a par value of EUR 14.718.

A more detailed explanation of transactions involving treasury shares is set out in Note 23.E of the Consolidated Financial Statements and Note 12.D to the Individual Financial Statements as of September 30, 2020.

8. Capital structure

The capital structure, including securities that are not traded on a regulated ECC market, the different classes of share, the rights and obligations conferred by each and the percentage of share capital represented by each class:

In accordance with Article 7 of Siemens Gamesa Renewable Energy, S.A.'s bylaws, reflected in the version approved by the shareholders in general meeting held June 20, 2017, "Share capital amounts to ONE HUNDRED FIFTEEN MILLION SEVEN HUNDRED NINETY FOUR THOUSAND, THREE HUNDRED SEVENTY FOUR EUROS AND NINETY FOUR CENTS (115,794,374.94 EUR), represented by 681,143,382 ordinary shares of seventeen euro cents of nominal value each, in numbers from 1 to 681,143,382, comprised of a sole class and series, all entirely subscribed and paid in."

9. Restrictions on the transfer of securities

According to public information for Siemens Gamesa Renewable Energy, S.A., its share capital structure as of September 30, 2020 is as follows:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Number of voting rights linked to the exercise of financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	-	456,851,883	-	67.071%

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named SIEMENS GAS AND POWER GMBH & CO. KG)	456.851.883	67,071%

10. Significant % of direct or indirect ownership

See Point 8.

11. Restrictions on voting rights

There are no legal or bylaw stipulated restrictions on exercising voting rights.

12. Side agreements

In fulfillment of article 531 of the restated text of the Corporate Enterprises Act, approved by the RLD 1/2010, of July 2 (the "Capital Companies Law"), IBERDROLA, S.A. ("IBERDROLA") informed Gamesa Corporación Tecnológica, S.A. ("GAMESA") on June 17, 2016 of the signature of a shareholders' agreement between IBERDROLA and Iberdrola Participaciones, S.A. (Sociedad Unipersonal), as shareholders (non-direct and direct, respectively) of GAMESA, on one hand, and Siemens Aktiengesellschaft ("SIEMENS AG"), on the other hand (significant events number 239899 from June 17, 2016, and number 255530 from August 1, 2017). The contract was signed in the context of the process of combination of the wind energy businesses of GAMESA and SIEMENS AG through the merger by absorption of Siemens Wind Holdco, S.L. (Sociedad Unipersonal) by GAMESA

("Merger"). This shareholders' agreement governs, among other matters, the relationships of the parties as future shareholders of GAMESA after the Merger, which became effective on April 3, 2017.

The Shareholders' Agreement included terms which qualify it as a side agreement under the terms set forth in Article 530 of Capital Companies Law, even when the effectiveness of certain agreements was contingent upon the Merger taking place.

On February 4 and 5, 2020, IBERDROLA communicated to the CNMV through significant events (number 286473 and 286526) the sale and closing and settlement of the stake owned by Iberdrola Participaciones, S.A. in SIEMENS GAMESA to SIEMENS AG and the termination of the shareholders agreement with SIEMENS AG, taking into consideration that as a consequence of the agreement Iberdrola Participaciones S.A. was no longer a shareholder of SIEMENS GAMESA, The Parties have terminated the aforementioned without any compensations or claims for either of the Parties or any of their respective affiliates.

As of September 30, 2020 Siemens Gamesa Renewable Energy, S.A. is not aware of the existence of any side agreement.

13. Rules governing the appointment and replacement of directors and the amendment of the company´s bylaws[31]

Article 30 of the SIEMENS GAMESA bylaws states that the members of the Board of Directors are "appointed or approved by the shareholders in general meeting," and that "If there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held.," in accordance with the terms reflected in Capital Companies Law and bylaws which might be applicable.

In conformity with Article 13.2 of the Regulations of the Board of Directors, *"the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remuneration Committee; and (b) in other cases, a report from the aforementioned committee." Article 13.3 of the Board of Directors Regulations states that "when the Board of Directors declines the proposal or the report from the Appointments and Remuneration Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes." Next, Article 13.4 of the referred Regulations states that "the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors"*

Article 14 of the same regulations states that "the Board of Directors and the Appointments and Remuneration Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience.

Concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."

Finally, Article 7.4 of the Regulations of the Appointments and Remunerations Committee grant it the responsibility "To ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, competencies, personal skills and sector knowledge, international experience or geographical origin".

As regards the re-election of the Directors, Article 15 of the Regulations of the Board of Directors indicates that "proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of

[31] References to internal Regulations are made those in force by September 30, 2020. Following fiscal year 2020 closing, Regulations of the Board of Directors, Regulations of the Audit, Compliance and Related Party Transactions Committee, and Regulations of the Appointments and Remunerations Committee are being reviewed.

the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remuneration Committee, while the re-election of other Directors must have a prior favorable report from this committee.

Directors that are part of the Appointments and Remuneration Committee must abstain from taking part in the deliberations and votes that affect them.

The re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.

Board member removal and resignation is regulated by Article 16 of the Regulations of the Board of Directors , which states that "directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."

The steps and criteria established in this regard are set forth in Capital Companies Law and the Mercantile Register Regulations.

Article 16.2 of the Regulations of the Board of Directors states that *"Directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remuneration Committee in the following cases:*

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.

b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.

c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.

d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.

e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.

f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.

g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."

In accordance with Sections 3, 4, and 5, "in any of the events indicated in the previous section, the Board of Directors shall require the Director to resign from his/her post, and propose, as appropriate, his/her resignation to the General Shareholders' Meeting. As an exception, the foregoing shall not be applicable in the events of resignation provided in letters a), d), f) and g) above when the Board of Directors considers that reasons exist to justify the continuity of the Director, without prejudice of the occurrence that any new and sudden circumstances may have on his/her qualification.

The Board of Directors may only propose the removal of an Independent Director before the expiration of the period for which they were appointed when just cause is found by the Board of Directors, based on the proposal from the Appointments and Remuneration Committee. Specifically, for having failed to fulfill the duties inherent to his/her

position or have unexpectedly incurred in any of the circumstances established by law as incompatible with assignment to such category.

Directors who resign from their position before the end of their term must send a letter explaining the reasons for the resignation to all the members of the Board of Directors."

Rules governing bylaw amendments

Amendments made to the Siemens Gamesa bylaws are governed by the terms of Articles 285 to 290 of Capital Companies Law approved by Royal Decree Law 1/2010 of July 2 ("Capital Companies Law").

Additionally, amendments made to the Siemens Gamesa bylaws are covered by the terms outlined in the Company's bylaws and the Regulations for the General Meeting of Shareholders.

As regards the competencies for making amendments, Articles 14. h) of bylaws and 6.1 h) of the Regulations for the General Meeting of Shareholders indicate that this role corresponds to the Siemens Gamesa General Meeting of Shareholders.

Articles 18 of bylaws, and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements for the General Meeting of Shareholders adoption of agreements. Articles 26 of its bylaws, and 32 of the Regulations for the General Meeting of Shareholders indicate the necessary majority for these purposes.

Article 31.4 of the Regulations for the General Meeting of Shareholders indicates that in accordance with legislation,"the Board of Directors, in accordance with the provisions of the law, shall draw up resolution proposals different in relation to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately." The above is specifically applicable in the case of amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

In accordance with Article 518 of Capital Companies Law, due to the call for a general Meeting of Shareholder devoted to amending bylaws, the Company website will include the complete text of the agreement proposals on the Agenda in which the amendments are proposed, as well as reports from competent bodies in this regard.

14. The powers of Board of Directors and, specifically, powers to issue or buy back shares

Powers of Board of Directors

The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers on Mr. Andreas Nauen's behalf as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decided to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.

Powers to buy back shares

At the date of approval of this Report, the authorization granted by the General Shareholders' Meeting of the Company held on July 22, 2020, is in force, by virtue of which the Board of Directors was empowered to acquire own shares. The following is the literal text of the agreement adopted by the above reflected under point 13 of the Agenda:

"*Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:*

(a) Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.

(b) Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.

(c) Acquisitions may be made at any time up to the maximum amount allowed by law.

(d) Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.

(e) This authorisation is granted for a period of five years from the adoption of this resolution.

(f) The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015." .

15. Significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid and the effects thereof, except where disclosure would severely prejudice the Company´s interests. This exception is not applicable where the company is specifically obliged to disclose such information on the basis of other legal requirements

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the "2017 Strategic Supply Agreement") by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS GAMESA Group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, SIEMENS GAMESA and SIEMENS AG entered on May 20, 2020 into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens AG remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 3 months prior notice.

On May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG (“SEAG”) signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that Siemens Energy AG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as Siemens Energy AG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "SIEMENS GAMESA" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SIEMENS GAMESA" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if Siemens Energy AG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Enegy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes Siemens Energy AG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

Finally, it shall be pointed out that as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party’s competitor.

16. Any agreements between the Company and its Directors, officers or employees that provide for severance payments if they resign, are dismissed or if their employment contracts terminate as a result of a takeover bid.

The contract of the Chief Executive Officer, according to the Director's remuneration policy approved by the General Meeting of Shareholders on March 27, 2019 as amended by the General Meeting of Shareholders held on July 22, 2020, recognizes him to receive one year of fixed remuneration for termination of his working relationship

Likewise, for Top Management and for the termination of the working relationship, the current criterion of the Company is the payment of a maximum of one year of the fixed annual remuneration at the date of termination, without prejudice, in any case, of preexisting situations and that the amount may be higher according to the labour law.

In respect to the rest of managers and non-managers employees, their working relationship, in general, does not include economic compensations in case of its termination, different from the ones established in the current law.

17. Consolidated Statement of non-financial information

The non-financial information related to environmental and social issues, as well as personnel related issues, human rights and the fight against corruption and bribery is included in the Non Financial Information Consolidated Statement that is attached to this Management Report as an annex.

SIEMENS GAMESA voluntarily presents this information since the Company is not obliged to present it on an individual level, as it has an average number of employees in 2020 of 426 according to Note 17.C of the individual report.

18. Deferral of payments made to suppliers

The Group has implemented measures in place to continue adjusting the average payment period to those established in the current legislation (Note 34 of the Consolidated Financial Statements and Note 21 to the Individual Financial Statements as of September 30, 2020).

19. Explanation added for translation to English

This is a translation of the Management Report originally written in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Annex

Alternative Performance Measures

Siemens Gamesa Renewable Energy (SGRE) financial information contains figures and measurements prepared in accordance with the applicable accounting standards and others referred to as Alternative Performance Measures (APMs). The APMs are considered to be adjusted figures with respect to those presented in accordance with EU-IFRS and, consequently, the reader should view them as supplementary to, but not replacements for, the latter.

The APMs are important for users of the financial information since they are the metrics used by SGRE's Management to assess financial performance, cash flows and the financial position for the purposes of the Group's financial, operational and strategic decisions.

The APMs contained in SGRE´s financial disclosures that cannot be directly reconciled with the financial statements in accordance with EU-IFRS are as follows.

Net Financial Debt (NFD)

Net financial debt (NFD) is calculated as the sum of the company's bank borrowings (including any subsidized loans) less cash and cash equivalents.

Net financial debt is the main APM used by Siemens Gamesa Renewable Energy's management to measure the Group's indebtedness and leverage.

€m	09.30.2018 (*)	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Cash and cash equivalents	2,429	2,125	1,353	954	1,727
Short-term debt	(991)	(705)	(345)	(471)	(352)
Long-term debt	(823)	(1,255)	(1,126)	(674)	(512)
Cash / (Net Financial Debt)	**615**	**165**	**(118)**	**(191)**	**863**

€m	10.01.2019 (**)	12.31.2019	03.31.2020	06.30.2020	09.30.2020
Cash and cash equivalents	1,727	1,661	1,421	1,695	1,622
Short-term debt	(418)	(513)	(487)	(546)	(434)
Long-term debt	(1,029)	(974)	(1,229)	(1,239)	(1,236)
Cash / (Net Financial Debt)	**280**	**175**	**(295)**	**(90)**	**(49)**

(*) 09.30.2018 comparable for IFRS 9. No modification exists in the Net Financial Debt calculation in either case.

(**) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

Working capital (WC)

Working Capital (WC) is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

Working Capital reflects the part of Capital Employed that is invested in net operating assets. Siemens Gamesa Renewable Energy's management uses this metric in managing and making decisions with respect to the business's cash conversion cycle, particularly in managing inventory, trade accounts receivable and trade accounts payable. Effective management of working capital involves achieving an optimal amount of working capital without jeopardising the company's ability to honour its obligations in the short term.

€m	09.30.2018	09.30.2018 Comp. (*)	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Trade and other receivables	1,114	1,111	1,093	1,137	1,421	1,287
Trade receivables from related companies	28	28	42	35	39	22
Contract assets	1,572	1,569	2,033	1,771	1,952	2,056
Inventories	1,499	1,499	1,925	2,006	2,044	1,864
Other current assets	362	362	417	464	651	461
Trade payables	(2,416)	(2,416)	(2,283)	(2,352)	(2,483)	(2,600)
Trade payables to related companies	(342)	(342)	(274)	(153)	(250)	(286)
Contract liabilities	(1,670)	(1,670)	(2,340)	(1,991)	(2,267)	(2,840)
Other current liabilities	(684)	(684)	(641)	(706)	(869)	(798)
Working Capital	**(536)**	**(542)**	**(27)**	**211**	**238**	**(833)**

(*) Comparable after the application of IFRS9 starting October 1, 2018, affecting the Opening Balance Sheet of first quarter of FY19: the table above shows a decrease in line item “Trade and other receivables” of €3m and a decrease in line item “Contract assets” of €3m, with the corresponding effect (before taxes) in the Group’s Equity that decreases €4.6m (including tax effect).

€m	10.01.2019 Comp. (*)	12.31.2019	03.31.2020	06.30.2020	09.30.2020
Trade and other receivables	1,287	1,079	1,036	1,174	1,141
Trade receivables from related companies	22	29	37	37	1
Contract assets	2,056	1,801	1,808	1,715	1,538
Inventories	1,864	2,071	2,115	2,064	1,820
Other current assets	451	578	466	584	398
Trade payables	(2,600)	(2,282)	(2,332)	(2,544)	(2,956)
Trade payables to related companies	(286)	(188)	(212)	(237)	(8)
Contract liabilities	(2,840)	(3,193)	(3,101)	(3,362)	(3,148)
Other current liabilities	(798)	(833)	(682)	(929)	(761)
Working Capital	**(843)**	**(939)**	**(865)**	**(1,498)**	**(1,976)**

(*) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings “Other non-current assets” and “Other current assets”, in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

The ratio of working capital to revenue is calculated as working capital at a given date divided by the revenue in the twelve months prior to that date.

Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) refers to investments made in the period in property, plant and equipment and intangible assets to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance CAPEX). This APM does not include the allocation of the purchase price (the PPA exercise) to property, plant and equipment and intangible assets that has been performed in context of a business combination (e.g. the merger of Siemens Wind Power and Gamesa). This APM does also not include additions to right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q4 19	Q4 20	12M 19	12M 20
Acquisition of intangible assets	(38)	(44)	(160)	(182)
Acquisition of Property, Plant and Equipment	(143)	(205)	(338)	(419)
CAPEX	**(181)**	**(250)**	**(498)**	**(601)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Acquisition of intangible assets	(42)	(42)	(54)	(44)	(182)
Acquisition of Property, Plant and Equipment	(50)	(67)	(97)	(205)	(419)
CAPEX	**(92)**	**(109)**	**(151)**	**(249)**	**(601)**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Acquisition of intangible assets	(31)	(44)	(46)	(38)	(160)
Acquisition of Property, Plant and Equipment	(50)	(64)	(81)	(143)	(338)
CAPEX	**(81)**	**(108)**	**(127)**	**(181)**	**(498)**

Definitions of Cash Flow

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital and capital expenditure (CAPEX). SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adjusting the reported income for the period, for the ordinary non-cash items (mainly depreciation and amortization and provision charges).

€m	12M 19	12M 20
Net Income before taxes	190	(1,019)
Amortization + PPA	647	844
Other P&L (*)	17	11
Charge of provisions	236	370
Provision usage (without Adwen usage)	(344)	(351)
Tax payments	(191)	(172)
Gross Operating Cash Flow	**555**	**(317)**

€m	Q4 19	Q4 20
Net Income before taxes	52	(152)
Amortization + PPA	204	200
Other P&L (*)	19	1
Charge of provisions	83	102
Provision usage (without Adwen usage)	(68)	(94)
Tax payments	(22)	(29)
Gross Operating Cash Flow	**268**	**27**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

Cash flow is calculated as the variation in Net financial debt (NFD) between two closure dates.

Average Selling Price in Order Intake, Onshore (ASP - Order Intake)

Average monetary order intake collected by Onshore WTG division per unit booked (measured in MW). ASP is affected by several factors (project scope, geographical distribution, product, exchange rate, prices, etc.) and does not represent the level or trend of profitability.

	Q4 19 (*)	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)
Order Intake Onshore Wind (€m)	2,238	1,611	1,289	872	1,698
Order Intake Onshore Wind (MW)	3,147	2,563	1,645	1,200	2,713
ASP Order Intake Wind Onshore	**0.71**	**0.63**	**0.78**	**0.73**	**0.63**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €2m in Q4 19, €0m in Q1 20, €61m in Q2 20, €0m in Q3 20 and Q4 20.

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)	LTM Sep 20
Order Intake Onshore Wind (€m)	1,611	1,289	872	1,698	5,470
Order Intake Onshore Wind (MW)	2,563	1,645	1,200	2,713	8,121
ASP Order Intake Wind Onshore	**0.63**	**0.78**	**0.73**	**0.63**	**0.67**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q1 20, €61m in Q2 20, €0m in Q3 20 and Q4 20.

	Q1 19 (*)	Q2 19 (*)	Q3 19 (*)	Q4 19 (*)	LTM Sep 19
Order Intake Onshore Wind (€m)	1,793	1,167	1,695	2,238	6,893
Order Intake Onshore Wind (MW)	2,370	1,742	2,130	3,147	9,389
ASP Order Intake Wind Onshore	**0.76**	**0.67**	**0.80**	**0.71**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €6m in Q1 19, €33m in Q2 19, €1m in Q3 19 and €2m in Q4 19.

	Q1 18 (*)	Q2 18	Q3 18 (*)	Q4 18	LTM Sep 18
Order Intake Onshore Wind (€m)	1,600	1,834	1,166	1,985	6,585
Order Intake Onshore Wind (MW)	2,208	2,464	1,660	2,631	8,962
ASP Order Intake Wind Onshore	**0.72**	**0.74**	**0.70**	**0.75**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €88m in Q1 18 and €9m in Q3 18.

Order Intake, Revenue and EBIT

Order Intake (in €) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in EUR) for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Group	4,628	2,203	5,342	2,564	14,736
Of which WTG ON	1,611	1,350	872	1,698	5,531

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Group	2,541	2,466	4,666	3,076	12,749
Of which WTG ON	1,799	1,200	1,695	2,240	6,934

Order Intake (in MW) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in MW) for the last four quarters.

Onshore:

MW	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Onshore	2,563	1,645	1,200	2,713	8,121

MW	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Onshore	2,370	1,742	2,130	3,147	9,389

Offshore:

MW	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Offshore	1,279	-	2,860	-	4,139

MW	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Offshore	12	464	1,528	72	2,076

Revenue LTM (Last Twelve Months) is calculated by aggregation of the quarterly revenues for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
WTG	1,634	1,808	1,947	2,325	7,715
Service	366	395	464	543	1,768
TOTAL	**2,001**	**2,204**	**2,411**	**2,868**	**9,483**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
WTG	1,904	2,060	2,242	2,527	8,733
Service	358	330	390	417	1,493
TOTAL	**2,262**	**2,389**	**2,632**	**2,944**	**10,227**

EBIT (Earnings Before Interest and Taxes): operating profit as per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

EBIT (Earnings Before Interest and Taxes) pre PPA and integration & restructuring costs: EBIT excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the Purchase Price Allocation (PPA).

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	12M 19	12M 20
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	190	(1,019)
(-) Income from investments acc. for using the equity method, net	1	3
(-) Interest income	(14)	(10)
(-) Interest expenses	53	66
(-) Other financial income (expenses), net	22	2
EBIT	**253**	**(958)**
(-) Integration costs	174	189
(-) Restructuring costs	32	273
(-) PPA impact	266	262
EBIT pre-PPA and integration & restructuring costs	**725**	**(233)**

€m	Q4 19	Q4 20
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	52	(152)
(-) Income from investments acc. for using the equity method, net	1	(1)
(-) Interest income	(6)	(2)
(-) Interest expenses	16	17
(-) Other financial income (expenses), net	4	1
EBIT	**67**	**(139)**
(-) Integration costs	109	72
(-) Restructuring costs	7	38
(-) PPA impact	67	59
EBIT pre-PPA and integration & restructuring costs	**250**	**31**

EBIT margin: ratio of EBIT to Revenue in the period that is equal to the revenue figure in the consolidated Income Statement for the period.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

€m	12M 19	12M 20
EBIT	253	(958)
Amortization, depreciation and impairment of intangible assets and PP&E	647	844
EBITDA	**899**	**(113)**

€m	Q4 19	Q4 20
EBIT	67	(139)
Amortization, depreciation and impairment of intangible assets and PP&E	204	200
EBITDA	**271**	**61**

EBITDA LTM (Last Twelve Months) is calculated by aggregation of the quarterly EBITDA for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
EBIT	(229)	(118)	(472)	(139)	(958)
Amortization, depreciation and impairment of intangible assets and PP&E	172	182	290	200	844
EBITDA	**(57)**	**63**	**(181)**	**61**	**(113)**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
EBIT	40	90	56	67	253
Amortization, depreciation and impairment of intangible assets and PP&E	148	147	148	204	647
EBITDA	**188**	**237**	**204**	**271**	**899**

Net income and Net income per share (EPS)

Net income: consolidated profit for the year attributable to the parent company.

Net income per share (EPS): the result of dividing net income by the average number of shares outstanding in the period (excluding treasury shares).

	Q4 19	12M 19	Q4 20	12M 20
Net Income (€m)	52	140	(113)	(918)
Number of shares (units)	679,504,347	679,490,974	679,517,513	679,517,035
Earnings Per Share (€/share)	**0.08**	**0.21**	**(0.17)**	**(1.35)**

Other indicators

Revenue coverage: the revenue coverage ratio expresses the degree of achieving the revenue volume targets set by the company for a given year. It is calculated as the revenue booked until one period (including the activity/revenue expected for the rest of the year) divided by the activity/revenue guidance for that year.

€m	09.30.2018	06.30.2019	09.30.2019	06.30.2020 (*)
Actual revenue in year N (1)	-	7,283	-	6,615
Order Backlog for delivery in FY (2)	8,408	2,973	9,360	3,145
Average revenue guidance for FY (3)	10,500	10,500	10,400	9,750
Revenue Coverage ([1+2]/3)	**80%**	**98%**	**90%**	**100%**

(*) Midpoint of range from €9.5bn to €10.0bn.

€m	09.30.2020
Order Backlog for delivery in FY21 (1)	9,728
Average revenue guidance for FY21 (2) (*)	10,700
Revenue Coverage (1/2)	**91%**

(*) Midpoint of range from €10.2bn to €11.2bn.

Book-to-Bill: ratio of order intake (in EUR) to activity/revenue (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

Book-to-Bill LTM (Last Twelve Months): this APM is calculated by aggregation of the quarterly Revenues and Order Intakes for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Order Intake	4,628	2,203	5,342	2,564	14,736
Revenue	2,001	2,204	2,411	2,868	9,483
Book-to-Bill	**2.3**	**1.0**	**2.2**	**0.9**	**1.6**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Order Intake	2,541	2,466	4,666	3,076	12,749
Revenue	2,262	2,389	2,632	2,944	10,227
Book-to-Bill	**1.1**	**1.0**	**1.8**	**1.0**	**1.2**

Reinvestment Rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles' fair value). According to the definition of CAPEX, the amount of amortization, depreciation and impairments does not include the amortization, depreciation and impairments of right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
CAPEX (1)	92	109	151	249	601
Amortization depreciation & impairments (a)	172	182	290	200	844
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	25	27	33	28	114
PPA Amortization on Intangibles (c)	66	69	68	59	262
Depreciation & Amortization (excl. PPA) (2=a-b-c)	81	86	189	112	468
Reinvestment rate (1/2)	**1.1**	**1.3**	**0.8**	**2.2**	**1.3**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
CAPEX (1)	81	108	127	181	498
Amortization depreciation & impairments (a)	148	147	148	204	647
PPA Amortization on Intangibles (b)	66	66	67	67	266
Depreciation & Amortization (excl. PPA) (2=a-b)	82	80	81	137	381
Reinvestment rate (1/2)	**1.0**	**1.4**	**1.6**	**1.3**	**1.3**

Gross Profit: the difference between revenue and cost of sales, according to the consolidated statements of profit and loss.

Gross Profit (pre PPA, I&R costs): Gross Profit excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the PPA (purchase price allocation). The result of dividing this indicator by the sales of the period, which are equal to the revenue figure in the consolidated Income Statement for the period, is denominated Gross Margin pre PPA, I&R costs, and it is expressed as a percentage.

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted

€m	12M 19	12M 20
Gross Profit	948	(110)
PPA amortization on intangibles	174	177
Integration costs	105	133
Restructuring costs	24	180
Gross Profit (pre PPA, I&R costs)	**1,252**	**381**

€m	Q4 19	Q4 20
Gross Profit	291	81
PPA amortization on intangibles	43	45
Integration costs	62	49
Restructuring costs	5	33
Gross Profit (pre PPA, I&R costs)	**401**	**207**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Gross Profit	(57)	63	(196)	81	(110)
PPA amortization on intangibles	42	45	45	45	177
Integration costs	15	28	41	49	133
Restructuring costs	6	42	100	33	180
Gross Profit (pre PPA, I&R costs)	**7**	**177**	**(10)**	**207**	**381**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Gross Profit	200	237	220	291	948
PPA amortization on intangibles	44	44	44	43	174
Integration costs	5	8	30	62	105
Restructuring costs	17	1	2	5	24
Gross Profit (pre PPA, I&R costs)	**266**	**289**	**296**	**401**	**1,252**

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

MWe	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Onshore	1,747	1,649	1,876	2,433	7,704

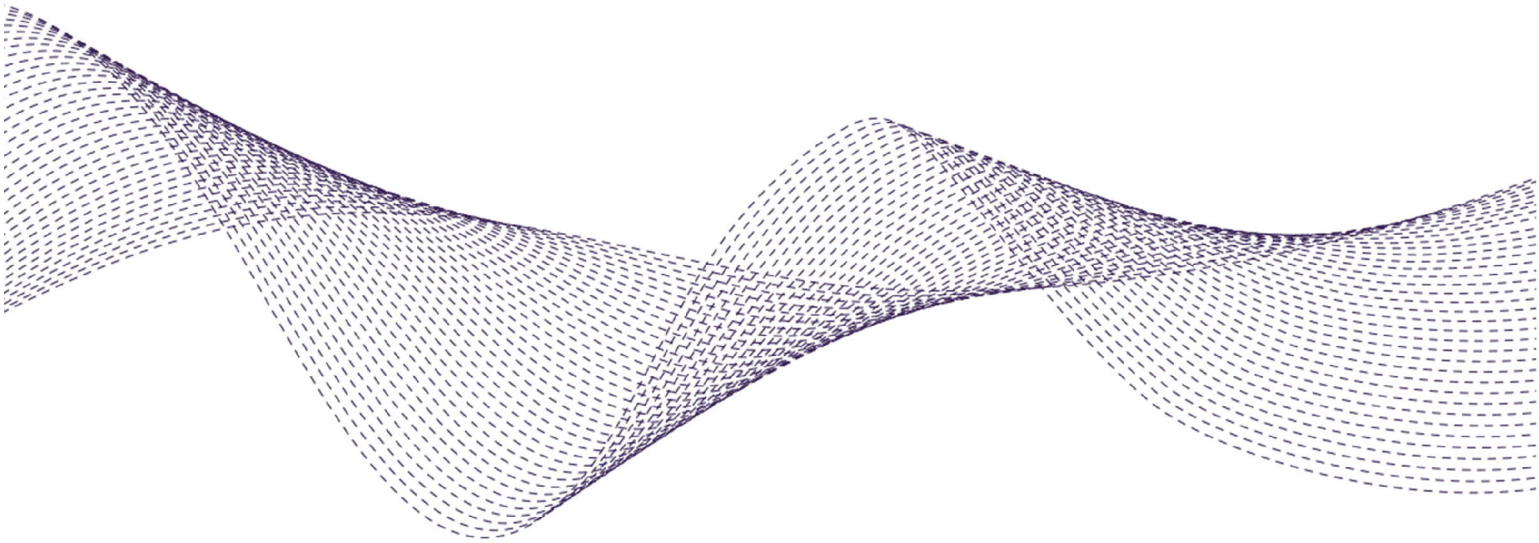
MWe	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Onshore	1,520	1,707	1,699	2,009	6,936

Cost of energy (LCOE/COE): the cost of converting an energy source, e.g. wind, into electricity, measured in monetary units per MWh. It is calculated taking in account all costs incurred during asset's life cycle (including construction, financing, fuel, operation and maintenance, taxes and incentives) divided by the total output expected from the asset during its useful life.

Note that due to rounding, numbers presented in this document may not add up exactly to the totals shown and percentages may not exactly replicate the absolute figures presented.

Consolidated Non-Financial Statement 2020

(formerly Sustainability Report)



SIEMENS Gamesa
RENEWABLE ENERGY

Highlights

3.14

Total Recordable Injury Rate (TRIR)

1.36

Lost-Time Injury Frequency Rate (LTIR)

27.9

$CO_{2\text{-eq}}$ emissions (ktons)

1,202

Total Energy Use (TeraJoules)

99.9%

Renewable Electricity Use

>26.1k

Total Headcount

11.7%

Female Managers

~19k

Tier-One Supplier

~ €7.4 bn

Procurement Volume

Key figures

	FY 18	FY 19	FY 20	Var. 19/20
Revenues (€million)	9,122	10,227	9,483	-7.3%
EBIT pre PPA and I&R costs (€million)	693	725	(233)	N.A.
Net profit (€million)	70	140	(918)	N.A.
Net financial debt (NFD) (€million)	615	863	(49)	N.A.
Equivalent MW sold	8,373	9,492	9,968	5.0%
MW installed (period)	6,234	9,895	8,767	-11.4%
MW installed (cumulative)	88,840	98,735	107,502	8.9%
MW fleet under maintenance	56,725	60,028	74,240	23.7%
No. suppliers	17,051	17,890	18,932	5.8%
No. suppliers invoicing below 10k€/y	8,874	8,901	9,483	6.5%
Procurement volume (€ million)	6,030	8,238	7,365	-10.6%
Headcount	23,034	24,453	26,114	6.8%
Lost time injury frequency rate - LTIFR	2.07	1.67	1.36	-18.6%
Total recordable injury rate- TRIR	5.10	4.71	3.14	-33.3%
% women in workforce	18.90	18.79	18.76	-0.2%
% women in management positions	10.79	10.24	11.69	14.2%
Employee Hiring	2,466	4,498	4,932	9.6%
Employee Exits	4,853	3,145	3,275	4.1%
Training hours (thousands)	619	905	840	-7.2%
Donations & charitable contributions (€ million)	2.12	0.43	2.90	574%
Energy consumption (TJ)	1,050	1,256	1,202	-4.3%
Energy consumption rate (GJ/Mw installed)	168	127	137	7.8%
Renewable electricity use (share in %)	61	61.5	99.9	62%
Water consumption (x1,000 m3)	446	667	522	-21.7%
Waste generated (kt)	47.8	58.5	68.3	16.7%
Waste intensity (t/Mw installed)	7.7	5.9	7.8	32.2%
CO_2 emissions (kt CO_2)	61.4	70.7	27.9	-60.5%
CO_2 emissions intensity (t/Mw installed)	9.8	7.1	3.2	-54.9%
CO_2 compensated (million t CO_2)	233	259	281	8.5%
Effluent generation (x1,000 m3)	451	329	342	3.9%
United Nations Global Compact	✓	✓	✓	Confirmed
Dow Global Sustainability Index	✓	✓	✓	Confirmed
FTSE4Good	✓	✓	✓	Confirmed
Ethibel Excellence Europe	✓	✓	✓	Confirmed
Euronext Vigeo series	-	✓	✓	Confirmed
Bloomberg Gender Equality Index	-	-	✓	Addition
MSCI ESG rating	BB	BB	A	+2 notches

Letter from CEO

Andreas Nauen, CEO

Dear Stakeholder,

Fiscal year 2020 will undoubtedly be a year to remember: Covid-19 continues to disrupt the lives of billions of people worldwide and is creating an unprecedented scenario to which society, governments as well as businesses have had to adapt.

This naturally also applied to Siemens Gamesa. Thus, we have been through a long period of uncertainty and changes in this past year, including significant lockdown periods with no clear end in sight, but we have been able to keep the business running consistently while ensuring the safety of our employees. I want to express my most sincere gratitude to everyone in the Siemens Gamesa family who has contributed and kept up the morale in these difficult times – it has brought us even closer together and made us stronger.

Despite these new challenges, we cannot lose sight of climate change threatening the future of generations to come. As a company, we are committed to act now: unlock the full potential of wind and guarantee profitable growth, while conducting our business in a responsible and sustainable manner. With a leading position in all three areas of wind – onshore, offshore, and service – we are driving the global green energy revolution and accelerating the efforts of our partners around the world.

Our sustainability pledge is not just an aspirational framework but a roadmap for responsible growth. We are dedicated as a company to have a lasting social and environmental impact and to engage with the UN Sustainable Development Goals (SDGs) to further drive the United Nations' 2030 agenda. Thus, we remain committed to the principles of the United Nations Global Compact, meaning that we continuously work on issues connected to human rights and maintain responsible labor, environmental and anti-corruption practices.

The resulting responsibility performance has been widely recognized by the financial community and is present in the world's most prestigious indices such as the Dow Jones Sustainability Indices®, FTSE4Good® and the Ethibel Sustainability Index®, to name a few.

We are proud of what we have achieved so far and will continue working on improving ourselves and better the lives of others. We would like to thank all our stakeholders for their continuous support and trust in Siemens Gamesa – accompanying us on our path of further innovation, sustainability, success and business excellence.

By installing thousands of wind turbines, generating hundreds of thousands of gigawatt-hours all over the world, powering our homes, schools and hospitals, we have been part of the solution. It is a privilege to make a difference in the world. At Siemens Gamesa we lead with purpose.

With best regards

Andreas Nauen
CEO, Siemens Gamesa Renewable Energy

A. About Siemens Gamesa

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- A4. Risk management p. 43

A1. Our Company

A1.1 Siemens Gamesa at a glance

[L11-G01] Siemens Gamesa works at the heart of the global energy revolution. With a leading position in onshore, offshore, and service, our team of over 26,000 colleagues is working in partnerships across 90 countries to engineer, build and deliver powerful and reliable wind energy solutions and services.

Figure 1 - Key facts at fiscal year-end 2020

A global business with a strong local footprint, we have installed more than 107 GW and keep the lights on across the world, producing clean and sustainable energy to power our homes, schools, hospitals and keep us moving wherever we go.

Drawing on our comprehensive portfolio, we will address the challenge of climate change and help societies all over the world to meet their growing energy needs in a reliable, affordable and sustainable way.

Siemens Gamesa operates with a flexible business model through two principal business segments: i) Wind Turbines (with the business units Onshore and Offshore), which covers the design, development, manufacturing and installation of wind turbines, and ii) Service. In a few regions, SGRE is also engaged in project development.

[L11-G02] [102-4] SGRE is present in more than 90 countries around the world, and its turbines are installed in more than 70 countries. It operates more than 15 manufacturing plants in over 10 countries and has approximately 40 sales offices (as of June 30, 2020). The chart below shows the location of the company's main nacelle and blade production facilities as well as its leading R&D centers and principal sales offices:

Figure 2 – Siemens Gamesa. Global footprint

Operations

In addition to the above-mentioned locations, Siemens Gamesa has further important locations in several countries in different regions:

- **Americas** – Boulder/Colorado (United States) (sales, service and R&D), Orlando/Florida (United States) (sales; service; R&D and training center for wind service), and sales and service locations in Oakville/ Ontario (Canada) and Santiago de Chile (Chile).
- **Europe, Middle East and Africa (EMEA)** – Bremen (service), Bremerhaven (service for legacy Adwen products) and Österrönfeld (services for Senvion products) (all in Germany); Aliaga (assembly of nacelles), Istanbul (sales, services and R&D) and Izmir (sales and services) (all in Turkey); Vagos (Portugal) (production site for onshore blades, acquired as part of the Senvion Acquisition), Esbjerg (Denmark) (assembly port for the offshore business as well as service), Frimley (United Kingdom) (sales and project management for the offshore business, as well as service), The Hague (The Netherlands) (R&D site for towers, sales and service), in addition to several sales and service or service-only sites in Athens (Greece), Budapest (Hungary), Cairo (Egypt), Casablanca (Morocco), Dublin (Ireland), Helsinki (Finland), Huizingen (Belgium), Johannesburg (South Africa), Lyon and Puteaux (France), Milan (Italy), Newcastle (United Kingdom), Oslo (Norway), Stockholm (Sweden), Tehran (Iran), Vienna (Austria), Warsaw (Poland) and Zagreb (Croatia).
- **Asia, Australia** – Further sales and service locations in Bangkok (Thailand), Ho Chi Minh City (Vietnam), Kurana (Sri Lanka), Makai City (Philippines), Seoul (South Korea), Singapore (Singapore), Sydney (Australia), Taipei (Taiwan) and Tokyo (Japan), with service-only sites in Auckland (New Zealand) and Melbourne (Australia).

Manufacturing base

Siemens Gamesa manufactures wind turbines at its facilities in Europe, the United States, India, Brazil, China and Morocco. The Company has established a technical presence close to its customers across the world. Its manufacturing base is designed to ensure an efficient production process from the design of the wind turbines to the manufacturing of all critical components. The decision as to whether a specific component of a wind turbine should be produced in-house or outsourced to third-party suppliers is determined by looking at three different dimensions: capacity, cost and local content or industrialization requirements. The Company operates blade factories, nacelle assembly factories and other kind of factories (such as gearbox, converter and cabinet factories).

- **Blade factories** produce the entire blade for a wind turbine. In recent years, SGRE implemented structural shell production in all its models, which requires less infrastructure and can be implemented more rapidly. SGRE started to implement carbon fiber in longer blades to further reduce weight. Its industrial strategy also aims for a balance among several options for manufacturing blades, including “make”, “buy” and “build-to-print” (under which SGRE designs the blade, while the manufacturing is outsourced). Our main blade factories are located in Fort Madison (United States), Aalborg (Denmark), Hull (United Kingdom), Tangier (Morocco), Nellore (India), Somozas (Spain), Lingang (China) and Vagos (Portugal; this plant was acquired in the context of the Senvion Acquisition). A new factory for wind turbine blades (as well as nacelles) is planned in Le Havre (France), with start of production expected for the beginning of 2022. At the end of 2019, SGRE stopped the manufacturing of onshore blades in its Aalborg factory (the location now manufactures blades for offshore turbines only). In addition, a decision to close the blade factory in Aoiz (Spain) due to competitiveness considerations was made in June 2020. This plant is specialized in small turbine models mainly for the Spanish market. In addition to its own manufacturing, SGRE sources blades from third-party manufacturers located in Mexico, Brazil, Turkey, India, China and Poland, either providing its own blade designs or using the design from the third-party manufacturer.
- **Nacelle assembly** factories assemble the nacelle for the wind turbine. The nacelle is the structure placed upon the tower, housing the gearbox (for onshore wind turbines), generator, transformer, electronics and other components. Attached to the nacelle is the rotor consisting of a hub and three blades. Siemens Gamesa main nacelle assembly factories are located in Hutchinson/Kansas (United States), Camaçari (Brazil), Brande (Denmark), Cuxhaven (Germany), Ágreda (Spain), Aliaga (Turkey), Mamandur (India) and Tianjin (China). In addition, SGRE subcontracts the assembly of nacelles in Russia. New nacelle factories are under construction in Le Havre (France) and in Taichung (Taiwan). SGRE phased out onshore-related nacelle assembly in Brande in 2020.
- **Tower factories** produce the tower for the wind turbine. SGRE is a minority shareholder in tower manufacturer Windar Renovables, S.L., which has factories in Spain, India, Mexico, Brazil and Russia.
- **Generator factories** produce the generator which transforms the rotation energy to electricity. Siemens Gamesa generator factories are located in Reinosa (Spain), Camaçari (Brazil) and Tianjin (China). In addition, direct drive generators are assembled in Brande (Denmark) and Cuxhaven (Germany).
- **Gearbox plants** are located in Spain, with the main factories located in Lerma and Sigüeiro. A gearbox is typically used in a wind turbine to increase rotational speed from a low-speed rotor to a higher speed electrical generator.
- **Converter factories** are located in Madrid (Spain), Valencia (Spain) and Tianjin (China). Converters enable the management of the electrical output of the wind turbine to optimize it following grid requirements.
- **Cabinets factories** are located in Valencia (Spain) and Tianjin (China). A control cabinet monitors certain parameters of a wind turbine in order to operate the turbine in the most efficient way.

Innovation, Research & Development

Wind turbines developed and manufactured by Siemens Gamesa are in permanent evolution, incorporating the latest technological advances with the aim of increasing both power and performance. Overall, Siemens Gamesa employs approximately 3,400 dedicated Technology staff (13% of the total headcount). SGRE's research and development expenses in fiscal year 2020 amounted to € 231 million (€ 208 million in 2019).

SGRE's R&D activities are carried out mainly through seven technology centers located in Bangalore (India), Boulder (United States), Brande (Denmark), Hamburg (Germany), Zamudio-Bilbao, Madrid and Pamplona (all in Spain). The R&D activities in Brande, Zamudio-Bilbao and Pamplona are focused on the nacelle and its components. The facilities in Madrid and Brande are equipped with test benches for testing and validating software systems for wind power, PV, energy storage and hybrid power systems. The Bangalore center serves global engineering and technology demands pertaining to software and design engineering for onshore and offshore wind turbines, with a focus on new technologies such as machine learning and artificial intelligence, required for building "smart" wind turbines of the next generation.

Technological development at Siemens Gamesa is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year and to which a budget is assigned.

SGRE also cooperates with renowned specialized institutions in the field of wind energy and fosters research partnerships across countries, organizations and disciplines. In addition, SGRE's partnership with Ørsted and the three U.K. universities of Hull, Sheffield and Durham is also looking at how renewable energy research can lower the costs of offshore wind power. This five-year partnership funded by the U.K. government under its Engineering and Physical Science Research Council enables SGRE and its partner to develop new solutions relating to structural health monitoring and generator topologies. SGRE is also collaborating with Siemens in the development of thermal energy storage in a project called "ETES" that is co-funded by the German Federal Ministry of Economic Affairs of Energy.

Within the digitalization field, Siemens Gamesa is cooperating with the University of Carlos III in Madrid in a three-year project, funded by the Spanish institution "Centro para el Desarrollo Tecnológico Industrial" (CDTI). The project comprises research on edge computing technologies, probabilistic design and power plant control technologies, while looking for synergetic solutions with other sectors' needs and solutions. Furthermore, SGRE regularly showcases some of its innovations at exhibitions and trade fairs in the wind energy industry.

A1.2 Legal name

[102-1] The corporate name Siemens Gamesa Renewable Energy, S.A. has been in effect since June 20, 2017 and was duly registered at the Companies Registry on July 18, 2017, the same date that it was notified to Spanish Central Securities Depository (Iberclear) and the Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia). The name was published in the Stock Exchange Bulletin on July 21, 2017. The shares have been listed as Siemens Gamesa Renewable Energy, S.A. since July 24, 2017. The company's stock ticker symbol (abbreviation used to identify shares on stock markets) is SGRE.

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

Siemens Gamesa offers one of the industry’s broadest product portfolios, with both offshore and onshore technology as well as industry-leading service solutions. The company was created in 2017 by the merger of Siemens Wind Power and Gamesa. Along fiscal year 2020, Siemens Gamesa successfully completed acquisition of European Service assets and Intellectual Property from Senvion. The transaction added approximately 9 GW of serviced fleet and operations in 13 countries. The addition of the Senvion assets marked a significant step in the company's growth strategy, part of the company's L3AD2020 strategic program, and strengthens its competitive position in its multibrand portfolio.

A1.3 Ownership structure

[102-5] Siemens Gamesa Renewable Energy, S.A.’s ownership structure on September 30, 2020, (fiscal year end) was as follows:

Table 1 – Ownership structure

(in percentage)	30.09.2018	30.09.2019	30.09.2020
Siemens Energy AG	-	-	67.071
Siemens AG	59.000	59.000	-
Iberdrola S.A.	8.071	8.071	-
Others (**)	32.929	32.929	32.929

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

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

A1.4 Share capital

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

Table 2 - Evolution of share capital

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

A1.5 Mission, vision and values

[102-16] Our company Mission "We make real what matters - Clean energy for generations to come" and our vision to "Be the global leader in the renewable energy industry driving the transition towards a sustainable world" define the foundation on which our shared company culture will grow as we become more and more integrated [1].This is underpinned by six values:

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

A1.6 Revenues

[102-7] The consolidated revenue breakdown by segment at the year ended on September 30, 2020 was as follows:

Table 3 - Revenues by segment

(€ million)	FY18	FY19	FY20
Wind Turbines	7,847	8,733	7,715
Service	1,275	1,493	1,768
SGRE total revenue	**9,122**	**10,227**	**9,483**

Furthermore, the group currently operates in several geographical markets. The principal areas are Europe, Middle East and Africa (EMEA, including Spain), Americas and APAC. Each of these areas' main countries are as follows:

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

Table 4 - Revenues by geographical area

(€ million)	FY18	FY19	FY20
Europe, Middle East and Africa	5,175	6,653	5,197
Americas	2,235	2,031	2,659
Asia, Australia	1,712	1,543	1,627
SGRE total revenue	**9,122**	**10,227**	**9,483**

[1] Further information at the company's Website: https://www.siemensgamesa.com/en-int/about-us

Table 5 - Revenues by country

(€ million)	FY18	FY19	FY20
Spain	666	1,000	617
Germany	1,173	1,038	745
Denmark	639	1,116	712
United Kingdom	1,062	1,497	391
United States	998	1,514	1,907
China P.R.	329	203	299
India	888	774	425
Brazil	262	198	293
Mexico	474	167	176
Rest of countries	2,896	2,720	3.918
SGRE total revenue	**9,122**	**10,227**	**9,483**

All the economic and financial information of Siemens Gamesa Renewable Energy S. A. and its subsidiaries is available in the Consolidated Financial Statements and Management Report for the period ended September 30, 2020, its fiscal year-end. [201-1]

A1.7 Corporate governance

[102-18] The Group's governance structure is based on two main bodies, namely the General Meeting of Shareholders and the Board of Directors. Detailed information on the Group's corporate governance model is updated and available in the Corporate Governance section of the Siemens Gamesa website here.

General meeting of shareholders

The General Meeting of Shareholders is the meeting of the Company's shareholders that, once duly convened, shall decide by majority voting on the issues within its powers. All shareholders, including those that do not take part in the General Meeting or who have expressed their disagreement, are subject to the resolutions taken at the General Meeting, without prejudice to their legal right to challenge such resolutions. The General Meeting of Shareholders takes resolutions on all issues that lie within its powers in accordance with the Law, the By-Laws and the General Meeting of Shareholders Regulations.[2]

Board of directors

[102-22] The Board of Directors' mission is to promote the Company's interests, represent the Company and its shareholders in the management of its assets, manage the business and direct the business's administration. Apart from the matters reserved for the powers of the General Meeting of Shareholders, the Board of Directors is the highest representative and decision-making body. It has no substantial constraints apart from those laid down in legislation and the By-Laws, particularly regarding the Company's corporate purpose. Full information on the Board of Directors' composition, as well as its members' personal and biographical profiles can be found in section C.1 of the Annual Corporate Governance Report and on the company's website.[3]

Siemens Gamesa's Board of Directors is the body responsible for reviewing and approving this Consolidated Non-financial Statement, which is approved prior to the call for the General Meeting of Shareholders.

[2] See the General Meeting of Shareholders Regulations of Siemens Gamesa Renewable Energy S.A. (Revised text prepared after the amendments approved by the shareholders at the General Meeting of Shareholders held on 22 July 2020). Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/20200722-reglamento-jga-sgreenglish-def.pdf?la=en-bz&hash=1AD68DA60756B46C293F5083B4F96C0E08B65A39

[3] See Section C.1 of Siemens Gamesa Renewable Energy, S.A. Annual Corporate Governance Report 2020 at Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

Table 6 - Composition of the Board of Directors (September 30, 2020)

Name of Director	Category	Position on the Board
López Borrego, Miguel Angel	External Proprietary	Chairman
Nauen, Andreas	Executive	Chief Executive Officer
Dawidowsky, Tim	External Proprietary	Member
Ferraro, Maria	External Proprietary	Member
Hernández García, Gloria	External Independent	Member
von Heynitz, Harald	External Independent	Member
Holt, Tim Oliver	External Proprietary	Member
Krämmer, Rudolf	External Independent	Member
Rosenfeld, Klaus	External Independent	Member
von Schumann, Mariel	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

Board committees

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

Delegated Executive Committee

The Delegated Executive Committee has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the Bylaws and of the Regulations of the Board of Directors. The Delegated Executive Committee is regulated in article 36 of the Bylaws and in article 23 of the Regulations of the Board of Directors [4].

Table 7 - Composition of the Delegated Executive Committee (September 30, 2020)

Name of Director	Type	Position
López Borrego, Miguel Angel	External Proprietary	Chairman
Nauen, Andreas	Executive	Member
Krämmer, Rudolf	External Independent	Member
Holt, Tim Oliver	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

[4] After 2020 fiscal year closing the Regulations of Delegated Executive Committee are being approved.

Audit, Compliance and Related Party Transactions Committee

This is a standing internal body of the Board of Directors for reporting and consultation purposes. It is entrusted with informing, advising and making recommendations. Articles 5 through 14 in Chapter II of the Audit, Compliance and Related-Party Transactions Committee[5] Regulations set forth said committee's duties.

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

Table 8 - Composition of the Audit, Compliance and Related Party Transactions Committee (September 30, 2020)

Name of Director	Type	Position
von Heynitz, Harald	External Independent	Chair
Hernández García, Gloria	External Independent	Member
Krämmer, Rudolf	External Independent	Member
Ferraro, Maria	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

Appointments and Remunerations Committee

This Committee is an internal body of the Board of Directors for information and consultation purposes, though it holds no executive functions. It is entrusted with informing, advising and putting forward recommendations concerning matters within its scope of competence. Articles 5 through 9 in Chapter II of the Appointments and Remunerations Committee Regulations[6] set forth this Committee's duties. More specifically, its primary functions are to oversee the composition, performance and assessment of the company's Board of Directors and senior management, along with their remuneration.

Table 9 - Composition of the Appointments and Renumerations Committee (September 30, 2020)

Name of Director	Category	Position
Krämmer, Rudolf	External Independent	Chair
von Schumann, Mariel	External Proprietary	Member
von Heynitz, Harald	External Independent	Member
Rosenfeld, Klaus	External Independent	Member
Espinosa de los Monteros, Salvador	N/A	Secretary Non-member

5 See Chapter II of the Regulations of the Audit, Compliance and Related-Party Transactions Committee (Consolidated text endorsed by the Board of Directors on July 29, 2019) Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-appointments-and-remuneration-committee.pdf?la=en-bz&hash=BD41F237BFA4A2931AE52E5D78E914B4F7AE1659

6 See Chapter II of the Regulations of the Appointments and Remunerations Committee (Consolidated text endorsed by the Board of Directors on July 29, 2019) Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-appointments-and-remuneration-committee.pdf?la=en-bz&hash=BD41F237BFA4A2931AE52E5D78E914B4F7AE1659 (After 2020 fiscal year closing the Regulations of Appointments and Remunerations Committee are being amended).

Executive level positions

[102-19] The Board of Directors of Siemens Gamesa, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers on Mr. Andreas Nauen's behalf as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decided to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of Siemens Gamesa held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date. For further information please refer to section C.1.9 of the Annual Corporate Governance Report 2020.

[102-20] The company's organization chart includes departments holding responsibility for the economic, social and environmental areas, which are attributed to general departments. Aside from the foregoing, the highest-ranking officers of these departments appear before the Board of Directors whenever they are required to do so.

Table 10 – Senior Management (September 30, 2020) [7]

Name	Position
Bartl, Jürgen	General Secretary
Bauer, Pierre	CEO Offshore Business unit (interim)
Gutiérrez, Juan	CEO Service Business unit
Immink, Marc	Internal Audit Director
Nauen, Andreas	CEO Onshore Business unit (interim)
Spannring, Thomas	Chief Financial Officer (interim)
Wollny, Christoph	Chief Operations Officer

As of September 30, 2020, the positions of Chief Financial Officer, Onshore CEO and Offshore CEO are occupied on an interim basis by Mr. Thomas Spannring, Mr. Andreas Nauen and Mr. Pierre Bauer respectively.

Total senior management remuneration amounted to 7,901 thousand euros in fiscal year 2020 (6,752 thousand euros in FY19). Form a gender perspective, there is no additional disclosure due to all top management positions being assigned to men in fiscal year 20. The average remuneration of senior managers identified as such amounts to 1,158 thousand euros in fiscal year 2020 (0,964 thousand euros in FY19), without distinction by gender as all of them are male. The detailed information is referenced in the Annual Report on Directors' Remuneration and in the Annual Corporate Governance Report for the year.

[7] See Section C.1.14 of Annual Corporate Governance Report 2020 for further details

A1.8 Remuneration of the Board of Directors

[L11-HR07] The Annual Report on remuneration of the members of the Board of Directors is submitted to a consultative vote of the company's General Meeting of Shareholders on an annual basis. In accordance with prevailing legislation, the remuneration policy of the year in course and that of the preceding year are set out in detail below, including each director's individual remuneration.

Table 11 - Remuneration of the Board of Directors[8]

M: male || F:Female; (€thousands)	Gender	FY18	FY19	FY20
Alonso Ureba, Alberto	M	177	215	89
Azagra Blázquez, Pedro	M	-	130	61
Cendoya Aranzamendi, Andoni	M	204	219	91
Conrad, Swantje	F	231	106	-
Davis, Lisa	F	0	0	0
Dawidowsky, Tim	M	-	-	0
García García, Rosa María	F	287	49	-
Ferraro, Maria	F	-	-	0
Hernandez García, Gloria	F	243	255	218
Hoffmann, Andreas C.	M	-	-	90
Holt, Tim Oliver	M	-	-	0
Krämmer, Rudolf	M	-	177	315
López Borrego, Miguel Angel	M	-	241	295
Nauen, Andreas	M	-	-	783
Rodriguez-Quiroga Menéndez, Carlos	M	424	422	201
Rosenfeld, Klaus	M	147	151	156
Rubio Reinoso, Sonsoles	F	172	42	-
Sen, Michael	M	0	0	0
Tacke, Markus	M	1,555	1,329	3,205
Thomas, Ralf	M	0	0	0
von Heynitz, Harald	M	-	-	195
von Schumann, Mariel	F	123	162	170
Total		**3,563**	**3,498**	**5,869**

Additional information about top management and its global remuneration is referred to in section C.1.14 of the Annual Corporate Governance Report 2020. [9]

A1.9 Employees worldwide

[102-8] At the end of the reporting period (September 30, 2020), the company had 26,114 employees (24,453 employees in fiscal year 2019).

[8] See Annual Corporate Governance Report 2020 for further details. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

[9] See Annual Corporate Governance Report 2020 for further details. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

A1.10 Significant changes in fiscal year

[102-10] In January 2020, Siemens Gamesa successfully completed the **acquisition of European Service assets and IP from Senvion**. The transaction adds approximately 9.0 GW of serviced fleet and operations in 13 countries. The addition of the Senvion assets marked an important step in the company's growth strategy, part of the company's L3AD2020 strategic program, and strengthens its competitive position in its multibrand portfolio. Siemens Gamesa will now service an even broader range of wind turbine technologies. The Senvion service fleet will increase Siemens Gamesa multibrand footprint to more than 10 GW and its fleet under maintenance to approximately 74 GW. The addition of these assets helps to diversify Siemens Gamesa's business mix and geographical exposure with contracts that offer long-term visibility and renewal rates that have been historically extremely high.

A1.11 Expertise and global track record

One of Siemens Gamesa's main advantages is the fact that we are engaged successfully and globally in all areas of the wind power business, including: Onshore, Offshore and Service. With an optimized streamlined catalogue, we offer the best products and services for each project and its varying site conditions.

Continuous innovation, a dedication to technological excellence and solutions adapted to each project application are the pillars of our wind power portfolio, setting the foundation for Siemens Gamesa as a benchmark technologist. All this is backed by validated and recognized products, with more than 35 years of experience and more than 107 GW installed across the globe.

Siemens Gamesa technology makes Onshore wind one of the cheapest sources of energy. Onshore is the largest wind energy market and the company continues to advance to offer a flexible portfolio designed to meet all our customers' needs and reduce the cost of energy. Improved technology has made turbines and blades ever more efficient, and digitally operated to optimize performance.

The company's Offshore unit develops the world's most sophisticated turbines, thereby ensuring it continues to be ranked as the number one option for offshore wind. Global offshore wind capacity is surging, and Siemens Gamesa is positioned as the leading supplier in this market. The company has already installed almost 17 GW and this figure will surely continue to grow in the future as more and more countries view offshore as a highly competitive energy source as compared to fossil fuels. Harsh sea conditions mean that innovation and new technology are key aspects to evolve in this market and will almost certainly give Siemens Gamesa a competitive edge as new opportunities arise in the emerging markets of the USA and Asia.

With so many Siemens Gamesa turbines working to produce clean energy across the globe, there is naturally a strong market for the service and maintenance of these machines. Technological advancements mean that 85% of technical issues can be handled remotely within 10 minutes, reducing costs and optimizing performance. The company now has a service portfolio over 74 GW. And its multibrand activities mean it can service the turbines of any other company.

A1.12 Our customers

SGRE customers are mainly companies that are active within the energy sector. The main categorization of customers per activity is the following:

- Utilities – companies that own projects to sell power to their distribution network to reach the final demand of energy.
- Independent Power Producers – companies that own projects in order to sell power to an off-taker (via a power purchasing agreement) with the aim to make a financial return in excess of their cost of capital.
- Project Developers – companies that develop a project to sell it to a future owner with the interest and financial capability to build and operate it.
- Others – financial investors, oil & gas players, companies that need to consume green energy in order to meet their environmental corporate targets, self-consumers, etc.

With the energy transition trends, the profiles of customers have expanded, with other players beyond traditional players such as utilities or independent power producers gaining significant relevance.

A1.13 Competition

The competitive situation for SGRE differs in the three market segments, onshore, offshore and service. SGRE competes with international OEMs (Original equipment manufacturer, a company that produces parts and equipment that may be marketed by another manufacturer), Chinese OEMs and other regional OEMs, with Chinese OEMS and other regional OEMs primarily focused on their local markets. The market for onshore wind turbines is more fragmented although consolidation in the segment has increased concentration of market shares outside China. In the offshore wind energy market there is a lower number of competitors due to the relatively high entry barriers but competition with regard to wind turbine prices is also strong and influenced by the introduction of auction mechanisms. Consolidation is moving forward in both on- and offshore markets and is driven by market players striving for scale to address technological challenges, which increase development costs, and market accessibility challenges.

There are about 30 wind turbine OEMs in the world. In general terms, wind turbine OEMs can be categorized in three groups:

- International players with global reach, e.g., SGRE, Vestas (Denmark), GE Renewable Energy (France/United States) and Nordex (Germany)
- Chinese OEMs, e.g., Goldwind (Xinjiang Goldwind Science & Technology Co., Ltd.) and Envision
- Other regional OEMs (mostly located in India), e.g., Suzlon Energy Ltd. and Inox Wind Ltd. (both, India)

A1.14 Product portfolio

Every wind generation site poses specific challenges which call for the right product choice. Siemens Gamesa offers versatile solutions for onshore and offshore wind farms as well as comprehensive services to meet any project's special needs. The company's wind turbine and service portfolios create value and reduce the Levelized Cost of Energy (LCoE), thus ensuring our customers' long-term returns.

Table 12 - Siemens Gamesa wind turbine platforms

ONSHORE	SG 2.1-114	SG 2.2-122	SG 2.6-114	SG 2.9-129	SG 3.4-132	SG 3.4-145	SG 5.0-132	SG 5.0-145	SG 5.8-155	SG 5.8-170
Platform	2.X	2.X	2.X	2.X	3.X	3.X	4.X	4.X	5.X	5.X
Nominal power (MW)	**2.1**	**2.2**	**2.625**	**2.9**	**3.465**	**3.465**	**5.0**	**5.0**	**5.8**	**5.8**
Technology	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared
Rotor diameter (m)	114	122	114	129	132	145	132	145	155	170
Swept area (m2)	10,207	11,690	10,207	13,070	13,685	16,513	13,685	16,513	18,868	22,697
Blade length (m)	56	60	56	63.5	64.5	71	64.5	71	-	-
Class IEC	II/IIIA/S	III/S	IA/IIA/S	S	IA/IIA	III/S	IA	IIB	-	-

OFFSHORE	SWT 6.0-154	SWT 7.0-154	SG 8.0-167 DD	(1) SG 11-200 DD	(2) SG 14-222 DD
Nominal power (MW)	**6.0**	**7.0**	**8.0**	**11.0**	**14.0**
Technology	Direct Drive	Direct Drive	Direct Drive	Direct Drive	Direct Drive
Rotor diameter (m)	154	154	167	200	222
Swept area (m2)	18,600	18,600	21,900	31,400	39,000
Blade length (m)	75	75	81.4	97	108
Class IEC	I, S	I, S	I, S	I, S	I, S

(1) The serial production is planned for 2022 || (2) The serial production is planned for 2024

Note: Full detail of Siemens Gamesa's products and services can be found at the company's website.

A1.15 Global footprint: Wind turbines

[102-2] [102-6] Siemens Gamesa embraces technology as the essential core of its activity by 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 constant evolution, incorporating the latest technological advances and growing, not only in terms of power but also in performance. The company has become one of the world's leading technology companies in the multi-megawatt segment with over 107 GW installed in 76 countries and a full range of product platforms.

We offer the best product and service for each project and its varying site conditions through an optimized streamlined portfolio. The company's wind turbine and service portfolios create value and reduce the Levelized Cost of Energy (LCoE), thus ensuring our customers' long-term returns.

Table 13 - Wind turbine installation track record (cumulative MW)

Country/market	FY18	FY19	FY20	Onshore	Offshore
Algeria	10	10	10	10	-
Argentina	82	113	113	113	-
Australia	699	932	932	932	-
Austria	43	43	43	43	-
Azerbaijan	8	8	8	8	-
Belgium	163	195	520	216	304
Bosnia-Herz.	41	87	87	87	-
Brazil	3,156	3,316	3,552	3,552	-
Bulgaria	90	90	90	90	-
Canada	2,804	3,021	3,021	3,021	-
Cape Verde	0.05	0.05	0.05	0.05	-
Chile	452	452	580	580	-
China P.R.	5,099	5,513	5,557	5,509	48
Costa Rica	143	143	143	143	-
Croatia	162	162	162	162	-
Cuba	5	5	5	5	-
Cyprus	20	20	20	20	-
Czech Rep.	14	14	14	14	-
Denmark	2,199	2,199	2,234	1,147	1,087
Dom. Rep.	52	191	191	191	-
Ecuador	2	2	2	2	-
Egypt	986	1,253	1,249	1,249	-
Finland	308	309	308	266	42
France	1,545	1,636	1,865	1,865	-
Germany	6,785	7,510	7,393	2,370	5,023
Greece	563	665	730	730	-
Guatemala	32	32	32	32	-
Honduras	176	176	176	176	-
Hungary	182	182	182	182	-
India	5,613	6,358	6,931	6,931	-
Indonesia	122	151	151	151	-
Ireland	796	870	935	935	-
Iran	61	61	61	61	-
Israel	21	21	21	21	-
Italy	2,199	2,375	2,390	2,390	-
Jamaica	24	24	24	24	-
Japan	386	495	495	495	-
Jordan	166	166	166	166	-
Kenya	14	14	14	14	-
Kuwait	10	10	10	10	-
Latvia	21	21	21	21	-
Lithuania	14	14	14	14	-
Luxemburg	24	24	24	24	-
Macedonia	37	37	37	37	-
Mauritania	30	35	132	132	-
Mauritius	9	9	9	9	-
Mexico	2,380	2,639	3,059	3,059	-
Morocco	856	856	1,062	1,062	-
Netherlands	858	858	1,973	183	1,790
N. Zealand	281	281	316	316	-
Nicaragua	44	44	44	44	-
Norway	662	858	1,670	1,668	2
Pakistan	50	50	52	52	-
Peru	124	124	124	124	-
Poland	1,045	1,053	1,159	1,159	-
Portugal	569	569	569	569	-
Puerto Rico	103	103	103	103	-
Romania	590	590	590	590	-
Russia	-	-	45	45	
Somalia	0.22	0.22	0.22	0.22	-
South Africa	604	660	855	855	-
South Korea	77	138	155	155	-
Spain	13,154	14,184	14,671	14,671	-
Sri Lanka	45	45	56	56	-
Sweden	1,458	1,542	1,873	1,763	110
Switzerland	0.15	0.15	0.15	0.15	-
Taiwan	20	132	164	12	152
Thailand	389	389	659	659	-
Philippines	243	259	259	259	-
Tunisia	242	242	242	242	-
Turkey	814	1,290	1,297	1,297	-
U.Kingdom	9,822	11,700	12,297	4,135	8,162
Uruguay	390	390	390	390	-
U.States	18,795	20,669	23.028	23,016	12
Venezuela	71	71	71	71	-
Vietnam	9	40	61	61	-
SGRE total	**88,840**	**98,735**	**107,502**	**90,769**	**16,733**

A1.16 Global footprint: Service

Siemens Gamesa has a proven track record of excellence in operation and maintenance. By leveraging scale and having a global reach, we offer a flexible service portfolio that can be tailored to our customers' diverse operating models. We also provide advanced diagnostics and digitization capabilities, along with customized offshore services. With nearly 60% of its installed capacity under O&M contracts and extensive operational knowledge of complex locations, the group maintains 74 GW in almost 60 countries. All of this is made possible thanks to a team of highly qualified professionals, a global presence and a focus on health and safety, service excellence and customer satisfaction. The Service unit supports business models by:

- Maximizing the wind farm revenue through efficient maintenance and repair solutions
- Mitigating financial and business risk through our performance and component warranties
- Increasing the energy production and thus the ROI of the wind farm through our performance upgrades and lifetime extensions
- Ensuring accessibility to offshore wind farm through our innovative offshore logistics
- Maximizing customer capabilities to self-perform operations and maintenance through knowledge transfer options

Table 14 - Service track record (MW)

Country/market	FY18	FY19	FY20	Onshore	Offshore
Algeria	11	-	-	-	-
Argentina	-	76	100	100	-
Australia	587	720	1,077	1,077	-
Austria	26	26	26	26	-
Belgium	389	509	498	204	294
Bosnia-Herzg	-	87	36	36	-
Brazil	3,565	3,735	3,193	3,193	-
Bulgaria	90	90	90	90	-
Canada	1,808	1,830	1,986	1,986	-
Chile	452	452	457	457	-
China P.R.	726	512	508	508	-
Costa Rica	130	130	80	80	-
Croatia	172	162	162	162	-
Czech Rep.	14	14	14	14	-
Denmark	626	657	685	657	28
Dom. Rep.	-	137	139	139	-
Egypt	564	834	843	843	-
Finland	280	268	122	122	-
France	1,185	1,280	1,253	1,253	-
Germany	4,750	5,113	14,270	9,560	4,710
Greece	278	372	352	352	-
Guatemala	-	32	32	32	-
Honduras	50	50	50	50	-
Hungary	24	24	24	24	-
India	5,563	6,240	6,835	6,835	-
Indonesia	-	151	153	153	-
Iran	-	61	61	61	-
Ireland	891	963	958	958	-
Israel	21	-	-	-	-
Italy	1,309	1,659	1,675	1,675	-
Japan	131	213	301	301	-
Jordan	166	82	162	162	-

Country/market	FY18	FY19	FY20	Onshore	Offshore
Korea Rep.	49	103	-	-	-
Kuwait	10	10	10	10	-
Lithuania	14	14	-	-	-
Luxemburg	21	-	24	24	-
Macedonia	-	14	37	37	-
Mauritania	30	30	30	30	-
Mauritius	9	9	9	9	-
Mexico	2,040	2,224	2,509	2,509	-
Morocco	638	842	842	842	-
Netherlands	785	804	1,236	60	1,176
New Zealand	60	60	60	60	-
Nicaragua	44	44	-	-	-
Norway	265	209	670	670	-
Pakistan	124	124	50	50	-
Peru	14	14	123	123	-
Philippines	243	243	205	205	-
Poland	915	919	853	853	-
Portugal	402	402	402	402	-
Puerto Rico	101	101	-	-	-
Romania	352	242	148	148	-
South Africa	605	605	499	499	-
South Korea	-	-	122	122	-
Spain	5,914	5,639	6,549	6,549	-
Sri Lanka	-	-	45	45	
Sweden	625	663	947	907	40
Taiwan	8	8	128	-	128
Thailand	355	524	656	656	-
Turkey	849	873	947	947	-
U.Kingdom	8,582	8,688	7,896	2,231	5,665
United States	9,450	9,722	12,634	12,634	-
Uruguay	410	410	410	410	-
Vietnam	8	39	60	60	-
SGRE total	**56,728**	**60,030**	**74,240**	62.199	12.041

A1.17 Legal and administrative proceedings

[L11-SO09] Due to the nature of our business, all commercial transactions with clients are carried out through specific contracts. Therefore, in the case of customer complaints, these are related to such contracts and are dealt with within that framework. In the ordinary course of business, we are involved in out-of-court disputes, litigation and arbitration proceedings as well as administrative proceedings. Frequently encountered situations include claims for alleged breaches of contract (particularly claims brought by or against project partners and customers related to delays, poor performance or a lack thereof), labor disputes, antitrust issues, product liability and warranty claim as well as infringement or the validity of IP rights.

The majority of cases arise from the interpretation of agreements and are resolved through contractual agreements, guarantees and warranty extensions, etc. The cases that remain open this fiscal year include: i) Settlement Agreement ith Areva, ii) Claims connected to a wind power plant project in Germany, iii) Customer claim regarding a commercial dispute relating to project delays and; iv) Disputes or disagreements about IP Rights. The latter involve competitors or other third parties and have to do with the validity of IP rights or infringements. SGRE is a party to several licensing agreements offering it IP rights (patents, trademarks and design rights) that are either necessary or useful for the company's business. In a few cases, disputes or disagreements have arisen concerning the fulfillment of existing agreements, the interpretation of the scope of use of the IP rights granted to SGRE by third parties (including competitors) or alleged IP infringements. The group covers such risks by means of appropriate provisions and guarantees to minimize their materialization.

A1.18 COVID-19: scenario and impact on business

The beginning of 2020 was marked by the COVID-19 coronavirus pandemic. Apart from the extremely high toll in human lives it has claimed, it is also expected to have a significant impact on the global economy, affecting production levels, supply chains and companies' financial stability. The relative lack of information about the virus, the way it spreads, its mortality rates, its seasonality, and the doubts as to whether it can be contained after one or more waves make it extremely difficult to make a reliable estimate of the pandemic's economic impact.

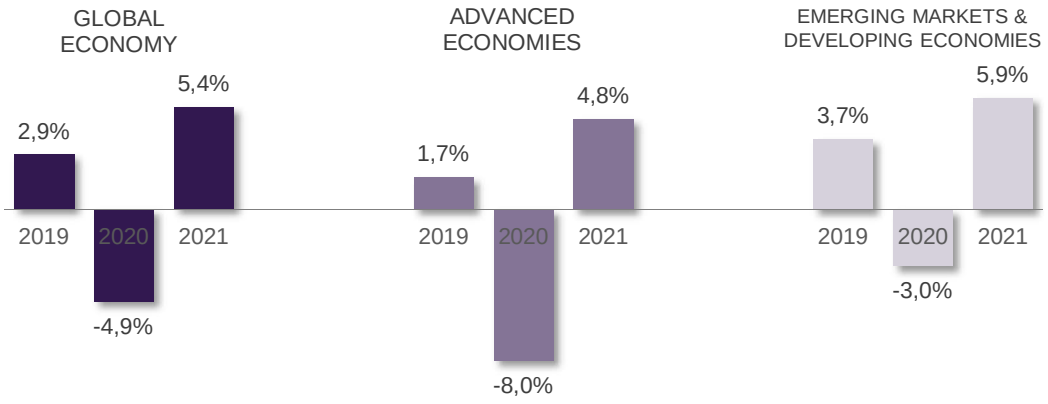
Global effect

Considering that the virus had already reached most countries by the end of March, the International Monetary Fund (IMF) projected, in its June [10] report, that the world economy would undergo a significant downturn of -4.9% in 2020, 1.9 percentage points below the World Economic Outlook (WEO) forecast made in April 2020; in other words, an even more severe setback than in the 2008-2009 financial crisis.

Global growth is projected to amount to 5.4% in 2021. In overall terms, this would leave GDP in 2021 around 6.5 percentage points below the pre-COVID-19 forecasts made in January 2020. The adverse impact on low income households is particularly acute, endangering the significant progress made in reducing extreme poverty around the world since the 1990s. Uncertainty about the pandemic's duration and intensity means that the predominant risk is that the outcome could be even worse.

[10] International Monetary Fund (IMF). World Economic Outlook Update, June 2020. Link: https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020

Figure 3 – World Economic Outlook: Update June 2020. Growth projections



Covid-19 Impact on business activity

Despite the wind industry's resilience, particularly the Offshore division, it is not immune to this situation and the supply chain, manufacturing activity, project execution and commercial activity have all been affected by the pandemic. The second half of fiscal year 2020 saw factories close temporarily in Spain and India, with disruption to the global supply of components and raw materials, continuing restrictions on people's movements, and delays with administrative and financial processes impacting commercial activity. As expected, the pandemic's impact spread to the Offshore and Service markets, although to a much more limited extent. In this context, the company's priority was, and continues to be, to ensure the safety of employees and their families and of the communities where it operates, while minimizing operational disruptions in order to ensure business continuity and meet customer needs.

The impact of COVID-19 was concentrated in the second quarter (Q2 20), causing disruptions to the supply chain located in China. In the third quarter (Q3 20) of the fiscal year, the temporary closures of plants (mainly in Spain and India) and borders had a significant impact on the movement of people and goods. The effect of COVID-19 tailed off in the fourth quarter of the fiscal year (Q4 20) and was felt mainly in Onshore project execution delays, though both the supply chain and manufacturing activity were operating as normal. However, given the uncertainty about how the pandemic will evolve, the company is maintaining the measures designed by the global crisis management task force and implemented in FY20 to ensure both employee safety and business continuity to meet customer needs. These measures include stringent health and safety protocols at offices, factories and wind farms, telework for office staff, inventory management to avoid bottlenecks in component supply chains at risk, and enforcing eligible contract terms favoring customers and vendors, to mention just a few.

A1.19 ESG Rating: Sustainability indexes

Siemens Gamesa's sustainability performance is monitored constantly and has been externally endorsed by the most renowned and relevant sustainability indexes and ratings. These indexes are designed to measure the performance of companies capable of demonstrating strong Environmental, Social and Governance (ESG) practices.

Siemens Gamesa is therefore a constituent member of prestigious international sustainability indexes, such as Dow Jones Sustainability Indices®, FTSE4Good® and Ethibel Sustainability Index®. It is noteworthy that Siemens Gamesa Renewable Energy received an A rating (on a scale of AAA-CCC) in the MSCI ESG ratings assessment made in February 2020, allowing the company to be included in the MSCI indices with an investment grade rating. The MSCI ESG ratings measure companies according to their exposure to industry specific environmental, social and government (ESG) risks and their ability to manage said risks. Siemens Gamesa's upgrade from BB to A (two notches up) reflects a significant improvement in its environmental, social and governance practices and policies.

Furthermore, Vigeo-Eiris ranked the company first in fiscal year 2020 among the 25 companies included in the Electric Components & Equipment sector for its ESG performance. Siemens Gamesa Renewable Energy is currently included in the following indices powered by Vigeo-Eiris: i) Euronext Vigeo Europe 120; ii) Euronext Vigeo Eurozone 120; iii) Euronext Eurozone ESG Large 80 index and iv) Ethibel Sustainability Index-Excellence Europe.

Likewise, ESG Siemens Gamesa's profile assessment was completed by FTSE Russell. The company stands out within the sector with an overall rating of 4.5/5 and is ranked in the 100th percentile in the ICB Supersector Oil & Gas, an extremely prominent position in the Renewable Energy Equipment subsector. Within the ESG dimensions, the company outperforms in the environmental dimension with a score of 5/5. Climate change and the sustainable use of resources underpin the company's responsible management in the eyes of ESG ratings and responsible investors. FTSE Russell's ESG Ratings and data model allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions.

Additionally, Siemens Gamesa was included in 2020 Bloomberg Gender-Equality Index (GEI). This index includes 325 companies from 50 industries with a combined market capitalization of $12 trillion USD headquartered in 42 countries and regions. The GEI tracks the financial performance of publicly listed companies committed to supporting gender equality through policy development, representation, and transparency. This reference index measures gender equality across five aspects: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro women brand.

Table 15 - Siemens Gamesa into sustainability indexes

	ESG Index/rating	Rating/status
	Dow Jones Sustainability Index	Siemens Gamesa selected in 2020 and for the 11th time since 2006. Included in Dow Jones Sustainability Index World & Europe.
	Sustainability Yearbook 2020	Siemens Gamesa selected
	MSCI	Siemens Gamesa rated A
	Carbon Disclosure Project -CDP Climate Change	Rated C, equal to renewable energy equipment sector average
	Sustainalytics	Low-Risk ESG rating. Top 2nd percentile in Electrical Equipment industry (3rd out of 166).
	ISS-ESG	Selected with status Prime
	FTSE Russell	ESG Rating: 4.5/5 Percentile Rank: 100 in Alternative Energy - Renewable Energy Equipment sector
	FTSE4Good	Selected and included for 15 years (2005)
	Bloomberg Gender Equality Index	Selected in 2020
	Ethibel Sustainability Index	Selected and included for 14 years (2006)
	Vigeo Eiris	Ranks ESG first among the 25 companies included in the Electric Components & Equipment sector
	Euronext Vigeo®	Selected Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Eurozone ESG Large 80
	Ecovadis	Qualified GOLD in 2019
	ECPI Sense of sustainability	Siemens Gamesa selected in ECPI Global Developed ESG Best in Class
	STOXX	Siemens Gamesa selected in STOXX® Europe Sustainability
	Cleantech Index (CTIUS)	Selected and included for 13 years (2007)

A1.20 Sustainability in financing

Siemens Gamesa's commitment to sustainability extends to all areas of the company, including finance. As a result, its financing is linked to ESG (environment, social and governance) criteria. After completing pioneering deals worth over €7.2 billion having a strong sustainable component, the company has accomplished additional milestones in its finance strategy over the last two years.

- Siemens Gamesa signed a **bank guarantee line for up to €600m** to cover the construction of components for Hornsea 2, the largest offshore wind farm to be announced to date. Located in the North Sea and owned by Danish utility company Ørsted, the farm will be comprised of 165 Siemens Gamesa wind turbines (1.4 GW) that are capable of producing enough clean energy to power 1.3 million UK households. BNP Paribas lead-managed the deal, in which BBVA, Mizuho and Santander also took part. Under this agreement, the company will pay a premium should it fail to achieve the ESG targets set out; otherwise, the premium will be paid by BNP Paribas, together with BBVA and Santander. In either case, the premium set for the deal will be used to fund a cancer research project at the La Paz Institute for Health Research (Madrid, Spain) that seeks to identify the sources of metastasis in breast cancer with a view to preventing tumor cells from spreading.
- Siemens Gamesa **extends its €2.5 billion syndicated financing facility**, that it is linked to ESG criteria. The company has extended the maturity of its syndicated facility to December 2024, securing more flexible conditions thanks to its investment grade credit rating. The operation is now the company's first 'green' financing facility. The operation was highly successful, securing commitments from 22 banks and being more than 50% oversubscribed. Specifically, the company has extended the maturity of its €2.5 billion syndicated facility, arranged in May 2018 with various domestic and international banks. This consists of a €500 million loan and a €2 billion, multi-currency, revolving credit facility, maturing in 2022 and 2024, respectively. The funds will be used to finance recurring activity, which is now covered for the next 5 years. Another novelty in this operation has been the inclusion of environmental, social and corporate governance (ESG) criteria, in line with the company's new green financing strategy. This further underpins our company's commitment to the UN Sustainable Development Goals (SDGs) in relation to 'Affordable and clean energy' and 'Climate action', while also evidencing our commitment to creating a better future for people and planet.
- SGRE reached **€3.9 billion in green guarantee line by September 2020**.The company extended guarantee line granted by Mizuho to €200 million from an initial €140 million and included SDG criteria. Another extension and the same SDG criteria in €150 million of BNP and €150 million of Santander guarantee line. Furthermore, the company included a green condition for €1.000 million existing guarantee line from Caixa Bank. In addition, a deal with three different banks converted a €798 million guarantee line to green. In line with its firm commitment to Sustainability, it has accumulated €3.9 billion (€1.72 billion until end 2019) in green guarantee lines until September 2020. SGRE aims to use this amount to support its onshore and offshore wind turbines manufacturing and sale businesses worldwide, which have an impact on the Sustainable Development Goals related to “Affordable and clean energy” and Climate action”
- Siemens Gamesa has pioneered the **green foreign exchange hedging market**, a significant step in the company’s commitment to sustainable development across all of its activities. In a landmark deal arranged with BNP Paribas, Siemens Gamesa launched a notional total of €174 million in FX hedging contracts for sustainable transactions. These are the first FX hedging deals to be arranged under BNP Paribas's new sustainable derivatives platform linked to the United Nation’s Sustainable Development Goals (SDG). The derivatives are used not only to hedge the FX exposure of selling offshore wind turbines in Taiwan, but they also have an impact on the SDG targets related to ‘Climate Action’, and ‘Affordable and Clean Energy’.

A2. Strategy

[L11-G03] Siemens Gamesa aims to create value by increasing the profitability of onshore activities through a dedicated turn-around effort and attracting the growth potential of the offshore and services sector while maintaining profitability.

A2.1 Business strategy: Capital Markets Day 2020

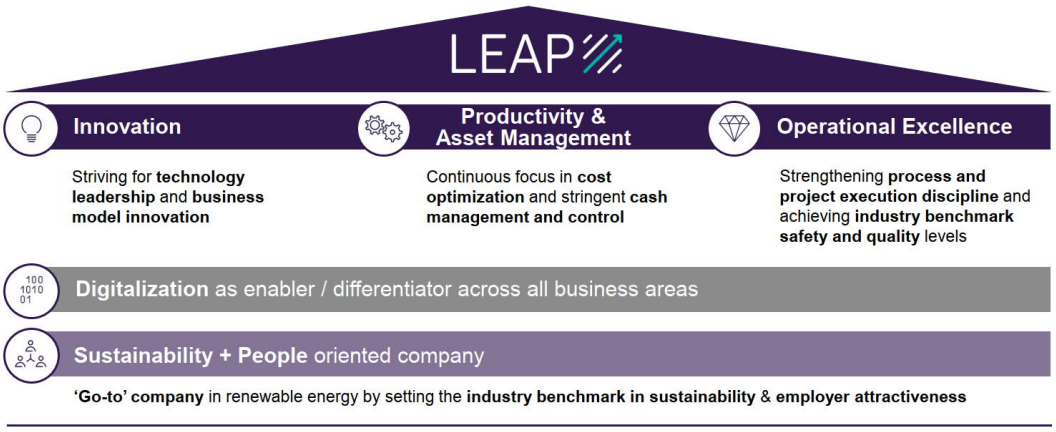
The company has clearly prioritized profits over volume, particularly in the onshore sector, and is strongly focused on cash generation. With the significant progress it has already achieved in recent years, SGRE remains firmly committed to sustainability.

Siemens Gamesa has set clear priority areas through its newly released “LEAP” program, which are as follows:

- **Innovation** – Striving for technology leadership and business model innovation. In the Onshore unit, the recently announced 5.X platform is expected to become the mainstream product platform in 2022/2023. In Offshore, the SG 11.0-200 DD wind turbine, for which several orders were received in 2020, is expected to reach serial production in 2022, and the recently announced SG 14-222 DD wind turbine, which has also been selected for several projects (subject to certain conditions) is expected to reach serial production in 2024.
- **Productivity & Asset Management** – Continued focus on cost out and stringent cash management and control across SGRE to optimize profitability and cash generation. For example, in procurement, a program has been launched aimed to achieve more than 5% productivity increase in third-party spend each fiscal year until 2023 and in manufacturing, to adapt the internal footprint to shifts in demand and supply.
- **Operational Excellence** – Strengthening process and project execution discipline and achieving industry benchmark safety and quality levels. SGRE also plans to reduce risks in its operations, for example by adopting a more selective approach through the sales business approval process (SBA) or reducing its direct exposure to development activities in some countries, e.g., by seeking collaboration with third parties. Furthermore, SGRE plans to strengthen project management quality control and to leverage on cross-business best practices.
- **Sustainability and People** – Becoming the ‘go to’ company in renewable energy by setting the industry benchmark in sustainability and employer attractiveness. Reinforcing social commitment in the communities where we are present.

In addition, SGRE will invest in digitalization, which is believed to be a key enabler for accelerating the achievement of its objectives.

Figure 4 – Siemens Gamesa Corporate strategy. Capital Markets Day 2020 (CMD)



In this context, SGRE's key objectives for the period until 2023 are focused on:

- **Returning Onshore to sustainable profitability** with a turnaround plan focused on the following priorities: (i) focus on profitable volume and de-risking of the business; (ii) introduction of new leading technology; (iii) reduction of supply chain complexity; (iv) reinforcement of project execution capabilities; and (v) reorganization to optimize performance. SGRE strives to complete the operational turnaround of its Onshore business by the end of 2022.
- **Capturing offshore market growth** through profitable leadership position with the following priorities: (i) maintain technological differentiation; (ii) globalization with market expansion and early customer engagement; and (iii) maintaining the focus on execution excellence.
- **Sustainably** growing faster than the market at benchmark profitability in services with the following priorities: (i) continuously develop new business models together with customers; (ii) focus on innovation, productivity and operational excellence; and (iii) capture potential of the profitable multi-brand business.

Following these outlines, SGRE's business mix based on revenue share is expected to shift towards a higher share of Offshore and Service and consequently less Onshore business. In addition, following the energy transition trends, SGRE is also actively exploring adjacent business areas to untap the full potential of its core wind business, such as hybrid solutions, storage, floating or hydrogen.

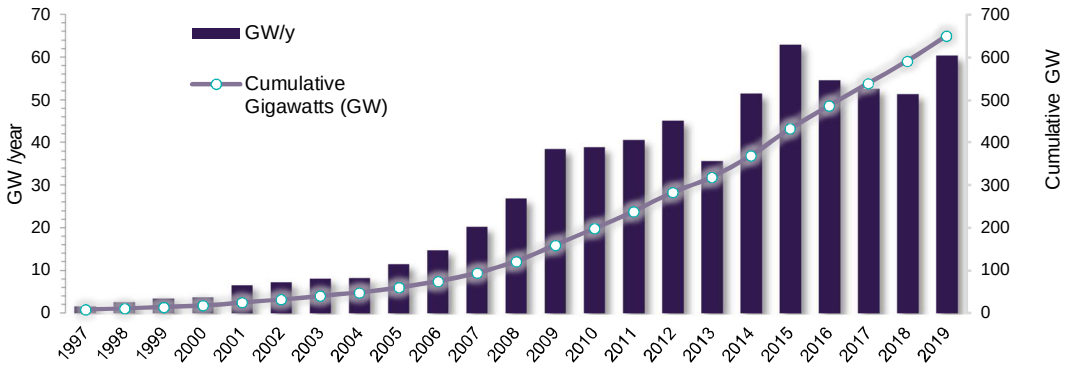
Through the LEAP program as key enabler for value creation, we expect Siemens Gamesa to grow more than the market as a whole by 2023 and to deliver an adjusted EBITDA pre PPA&IR within a range of between 8% to 10% in fiscal year 2023. Furthermore, SGRE aims to maintain on average a book-to-bill ratio above 1.0 between fiscal years 2021 to 2023. SGRE also expects to maintain these levels beyond 2023 as part of its overall financial framework.

A2.2 Key factors that could affect business

[L11-G04] The long-term outlook for wind power has not been affected by the pandemic. In fact, the pandemic has merely highlighted the need to design sustainable models of economic development, in which renewable energies play a central role. In this framework, the world energy market continues its transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental part thanks to its growing competitiveness. However, greater effort is required on the part of governments. As indicated in the UN report on the gap between the emission reduction targets and actual achievements to date, if they wish to achieve the committed goals, governments must triple their efforts and introduce new measures on an urgent basis when they review their Nationally Determined Contributions (NDCs), and there are many cost-effective options for cutting emissions quickly.

According to the World Energy Outlook 2019 (WEO 2019), cumulative wind capacity at the end of the period (2040) will amount to 1,850 GW, i.e. 150 GW above the previous report's estimates (with more than 300 GW Offshore). Said cumulative volume involves a sustained level of installation averaging 57 GW per year over 20 years; that is to say almost 15% above the preceding years' average figure.

Figure 5 – Global Wind installations -Source: Global Wind Energy Council (GWEC)



In the case of Offshore, it means reaching more than 20 GW per year by 2030, compared to the 4 GW installed in 2018, the 6 GW installed in 2019, and the 7 GW estimated for 2020. However, this will not be enough to attain the sustainable development goal, which requires more and faster deployment of renewable energies. According to the International Energy Agency (IEA), a scenario compatible with sustainable growth, which includes the commitments to combat climate change, requires that renewables should account for 80% of new installed capacity between now and 2040. According to this projection, the cumulative wind fleet would total almost 3,000 GW in 2040; in other words, 1,000 GW more than in the previous scenario, which would mean an average of 130 GW of installations each year over the next 20 years, of which almost 30 GW will be Offshore turbines in 2030, rising to 40 GW in 2040.

Wind power industry faces structural market changes

Siemens Gamesa is active in the wind power industry, providing products, solutions and services for onshore and offshore wind power plants. Historically, this industry has benefitted from various direct and indirect subsidies aimed at facilitating wind energy production, e.g., economically favorable feed-in tariffs. In recent years, in most of SGRE's markets, governments have already reduced or withdrawn direct subsidies for wind power and in the United States, production tax credits (another form of support) generated by wind energy will be completely phased out for projects commencing construction after 2020. Similar support schemes may continue to be significantly reduced or phased out entirely in other jurisdictions in the future. Further, the expansion of onshore and offshore wind power plants and renewables is also dependent on adequate development in other adjacent areas such as national infrastructure (such as transmission networks). In addition, demand for wind power equipment is affected by the cost of wind-generated electricity compared to the cost of electricity generated from other sources of energy, including not only renewable sources (principally solar and hydroelectric power), but also gas, coal and nuclear-fueled power generation. With a drive in many countries for diversification of energy sources, modern biomass, geothermal, tidal and biofuels, as well as nuclear power, all compete for governmental support and a prioritized focus. Even though the levelized cost of wind generated electricity is decreasing as wind turbine design, production and installation continue to make improvements in cost, efficiency, output and capacity factor (number of full-load hours), the competitiveness of wind power technology as compared to other renewable and conventional power generation technologies competes directly with declining carbon prices and falling fossil fuel commodity prices.

Furthermore, SGRE is undergoing the competitive pressure exerted by other wind turbine manufacturers, which have contributed significantly to a reduction in wind turbine generator prices and may result in additional pricing pressures. Competition in the wind power industry has intensified due to factors such as the rise in the existing number industry players in new markets and increasing pressure from Asian manufacturers, which are striving to improve the quality and reliability of their technologies and expand outwards from their local markets.

Climate change risks

Climate change is leading to warmer weather and more extreme weather conditions. Therefore, climate change could affect our business and have a significant impact on Siemens Gamesa, most likely in the medium- and long-term. Longer and warmer seasons or extreme cold could materially affect the operations of our customers and limit the attractiveness of our products. Severe weather, such as fires, hurricanes, high winds and seas, blizzards and extreme temperatures may cause evacuation of personnel, curtailment of services and suspension of operations, inability to deliver materials to job sites in accordance with contract schedules, loss of or damage to equipment and facilities, supply chain disruption and reduced productivity. For example, Siemens Gamesa had to adjust its profitability target in January 2020 following unforeseen costs in a low triple-digit million-euro amount relating to five onshore projects (1.1 GW) in northern Europe, mainly Norway, caused by adverse road conditions and the unusual early arrival of winter weather, which delayed project execution substantially.

A3. Sustainability

[L11-SO01] Today, there are many factors in the world that represent potential threats to sustainability and dramatically affect businesses such as ours. Climate change, water scarcity, geopolitical conflicts, resource depletion, and economic inequality – these must all be acknowledged as the challenges they are, and then they must be met and overcome.

At Siemens Gamesa, we believe that sustainable development and commercial success go hand in hand. We strive to drive social and economic progress by being a global force for sustainable development. All our actions must reflect this. Sustainability excellence is a badge of honor, and a mark of operational and management quality. For us, this means being a company that responds to evolving market trends and building a team of engaged, productive and valued employees. Above all, it means being a company that does not just responds to social progress but aligns with and helps to lead it

In addition, we wish to strengthen our social commitment in the communities where we have a presence beyond the business core and that is the reason why we set up the new Social Commitment Department in fiscal year 2020. From there we have designed a medium to long-term strategy linked to the UN's SDGs aimed to fighting poverty, improving the environment and promoting technological education (for further details. see the Social Commitment chapter).

A3.1 Alignment with UN’s Sustainable Development Goals (SDGs)

[102-15] On January 1, 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development - adopted by world leaders in September 2015 at United Nations Summit - officially came into force. Over the next fifteen years, with these new SDGs that universally apply, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.They reflect a new understanding that development everywhere must integrate economic growth, social well-being and environmental protection.

[L11-G01] We as a business, have also a self-interest in driving forward this agenda forward and to contribute to reaching the SDGs related targets. We can find our greatest impact and opportunity in areas that will help drive our own business growth. This creates scalable solutions when our business profits from solving social problems and when we generate profits while simultaneously benefitting society and business performance.

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

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

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

We also identify high impact SDGs linked to responsible business practices, mostly impacted by our social commitment engagement activities.

High impact – UN Sustainable Development Goals linked to regular-core business

Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all. Siemens Gamesa Renewable Energy is shaping the renewable energy industry, leading the way forward in the renewable energy sector. The company provides cleaner, more reliable and affordable wind power and is a leading supplier of wind power solutions to customers all around the world. Our scale, global reach and proven track record ensure that we will play a central role in shaping the energy landscape of the future. Our activity embraces the world's need for access to affordable, reliable and sustainable energy, crucial to achieving many of the UN Sustainable Development Goals, ranging from the eradication of poverty through advances in health, education, water supply and industrialization to mitigating climate change.

Goal 13 – Take urgent action to combat climate change and its impacts. Siemens Gamesa has set the target of becoming CO_2-neutral in all its operations by 2025. The company is thus underlining the need for businesses to contribute to decarbonizing the economy. With our products and services, we help to improve energy efficiency and reduce CO_2 emissions with a positive business case.

Goal 5 – Achieve gender equality and empower all women and girls. Our main impact on SDG 5 is by managing our own workforce. Siemens Gamesa recognizes that its employees represent a large variety of cultures, ethnicities, beliefs and languages. This wealth of diversity is what makes the Group more innovative, creative and committed to society.

Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Siemens Gamesa directly impacts SDG 8 through its global operations contributing to GDP development in many countries, our commitment to providing decent jobs and enabling employment and by driving the decoupling of economic growth from energy usage as a thought leader.

Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. We contribute to SDG 16 by anchoring integrity and compliance throughout our company and by driving Siemens Gamesa's integrity initiatives with external stakeholders. Our company is committed to implementing the UN Global Compact's requirements and all other relevant regulations in our supply chain and disseminating them through collaborations with external organizations and institutions.

High impact – UN Sustainable Development Goals linked to our social commitment

Goal 1 – End poverty in all its forms everywhere. We contribute to SDG 1 by supporting people who do not benefit from any kind of social protection, which is critical to help the poorest and the most vulnerable people in the current crisis. Our company implements actions aimed at improving the well-being for people by paying special attention to the most vulnerable groups.

Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We contribute to SDG 4 promoting technological education actions and programs and pushing the talent we all need for the future.

Goal 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development. Our company seeks to conserve and sustainably use the world's oceans, seas and marine resources. We contribute to SDG 14 by promoting actions and programs in the environmental field aimed at preserving coastal resources and raising awareness among our employees and the communities where we operate, thereby encouraging increased cooperation to protect vulnerable habitats.

Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss. Siemens Gamesa protects, restores and promotes the sustainable use of terrestrial ecosystems in all the countries where it operates. Additionally, we also contribute to SDG 15 by implementing strategies and cooperative programs which help to incentivize sustainable land use, responsible forest management and environmental stewardship.

A3.2 Relationship with stakeholders

[102-40] The company's relationship with any stakeholder is maintained twofold: from the standpoint of social responsibility, responding to their expectations and needs and, from a reputational perspective, managing the perception these stakeholders have of the company. Siemens Gamesa has a wide variety of stakeholders. They are therefore analyzed according to their relevance to the company's activities and have been grouped together for practical purposes under the following categories:

Figure 6 - Siemens Gamesa's most relevant stakeholders

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

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

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

A3.3 Overall Management approach to sustainability

[L11-G06] This document includes Siemens Gamesa's disclosures to explain how we manage the economic, environmental and social impacts related to material topics. It provides narrative information about how we identify, analyze, and respond to our actual and potential impacts. Disclosures also provide context for the information reported using topic-specific Standards according to the Global Reporting Initiative Standards.

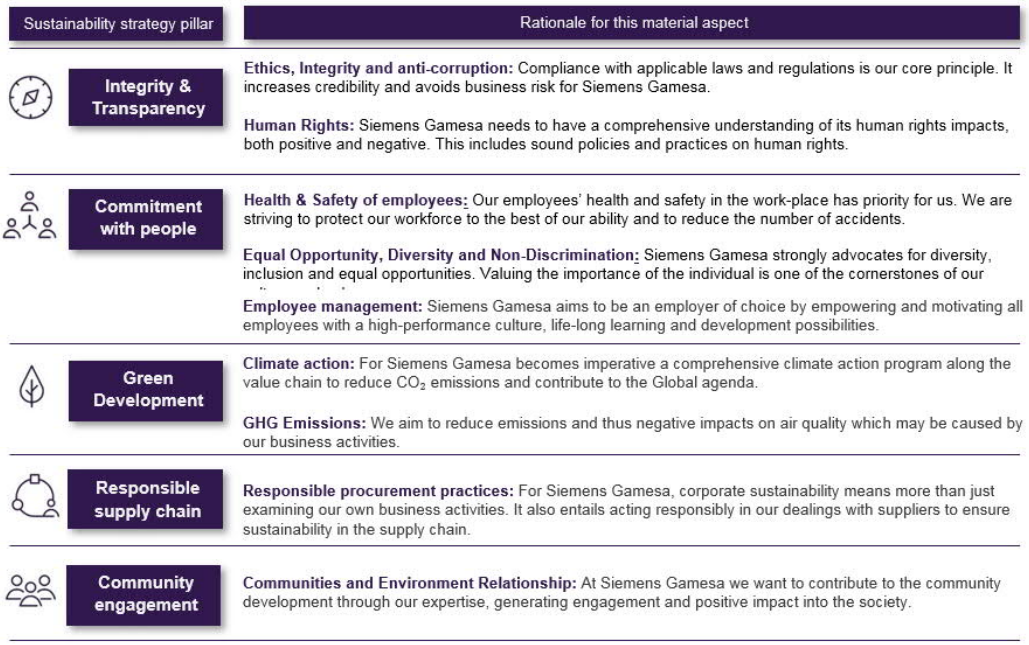
Siemens Gamesa has thus equipped itself with a set of corporate policies that implement the principles reflected in the corporate governance system and contain the guidelines which govern the company's actions and those of the companies belonging to its group, along with the actions of its directors, executives and employees under the framework of the company's strategic plan and vision and values.

Material topics and boundaries

[103-1] Siemens Gamesa has conducted materiality assessments on sustainability issues to help it identify the topics which have the greatest relevance to our company's long-term business success and are of utmost importance for Siemens Gamesa's internal and external stakeholders. The list of material topics and the general process are described in Annex I. For Siemens Gamesa, all material topics are relevant throughout our value chain, unless otherwise indicated.

[102-47] The nature of the expectations that relevant stakeholders have of our organization involves issues such as good governance, respect for human rights, work practices, environmental impacts, our operational practices and the practices of our value chain, as well as the positive and negative impacts that we might have on local communities. Details on the materiality analysis can be viewed in Annex I.

Figure 7 – Material aspects to Siemens Gamesa [11]



Sustainability strategy pillar	Rationale for this material aspect
Integrity & Transparency	**Ethics, Integrity and anti-corruption:** Compliance with applicable laws and regulations is our core principle. It increases credibility and avoids business risk for Siemens Gamesa. **Human Rights:** Siemens Gamesa needs to have a comprehensive understanding of its human rights impacts, both positive and negative. This includes sound policies and practices on human rights.
Commitment with people	**Health & Safety of employees:** Our employees' health and safety in the work-place has priority for us. We are striving to protect our workforce to the best of our ability and to reduce the number of accidents. **Equal Opportunity, Diversity and Non-Discrimination:** Siemens Gamesa strongly advocates for diversity, inclusion and equal opportunities. Valuing the importance of the individual is one of the cornerstones of our **Employee management:** Siemens Gamesa aims to be an employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities.
Green Development	**Climate action:** For Siemens Gamesa becomes imperative a comprehensive climate action program along the value chain to reduce CO_2 emissions and contribute to the Global agenda. **GHG Emissions:** We aim to reduce emissions and thus negative impacts on air quality which may be caused by our business activities.
Responsible supply chain	**Responsible procurement practices:** For Siemens Gamesa, corporate sustainability means more than just examining our own business activities. It also entails acting responsibly in our dealings with suppliers to ensure sustainability in the supply chain.
Community engagement	**Communities and Environment Relationship:** At Siemens Gamesa we want to contribute to the community development through our expertise, generating engagement and positive impact into the society.

Overall Management approach and its components.

[103-2] For Siemens Gamesa, the main purpose of the management approach is to control the major risks and opportunities of all material topics, regardless of whether they are financial or non-financial risks and opportunities.

Global Sustainability Policy

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

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

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

This target is reinforced by the principles contained in Siemens Gamesa's Global Corporate Social Responsibility Policy[12]:

[11] A detailed overview of the materiality analysis methodology can be found in the Annex

[12] See Global Corporate Social Responsibility policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/global-corporate-social-responsibility-policy.pdf?la=en-bz&hash=83A2288492E0C7460692FDA648C1020EC3B37CA7 . Text approved by resolution of the Board of Directors dated November 4, 2020

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

Related policies and commitments

The company's corporate governance system is comprised of the Articles of Association, its corporate policies, internal rules of corporate governance and the other internal policies, codes and procedures that are described in detail on the group's corporate website [13]. A key group set of policies with detailed information about roles, responsibilities and commitments for the material topics, include:

- Our Mission, Vision and values
- Corporate Group policies: Corporate Social Responsibility, Diversity and Inclusion, Climate change, HSE, Supplier relationship, Human Rights, Social Commitment, etc.
- Business Conduct Guidelines
- Internal policies, procedures and instructions
- Supplier Code of Conduct
- Other sustainability processes and commitments at Siemens Gamesa

In addition, Siemens Gamesa has made certain public commitments which guide the group's actions:

- By endorsing a variety of initiatives connected with its activities in the environmental and social dimensions, most of which are listed throughout the document.
- Through its membership of certain business or social associations, like the ones described in section "Memberships and associations" of this report and identifying itself with their objectives and goals.
- For specific commitments, targets and actions on our material aspects, please see the relevant section in this Consolidated Non-Financial Statement 2020.

[13] Siemens Gamesa Website. Link: https://www.siemensgamesa.com/en-int

Global sustainability commitments

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

- **United Nations Global Compact**: The Group endorsed the principles of the United Nations Global Compact (participant ID 4098) and reaffirms its commitment to and support for the promotion of the ten principles of labor rights, human rights, environmental protection and the fight against corruption on an annual basis. The company publishes a Communication on Progress Report (COP) each year, which reviews compliance with such principles. This document is made publicly available on the United Nations Global Compact website[14].
- **Global Reporting Initiative (GRI)** Since 2004, the company has disclosed sustainability information referencing the evolving guidelines of the Global Reporting Initiative (GRI), a non-governmental organization which aims at creating transparency and comparability of corporate sustainability reporting. Siemens Gamesa has been involved in the GRI community since 2016, first as an organizational stakeholder and currently as a community member and GRI core supporter. Furthermore, the company actively participates in GRI's Corporate Leadership Group on Reporting on the Sustainable Development Goals, putting forward innovative solutions to common challenges and ultimately shape the future of reporting.
- **Paris Pledge for Action:** The Group endorsed the Paris Pledge for Action and welcomed the adoption of a new universal agreement at the COP 21 in Paris and pledged support to ensuring that the aspirations established by the agreement will be attained or surpassed.
- **Caring for Climate:** The business leadership platform "Caring for Climate: The business leadership platform", is an UN Global Compact Initiative. Its goal is to involve businesses and governments in acting on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. Siemens Gamesa joined voluntarily in June 2007.
- **Women Empowerment Principles**: The "Principles of Empowerment of Women" are promoted by UN Women/UN Global Compact and aim to build stronger economies, establish a more stable and fairer society; achieve compliance development, sustainability and human rights and to improve the quality of life of women, men, families and communities. Siemens Gamesa endorsed the Principle of Empowerment of Women in December 2010.
- **Science Based Targets (SBTi):** Science Based Targets (SBTi), a joint international initiative of the Carbon Disclosure Project, the UN Global Compact, the World Resources Institute, the World-Wide Fund for Nature and the We Mean Business coalition. It aims to reduce carbon emissions in a measurable manner and to an enough level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. Siemens Gamesa voluntarily joined this initiative on September 12, 2018 and had its emission reduction strategy verified by the initiative to be aligned with what climate science says is required to meet the 1.5°C trajectory in August 2020.
- **Business Ambition for 1.5C – Our Only Future:** Siemens Gamesa added their pledge for Business to do their part in helping the planet avoid overheating by more than 1.5C in coming years at climate change talks in Madrid (COP-25). The pledge obliges companies to meet objectives evaluated through the UN's Science Based Targets initiative (SBTi) of its emissions, or by setting a public goal to reach net-zero emissions by no later than 2050.

14 See United Nations Global Compact website. Link: https://www.unglobalcompact.org/what-is-gc/participants/4098

Responsibilities

The group's organizational model and responsibilities is structured to the broadest level. Moreover, the responsibilities which the corporate areas or business units have regarding the different aspects dealt with in this document can be summed up as follows:

- Aspects that have to do with corporate governance and those that have a legal scope are the responsibility of the General Counsel's Office and the Board of Directors.
- Aspects connected to Compliance and Ethics and integrity implementation lies with the Chief Compliance Officer, in charge of the Business Conduct Guidelines and related policies, internal rules of conduct regarding the Securities Market and others. The Chief Compliance Officer is under the responsibility of the General Counsel, who is member of the Executive Committee.
- Aspects connected with labor and people related practices, social and community engagement are the responsibility of the Global Human Resources Director, who is member of the extended Executive Committee.
- Aspects related to safety, health and the environment are the responsibility of the Quality management, Safety and Environmental Department, under the responsibility of the Chief Operations Officer, who is member of the Executive Committee.
- Aspects connected with procurement are the responsibility of the Procurement Department, under the responsibility of the Chief Operations Officer, who is member of the Executive Committee.
- Aspects related to communications, public policies, affiliation and memberships to associations are the responsibility of the Global Corporate Affairs Director, who is member of the extended Executive Committee.
- Aspects related to Non-financial reporting, non-financial information, responsible taxation, sustainable finance and sustainability indexes are under the responsibility of Chief Financial Officer, who is member of the Executive Committee.
- Overall implementation of Group policies, codes and other operating procedures is the responsibility of Business Chief Executive Officers (Onshore, Offshore, Service), who are members of the Executive Committee.
- Also, in order to exercise these responsibilities, the Siemens Gamesa model sets forth that such responsibilities must be assumed in a decentralized way by the parent companies of the businesses in each region. These are organized through their respective Boards of Directors, that deal with the effective management of each of the businesses, as well as with their day-to-day management and control.

Objectives, resources and results evaluation

[L11-G07] Siemens Gamesa publicly discloses its medium and long-term objectives periodically, using different ways to do so. Internally, the different business units and corporate functions set their annual targets according to the group's financial and non-financial strategic objectives aimed specifically at the activities under their responsibility. The results obtained in relation to the targets set serve to establish the annual variable remuneration of the company's management team.

In order to attain these targets, Siemens Gamesa is equipped with an annual resource allocation process, which allocates the corresponding budget. The achievements Siemens Gamesa has obtained are reflected in the different quantitative indicators' evolution for the different aspects dealt with in this report.

[103-1] The company identified different strategic lines and actions to work on in the 2018-20 period regarding sustainability, aiming to support the business, strengthen the overall business strategy and to obtain competitive advantages in specific aspects of management that Siemens Gamesa works on in the coming years.

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

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

Siemens Gamesa's Sustainability Strategy 2018-20 consisted of five master lines (corresponding to the five pillars and, additionally, a communication and awareness action), outlining specific actions to be implemented, which involve various corporate areas of the company.

Evaluation of the management approach.

[103-3] Each material topic has a corresponding chapter in this report where we also provide an assessment of the management approach. In addition, the review of the company's Sustainability Strategy becomes instrumental to delivering the key outcomes of the sustainability programs that have been put into place.

Figure 8 - Review of Sustainability Strategy 2018-20

Pillar:	**Integrity and transparency**	Ensuring ethical and business integrity, generating trust to our stakeholders through transparency and honesty

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Definition, approval and monitoring of the new Code of Conduct/Business Conduct Guidelines for SGRE		100%	Completed	Business Conduct Guidelines implemented at Group level.
• Establish a framework of policies and procedures within the company to guarantee business integrity		100%	Completed	Framework integrates the bases of the compliance system of the Group.
• Inclusion of compliance criteria in the contract approval process		100%	Completed	Included compliance criteria in its contract approval process (SBA).
• Implementation of an adequate control system for business partners		100%	Completed	Implemented a control system for the company's business partners.
• Design and implement a specific Training Program with regard to ethics and compliance for employees		100%	Completed	Implemented training and communication programs regarding the compliance framework of policies and procedures.
• Approval of the SGRE Global Labor Agreement based on the International Labor Standards of the ILO		100%	Completed	Siemens Gamesa Global Labor Agreement signed with IndustriALL Global Union is renewed in FY20.
• Link the SGRE top management compensation to continued presence of the company on Sustainability Indexes		100%	Completed	Long-Term Incentive Plan for period 2018-2020 and following cycles, is linked to the presence of the company on sustainability indexes.
• Annually report significant key performance indicators to stakeholders which have been verified		100%	Completed	Consolidated Non-Financial Statement (former Sustainability Report) annually released.

Pillar:	**Commitment with people**	Engaging people creating a common culture and values based on safety, diversity and transparency, identifying and retaining talent

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Create a common and sustainable culture for SGRE through 'People & Culture' program		100%	Completed	Set of initiatives committed to overcome engagement with its employees.
• Assessment of the SGRE's values of the company based on the employee's perspective		100%	Completed	Mission, vision and values completed.
• Conduct global employee satisfaction survey		100%	Completed	Employee satisfaction and engagement surveys are driven on a regular basis.
• Define and implement an individual performance development plan for all employees		100%	Completed	Implemented to contribute to professional growth to enable development of skills and abilities.
• Homogenize the existing training actions in a single Training Program for SGRE		100%	Completed	Siemens Gamesa Talent and Learning processes implemented. SGRE University is alive.
• Design and implement a 'Diversity & Inclusion Program' for the whole company		100%	Completed	Renewed Diversity & Work-Life Balance Strategy launched FY19 and renewed for FY20-23 period.
• Implement the Health and Safety program within the entire company		TRIR 3.36	Completed	Strategy period closes fiscal year 20 with TRIR at 3.14

Pillar:	**Green development**	Generating sustainable and green development based into innovative circular wind solutions and being an active player in promoting a low carbon economy

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Contribute to a reduction of SGRE's customers environmental impact		250 MtCO2	281 MtCO2	By 2020, more than 250 MtCO2 annual savings to SGRE's clients.
• Define and implement a sustainable mobility plan within the company		Target to 2025	Completed	Achieve a carbon-neutral vehicle fleet (vehicles in the sustainable mobility plan) by 2025.
• Contract SGRE's electricity supply 100% from renewable energy-based sources		Target to 2025	Completed 100%	Switch its electricity supply contracts to 99.9% renewable electricity with green certificates.
• Offset part of non-avoided GHG emissions through compensation projects		100%	Completed	SGRE Carbon neutral. Offsetting of 70,699 tCO2 completed by end FY19 and committed for future periods.
• Obtain the Renewable Guarantee of Origin certificate for SGRE's turbines		100%	Completed	100% of life-cycle analysis conducted for all wind turbine products.
• Position SGRE as an advocate for a low carbon economy		100%	Completed	Siemens Gamesa signed set of new pledges for low-carbon economy.
• Publish and verify an annual report on SGRE's GHG emissions		100%	Completed	GHG emissions report publicly available.

Pillar:	**Responsible supply chain**	Sharing the responsibility of making things well and creating a commitment with society alongside the supply chain

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Definition and approval of the new SGRE Supplier Relationship Policy		100%	Completed	SGRE Supplier Relationship Policy is publicly available on the Company website.
• Definition and approval of the new SGRE procurement process and suppliers' Code of Conduct		100%	Completed	SGRE Code of Conduct for suppliers and third-party intermediaries is publicly available on the Company website.
• Acceptance of the SGRE suppliers' Code of Conduct by the company's main suppliers		80%	Completed 85%	At the end of fiscal year 20, 85 % of annual purchasing volume (PVO) accepted the SGRE suppliers' Code of Conduct, well above the target for the period.
• Assess and/or audit all high sustainability risk suppliers of the company against the compliance of the SGRE suppliers' Code of Conduct. Expressed as % purchase volume (PVO) assessed in relation to PVO of all high sustainability risk suppliers		90%	77% Partially completed	Siemens Gamesa ensured that 77% of the purchasing volume (PVO) of high sustainability risk suppliers was covered by at least one of the detection modules in fiscal year 2020.

Pillar:	**Community engagement**	Contributing to the community development through our expertise, generating engagement and positive impact into the society

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Define and implement a SGRE Group Social Action Policy		100%	Completed	SGRE Social Action Policy is publicly available on the Company's website.
• Implement a SGRE Group standardized system for donations and charitable contributions		100%	Completed	SGRE policies, programs and tools are in place to keep control of donations and philanthropic contributions.
• Implement relevant community engagement projects generating positive impacts		100%	Completed	Recurrent Investments in time and capital in the implementation of relevant community engagement projects. Focus on SGRE Impact program & country-based programs.
• Analyze and calculate the social return on the company's investment for community engagement projects		100%	Completed	Community engagement projects with social return on the company's investment calculated. Average SROI stands at 5.54.
• Engage with and support universities, research centers and start-ups		100%	Completed	Contributions to regional research for the community innovation ecosystem to co-inspire new business ideas and collaborations is ongoing.

A4. Risk Management

[L11-G08] Siemens Gamesa has certain Risk Control and Management Systems that are covered by the rules of Corporate Governance within a flagship internal framework that we call ERM (Enterprise Risk Management). ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The Risk Control and Management Systems within ERM are promoted by the Board of Directors and Top Management and implemented throughout the organization. Siemens Gamesa has an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a “RIC” tool.

The General Risk Control and Management Policy [15], which establishes the foundations and general context for the key elements of ERM that are summarized below, sets forth the basis for these systems. The general risk management process classifies risks in four categories:

- **Strategic:** Risks that are directly influenced by strategic decisions, arise from long-term strategies or are related to top-level objectives
- **Operational:** Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company’s operations, including performance and return objectives
- **Financial:** Risks resulting from financial transactions and from non-compliance with tax, accounting or reporting requirements
- **Compliance:** Risks resulting from non-compliance with the business conduct guidelines or legal, contractual or regulatory requirements

The ERM process is a continuous cycle intended to proactively manage business risks. It is divided into six phases:

- **Identify:** This phase aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the company’s strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on the “Top-down” and “Bottom-up” approaches throughout the organization, represented by corporate, business-unit and regional R/O maps supported by specific risk management systems and the necessary consistency between “micro- and macro-risk”
- **Evaluate:** This phase is geared at evaluating and prioritizing any R/Os identified in order to focus management’s attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control measures

[15] See: General Risk Control and management policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/general-risk-control-and-management-policy.pdf

- **Respond:** This phase focuses on the definition, agreement on and implementation of response plans to manage the risks identified by selecting one of our general risk response strategies (avoid, transfer, reduce or accept). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones
- **Monitor:** This phase deals with appropriate controls and constant supervision to allow for the timely notification of any significant changes in the R/O situation, progress of KRIs and response plans
- **Report and scale:** Focused on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management
- **Continuous improvement:** Risk management in Siemens Gamesa's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability

As the company's highest decision-making, oversight and control body, the Board of Directors authorizes and approves all relevant transactions. It holds responsibility for setting general policies and strategies, including the company's General Risk Control and Management Policy and tax strategy, as well as for overseeing their implementation and internal reporting and control systems.

A4.1 ERM system

The Company's Risk Control and Management Systems are applied by means of an organization structured into **four levels of defense**:

1. Ownership of risk control

As owner of the top risks, among other aspects, the Executive Committee (ExCo) is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire Siemens Gamesa Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group.

2. Monitoring and compliance

- **Risk Department** (ERM): Integrated within the Financial Department, it participates in defining the risk strategy and in the mitigation of risks, endeavoring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.
- **Governance and Internal Control Department** (GOV/CON): Reporting to the Operations Directorate, it is responsible for the effectiveness of the internal control systems.
- **Ethics and Compliance Directorate**: Directly reporting to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, the legal counsel and the CEO, it is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3. Independent assurance

The Internal Audit Area reports to the Board of Directors' Audit, Compliance and Related-Party Transactions Committee and to the CEO. It holds responsibility for informing, advising and directly reporting the following and other matters:

- The company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.
- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.
- The company's transactions with third parties if they involve a conflict of interest or are transactions with related party holding a significant stake in the Company.
- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.
- Adequacy and integration of internal control systems.
- Inform and advise the Committee on audit matters of a technical nature.
- Reporting any incidents that might take place in the drafting of its annual work plan and submitting an activity report at the end of each year.
- Gathering information within the scope of its responsibilities to be included in the Annual Corporate Governance Report prior to said report's approval by the Board of Directors.

4. Supervision

The Audit, Compliance and Related Party Transactions Committee, as a consultative and informational information body, supports the Board of Directors in the supervision of the system and reports thereto regarding the sufficiency thereof.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

- Receive regular reports from management on the performance of existing systems and on the conclusions drawn from any tests conducted on them by internal auditors or any other professional specifically engaged for such purpose, along with reports on any significant internal control shortfall or failure detected by the auditor during the course of their statutory auditing work. The Committee may bring recommendations or proposals before the Board of Directors as a result of such oversight.

- Oversee all risk policies on at least an annual basis and put forward amendments for them or recommend the adoption of new policies to the Board of Directors.
- Supervise that policies on the control and management of risks identify or determine at least:
    i. The different types of financial and non-financial risks (including operational, technological, financial, legal, fiscal, reputational, climatic, social, political, environmental or related to corruption) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
    ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Rules.
    iii. The planned measures to mitigate the impact of identified risks, should they materialize.
    iv. The information and internal control systems used to control and manage risks.
- Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- In general terms, ensure that internal control policies and systems are properly and effectively applied.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the Siemens Gamesa Group considers acceptable (risk tolerance criteria in accordance with ERM methodology), which are aimed at maximizing and protecting the economic value of Siemens Gamesa within controlled variability.

A4.2 Overview of Risks

Siemens Gamesa faces various risks inherent to the industry and the countries in which it operates when it deploys its strategic and operational planning. These risks can prevent business objectives from being achieved.

Generally speaking, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

A brief summary is set out below of the principal risks monitored in 2020 which could affect the achievement of business objectives.

1. Strategic risks

- Industry and Siemens Gamesa operations that may be affected by infectious diseases, health crises, and particularly the recent Covid-19 pandemic, both locally and globally.
- Pressure on contribution margin and on MW volumes, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.
- As a result of geographic diversification and the extensive base of customers and suppliers, Siemens Gamesa is exposed to "country risk", which is understood as the environment in which socio-political and security conditions may affect the local interests of Siemens Gamesa, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like Brexit in the UK, trade war US-China, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.
- Climate change might generate heavy rains and floods, which potentially could affect certain company´s assets.
- Significant changes in Siemens Gamesa's share ownership which could cause uncertainty in the securities market.

2. Operational risks

- Operational risks relating to the launch of new products, the opening of new production centers and manufacturing management, as well as the quality of products and services.
- Risks relating to the commitments made in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.
- Risk that the cost reduction processes for some products do not occur as quickly as required to offset the pressure on prices.
- Due to the complexity of the projects managed by Siemens Gamesa, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a risk in project execution that could lead to deviations in the margins expected therefrom.
- Cyberattack risks: Like many other multinational companies, Siemens Gamesa is exposed to the growing threat of increasingly professionalized cybercrime, within an environment of continued improvement of information technology systems.
- Supply chain risks, due to the existence of critical components that could cause delays or cost increases in the production of Siemens Gamesa wind turbines or the execution of its construction projects.
- Market price risks: Siemens Gamesa is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of particular products in some countries that could affect supply chain costs.

3. Financial risks

- Risks connected to the wind market's needs with respect to third-party guarantees.
- Risks that could affect the strength of the balance sheet, the control of working capital and structure, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.
- Exchange rate risk: Siemens Gamesa engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the euro and future cash flows of entities of the Siemens Gamesa Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.
- Interest rate risk: the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. Siemens Gamesa uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.
- Tax risks arising from local and/or global requirements and direct or indirect taxation.

4. Compliance risks

- Risk of severe and/or fatal accidents occurring with the additional effects of delays, damage to assets and reputational loss caused by the high-risk profile of some works, potential failures in contractor selection, monitoring and qualification processes, and work in emerging market environments with a less mature safety culture, health and environmental standards, along with other risks.
- Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The risk factors that have materialized during 2020 in the countries and markets in which Siemens Gamesa has done business have had an adverse impact on the Group's financial results, the most significant being project execution, Covid-19, price pressure and slowdown in the Indian market.

It should be highlighted that activities in 2021 will be subject to these very same risk factors in the wind market. The group also expects to encounter uncertainties arising from the negotiation process of the United Kingdom's exit from the European Union and from the policies adopted by the United States government on tariff policies and the embargoes it has imposed on several countries.

A4.3 Risks tolerance

Top Management establishes the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to accept to achieve its goals. Siemens Gamesa uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated at least each time changes are made to the strategy and/or policies.

Our Company essentially has 3 complementary ways of establishing risk tolerance levels:

1. **By means of regularly reviewed specific policies and internal regulations**, particularly including the following:

- General Risk Control and Management Policy
- Corporate Tax Policy
- Investment and Finance Policy (exchange rate, credit and interest rate risks)
- Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
- Business Conduct Guidelines
- Crime Prevention and Anti-Fraud Policy
- Cybersecurity Policy

2. **By setting targets on an annual basis** or which are based on strategic regularity for indicators that are used to monitor certain risks. These indicators include:

- EBIT, cash conversion, net financial debt, CAPEX and working capital
- MW sold and new orders
- Sustainability
- Cyberattacks
- Frequency and severity index in relation to Health & Safety

3. A risk is considered to exceed tolerance and to require **mitigation plans** when it is rated as major or high. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a certain risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once any risks (including tax-related risks) that threaten the achievement of objectives have been identified, the risk owners or those delegated by them make an assessment of the risks and manage the plans to mitigate them with the support provided by the ERM Department and other support functions.

A4.4 Risks monitoring

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

1. Strategic risks monitoring

- Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk.
- Development of new business opportunities, entry into new countries, and cost reduction programs at all units to mitigate the risk of pressure on the margin and on volumes.
- The possible effects of specific drops in business due to “country risk” are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.
- Siemens Gamesa is carbon neutral as of 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department
- Creation of a project team in charge of analyzing the implications of a change in share ownership and of implementing the relevant mitigation measures.

2. Operational risks monitoring

- New products and production centers are regularly monitored to ensure that both cost and quality are fulfilled as expected.
- Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.
- There is an ongoing reduction in costs through specific goal-based programs deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.
- A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project implementation. The Company also analyses its project on a recurring basis and has defined controls within the ICFR system to monitor the management thereof.
- Information Security Model led and continuously improved by multidisciplinary Security Committee that is capable of preventing and mitigating the external threats of cyberattacks.
- Supply chain risks are mitigated by implementing a second source supply strategy, as well as the signing of long-term agreements with suppliers of critical components to ensure their availability.
- Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, a search for secondary sources of supply, and even the redesign of some components.

3. Financial risks monitoring

- Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.
- Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event involving the potential impairment has occurred.
- Various actions are taken to reduce exchange rate risk exposure, including increasing local content, hedging through the use of derivative financial instruments, monitoring exposure to

fluctuations while ensuring compliance with the group's hedging limit, and analyzing currency sensitivity.

- The division of external financing between variable and fixed rates is constantly analyzed in order to optimize exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.
- Tax risks are controlled by various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

4. Compliance risks monitoring

- The risk of serious and fatal accidents is mitigated through various actions, including strengthening of the zero-tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.
- Siemens Gamesa is equipped with systems for monitoring regulatory changes as well as crime prevention Handbooks in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business, which include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

A4.5 Additional controls

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

a) Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.

b) Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities

c) Insurance of operational third-party risks, with annual update and review of coverages.

d) External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.

e) Aenor certificate in UNE 19602 standard related to the tax compliance management system.

f) Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being properly managed.

g) Evaluations, including independent evaluations, by Management, by the internal audit department and by external audit of the effectiveness of the risk management systems.

h) Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.

i) Internal audits of significant risks by the Internal Audit Department.

B. Social and Human Resources related matters

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B1. Working at SGRE

B1.1 Management approach

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

Without trust, we cannot expect people to feel they can design and lead the future. Therefore, Siemens Gamesa needed to create a culture of trust to turn its purpose into reality. The Culture of Trust program was established at the beginning of the merger to ensure and support the development of a shared company culture across the group. Its goal – to establish a culture of trust across Siemens Gamesa – is based on the pillars trust, empowerment, diversity and continuous learning. These four pillars support the activation of our values and the development of a shared culture of trust:

- **Trust**: Employees in high trust organizations are more productive, have more energy at work and collaborate better with their colleagues. By being consistent in transparent and authentic communication we constantly build on the engagement of our employees and establishing our Culture of Trust.
- **Empowerment**: Creating an environment in which people have a mandate to act within their area of responsibility. A non- blaming culture in which self-criticism and failure-culture are care elements and based on what the company can build on its strength and become more flexible and efficient.
- **Continuous learning**: We use knowledge sharing and personal development to drive cultural change to create opportunities for everyone and attract and retain talent. This leads in turn to growth and a more sustainable world. Continuous learning also involves considering mistakes to learn and develop from them and investing the time to do so.
- **Diversity**: Connecting people of different ages, genders, races, religions, sexual orientations, education, and cultures to create an environment in which teams feel comfortable and can deliver the very best of themselves. It is not enough to be a global company with different kinds of employees, instead we need to truly embrace diversity and be inclusive and open-minded in order to unleash all our talent’s potential.

B1.2 Our employment model

[L11-HR10] Siemens Gamesa pursues improvement in people’s quality of life and believes in social and professional development as a core component of our future success. We aim to be an employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities.

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

We offer professional development opportunities in the form of training and job experience, in a multicultural and multinational environment, which are the cornerstones on which we base our talent

management cycle. The Company also embeds cultural diversity, a commitment to combating discrimination and support for equal opportunities into management of its human capital.

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

[L11-S23] Due to the very nature of its business, activity needs to be maintained continuously at Siemens Gamesa's production plants, so that certain groups must work in shifts, generally those classified as direct and indirect manpower. This work organization does not prohibit the rotation of such shifts in an effort to facilitate adjusting working hours to the specific needs of workers. In addition, measures aimed at reconciling professional and work life are envisaged at Siemens Gamesa work centers for any positions for which it is possible. Such measures include flexible hours, intensive working days, reduced working hours or adapting work schedules around certain family circumstances.

B1.3 Great place to work

Siemens Gamesa's goal is to become a company where everyone feels a sense of empowerment and ownership. One contributing factor was identified to be implementing innovative, state-of-the-art IT office concepts that would open up a space for creativity, collaboration and personal responsibility.

The FlexAgility program was launched globally in 2008, creating a working environment that is open, flexible and digital. Part of this concept was the work from home policy and a set of state-of-the-art IT tools that enable employees to work wherever and whenever they want.

This way of working is probably the single most appreciated project by our employees, and it has been crucial to ensure business continuity during the lockdown caused by the spread of the coronavirus pandemic.

The new situation we found ourselves in in March 2020 brought new challenges, which mainly had to do with ensuring business continuity while at the same time safeguarding employees' health and safety.

The new way of working that arose from this situation also led to important lessons and insights. Among other things, the surveys conducted on our employees have shown that a large majority of our employees would prefer, if given the choice, to continue working from home 50% or more of the time.

Siemens Gamesa has therefore decided to introduce a new global framework that incorporates these learnings and elevates the FlexAgility concept to the next level – FlexAgility 2.0 – from new ways of working to more ways of working.

FlexAgility is based on the **Smart Working Framework**, which is an innovative method of organizing and carrying out work using information and communication technology that allows employees to perform their duties in an environment other than the official worksite.

The implementation of **Open Office Environment** aims to reflect a company's values and make an important contribution to achieving companies' efficiency targets. The proper configuration of the Open Office landscape and its functional elements results in an attractive working environment, while also ensuring a suitable amount of space for each element.

An outstanding and innovative IT environment is an essential prerequisite for the FlexAbility Concept. Siemens Gamesa provides state-of-the-art communication and collaboration platforms through Office 365, including all aspects of voice, data and video communications.

B1.4 Performance 2020. Our response to COVID-19

The current pandemic has changed the way we work, whether at factories, plants or offices. Driven by the current coronavirus pandemic, the company's staff have taken the leap from voluntary, occasional or regular but small-scale working from home to prolonged and mandatory remote working by the entire workforce.

Protecting employees and their families from the risk of infection is one of SGRE's top priorities. Working from home is one of the most effective ways of reducing the infection risk posed by people gathering in a single place when social distancing is mandated or recommended by government. Working from home can also help to ensure that the essential functions of organizations continue to run smoothly during the pandemic.

Our existing Working from Home (WFH) policy proved helpful to address issues in this first phase, but it is now clear that the new situation is here to stay for some time. As a result, we have adapted our guidelines to take changing circumstances into account and to safeguard the health and well-being of our people.

These additional measures include:

- **Caring for children, elder family members or other dependent family**. Line managers and employees should agree on balancing different needs under the principle of flexibility. As regards work schedules, there is a need to focus on performing business-critical or core tasks while freeing up some of their time for emergency care of children and other dependents.
- **Special leave.** Special leave is granted in situations where the nature of the tasks of employees is not compatible with teleworking. This is reviewed by HR on a case by case basis. In addition, employees with a dependent child with a disability at home, or with a dependent child from 0–3 years of age at home may request special unpaid leave, holidays, or part-time work arrangements according to the existing practices in their countries.
- **Working hours.** It is acceptable that the work schedule is reasonably flexible and can be customized to individual needs. The Company recognizes the employees' right to digital disconnection within the scope of the employment relationship. The Company encourages disconnection through some good practices such as: Avoiding sending work-related emails, calls, or messages outside of normal working hours; Avoiding arranging meetings outside of normal working hours; Avoiding sending any communication during holiday breaks and during weekends.
- **Workplace:** Employees are allowed to work from elsewhere than the usual place of residence, if they comply with HSE's guidelines with regards to physical conditions, ergonomics and safe environment, and with the Information Security Department's guidelines to access internal resources and work with confidential data.
- **Work equipment**. The company has provided the following support:
- **Disabled employees** and any other employees who were using special ergonomic individual equipment at their regular office or workspace under a medical prescription before the lockdown have been allowed to go to the office and bring said equipment home.
- The company offered all other employees some support to obtain the basic equipment needed to work from home, if requested and depending on their needs, and has always prioritized using the equipment available at our offices.

The company is committed to providing flexible support to all employees through family-friendly policies and measures to ensure a healthy work-life balance is struck and their health and safety during the present crisis.

B1.5 Employee Survey

Each year, Siemens Gamesa launches an **Employee Engagement Survey (EES)** to measure and monitor the progress of the change process. In fiscal year 2019, nearly 22,000 employees answered 60 questions, covering 16 categories. With a response rate of 76%, and comparing results with actual industry norms, we learned how participants experience the changes Siemens Gamesa is going through. For the overall employee satisfaction 74% of employees rated us with a favorable score. One of the most positive results showed us that our employees are willing to put a great deal of effort beyond what is normally expected to help our organization succeed. Other results from the survey open opportunities for improvement or accelerate running initiatives suggest providing clarity on organizational structure and ask for more influence on new role descriptions. To address these opportunities, the company launched an action planning process in which management and employees analyze their local results and define improvement measures together.

Again, in fiscal year 2020, an Employee Engagement Survey (EES20) was conducted. 90% of the questions are comparable with the previous survey to ensure a clear picture of the evolution of results in the different categories. This year 82% of our workforce shared their opinion with us about work and leadership in SGRE. Though results are still to be analyzed first high-level results indicate that our “Global Satisfaction” score (68.7%) as improved to above manufacturing norm. Also, our overall employee Net Promoter Score (NPS), recommending our company as a good place to work, made a significant jump forward showing an improvement of more than 10 points.

In general, we also improved scores in areas like “Communication about changes” and in leadership aspects with topics like “involving employees in decisions” and “providing a clear sense of direction”. Additionally, we still scored very high in the “Willingness to put a great deal or effort beyond what is normally expected”. Along fiscal year 2021, the company will analyze results to plan improvement actions in each of our businesses, departments, and teams.

B1.6 Employees worldwide

[L11-HR01] At the end of the reporting period, the total headcount reached 26,114 employees (24,453 in FY19) employees. From a regional standpoint, Europe, the Middle East and Africa was the region having the highest proportion of the workforce (68%), followed by Asia and Australia (19%) and the Americas (13%). The age structure in the fiscal year 2020 was dominated by employees aged 35-44 (37%) and in the under-35 age group (37%), followed by the 45-54 (19%) and 55-60 (5%) with those over 60 accounting for just 2%.

The overall employee turnover rate for the reporting period was 7.04% (7.36% in 2019).

The average age of employees in Europe, the Middle East and Africa was 41 years, 39 years in the Americas and 34 years in Asia and Australia. The overall average age of the group’s employees was 39.2 years at the fiscal year-end.

Headcount structure [16]

Table 16 - Employees breakdown by gender and region

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	12,926	3,425	16,351	14,065	3,680	17,745
Americas	2,633	684	3,317	2,740	693	3,433
Asia, Australia	4,299	486	4,785	4,410	526	4,936
SGRE Group	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**

Table 17 - Employee breakdown by age structure[17]

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
<35	7,639	1,458	9,097	8,036	1,550	9,586
35-44	7,088	1,900	8,988	7,761	2,009	9,770
45-54	3,631	909	4,540	3,936	1,014	4,950
55-60	1,025	237	1,262	990	223	1,213
>60	368	73	441	492	103	595
Non-classified	-	-	125	-	-	-
SGRE Group	**19,751**	**4,577**	**24,453**	**21,215**	**4,899**	**26,114**

Table 18 - Employee breakdown by professional category

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Executive level	298	34	332	219	29	248
Management level	2,616	625	3,241	2,791	677	3,468
Non management level	16,944	3,936	20,880	18,205	4,193	22,398
SGRE Group	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**

Table 19 - Overall age

	FY18	FY19	FY20		
			Male	Female	Total
Average age (years)	38	38	39	40	**39**

[16] Additional disclosure can be found in table in Annex II
[17] In FY19 there are 125 employees (0.5% of the total) who do not have age recorded.

Table 20 - Employees breakdown by country or market

Country/market	FY18	FY19	FY20	Country/market	FY18	FY19	FY20
1. Argentina	-	11	13	30. Jordan	1	5	7
2. Australia	58	145	128	31. Korea Rep.	11	17	21
3. Austria	12	16	24	32. Mauretania	4	4	4
4. Belgium	33	30	40	33. Mexico	291	340	398
5. Brazil	549	648	605	34. Morocco	542	666	737
6. Bulgaria	1	1	1	35. Netherlands	126	155	186
7. Canada	121	113	130	36. New Zealand	5	-	-
8. Chile	41	55	75	37. Nicaragua	-	1	-
9. China P.R.	1,309	1,320	1,249	38. Norway	22	37	41
10. Costa Rica	3	2	2	39. Pakistan	-	2	5
11. Croatia	30	28	30	40. Peru	9	9	12
12. Czech Rep.	1	-	-	41. Philippines	30	11	19
13. Denmark	5,283	5,316	5,103	42. Poland	85	88	178
14. Domenican R.	1	2	3	43. Portugal	8	19	689
15. Egypt	18	46	63	44. Romania	14	11	9
16. Finland	26	13	-	45. Russian Fed.	-	-	22
17. France	100	118	304	46. Serbia	-	-	4
18. Germany	2,345	2,334	2,843	47. Singapore	11	3	-
19. Greece	16	21	24	48. South Af.	40	48	51
20. Guatemala	-	-	-	49. Spain	4,534	4,881	4,765
21. Honduras	3	4	7	50. Sri Lanka	9	13	12
22. Hungary	119	117	118	51. Sweden	62	80	98
23. India	2,789	3,235	3,338	52. Taiwan	13	-	114
24. Indonesia	4	9	10	53. Thailand	26	31	38
25. Iran, Islamic R.	9	8	7	54. Turkey	53	97	127
26. Ireland	102	99	96	55. U. Kingdom	1,952	2,012	2,008
27. Israel	1	1	-	56. U. States	1,985	2,093	2,127
28. Italy	91	96	176	57. Uruguay	20	36	38
29. Japan	18	-	-	58. Vietnam	8	6	15
SGRE Group					**23,034**	**24,453**	**26,114**

Contracts

[L11-HR02] [L11-HR03] In so far as contract types are concerned, over 92% (same figure as FY19) of the company's employees had been hired through permanent contracts and nearly 5% had temporary contracts. Such a situation suggests that both parties wish to maintain a fully committed long-term employer/employee relationship. The yearly average number of permanent contracts in the workforce between periods FY20-FY19 is 23,428, and 1,322 in the case of temporary contracts. Likewise, the average headcount between the end of the same periods amounted to 25,283 employees. Hence, the percentage of permanent contracts from the end of fiscal year 2019 to the end of fiscal year 2020 reached 92%, which we view in a positive light, since it is a high percentage that has remained steady.

Table 21 – Breakdown of contract type by gender

	FY19			FY20		
	Permanent	Temporary	Part-time[18]	Permanent	Temporary	Part-time
Male	18,383	1,125	199	19,989	958	268
Female	4,246	293	419	4,239	269	391
SGRE Group	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**

Table 22 - Breakdown of contract type by professional category

	[19] FY19			FY20		
	Permanent	Temporary	Part-time	Permanent	Temporary	Part-time
Executive level	316	10	2	241	6	1
Management level	3,059	95	63	3,297	96	75
Non management level	19,254	1,313	553	20,690	1,125	583
SGRE Group	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**

Table 23 - Breakdown of contract type by age structure

	FY19			FY20		
	Permanent	Temporary	Part-time	Permanent	Temporary	Part-time
<35	8,067	836	79	8,733	733	120
35-44	8,419	438	350	9,027	392	351
45-54	4,359	120	121	4,741	88	121
55-60	1,232	18	22	1,182	10	21
>60	430	5	45	545	4	46
SGRE Group	**22,507**	**1,417**	**617**	**24,228**	**1,227**	**659**

Hiring [20]

[L11-HR04] [401-1] The number of hires in the reporting period amounted to 4,932 (4,498 in FY19). Europe, the Middle East and Africa was the region which had the highest proportion (71%) of hiring. A total of 3,275 employee left the company (3,145 in FY19) during the same period, 1,759 (54%) of which left voluntarily.

Table 24 - Employees hired

	FY18	FY19	FY20
Europe, Middle East and Africa	1,749	2,775	3,500
Americas	414	775	670
Asia, Australia	303	948	762
SGRE Group	**2,466**	**4,498**	**4,932**

Table 25 - Women hired

(% of new hires)	FY18	FY19	FY20
Europe, Middle East and Africa	20.2	17.2	17.9
Americas	18.1	22.5	16.0
Asia, Australia	21.8	12.1	19.0
SGRE Group	**20.0**	**17.0**	**17.8**

[18] The number of part-time contracts is already included in one of the two previous categories (either permanent or temporary).
[19] 406 employees (1.6% of the total) are not being counted when reporting the number of contracts, as this is not correctly recorded in the database and system.
[20] Additional disclosure can be found in table in Annex II

Exits/Terminations [21]

Table 26 - Employee exits (total)

	FY18	FY19	FY20		
			Male	Female	Total
Voluntary	**2,026**	**1,800**	**1,442**	**317**	**1,759**
Europe, Middle East and Africa	1,203	1,118	807	191	998
Americas	349	314	259	59	318
Asia, Australia	474	368	376	67	443
NON-Voluntary	**2,827**	**1,345**	**1,251**	**265**	**1,516**
Europe, Middle East and Africa	2,037	998	910	192	1,102
Americas	568	181	218	43	261
Asia, Australia	222	166	123	30	153
Total SGRE Exits	**4,853**	**3,145**	**2,693**	**582**	**3,275**
Europe, Middle East and Africa	3,240	2,116	1,717	383	2,100
Americas	917	495	477	102	579
Asia, Australia	696	534	499	97	596

Table 27 - Breakdown of employee Non-voluntary exits

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Executive level	**9**	**2**	**11**	**11**	**1**	**12**
<35 y	0	0	0	0	0	0
35< y <44	2	1	3	1	0	1
45< y <54	2	1	3	5	1	6
55< y <60	5	0	5	3	0	3
> 60y	0	0	0	2	0	2
Management level	**128**	**23**	**151**	**91**	**15**	**106**
<35 y	12	1	13	9	3	12
35< y <44	54	14	68	37	7	44
45< y <54	41	5	46	28	4	32
55< y <60	14	2	16	14	0	14
> 60y	7	1	8	3	1	4
Non management level	**968**	**215**	**1,183**	**1,149**	**249**	**1,398**
<35 y	411	87	498	437	95	532
35< y <44	320	82	402	369	89	458
45< y <54	157	35	192	216	45	261
55< y <60	48	8	56	80	15	95
> 60y	32	3	35	47	5	52
SGRE Group	**1,105**	**240**	**1,345**	**1,251**	**265**	**1,516**

Table 28 - Overall employee turnover rate

	FY18	FY19	FY20
Turnover rate (%)	**8.80**	**7.36**	**7.04**

Table 29 - Employees on leave of absence

	FY18	FY19	FY20
Europe, Middle East and Africa	639	587	535
Americas	12	29	122
Asia, Australia	2	2	2
SGRE Group	**653**	**618**	**659**

[21] Additional disclosure can be found in table in Annex II

B2. Health & Safety

B2.1 Management approach to Health & Safety

[L11-HR13] Occupational health & safety is a crucial aspect for the company. It is an essential part of risk management and internal controls at Siemens Gamesa, as well as of our Business Code of Conduct. Safeguarding the safety and well-being of our employees is linked to some of the UN's Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 08 (Decent Work and Economic Growth) and SDG 16 (Peace and Justice)..

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

B2.2 Policy Framework: Health & Safety Policy

The Siemens Gamesa Policy[22] provides clear direction and specific objectives with regards to Quality, Health, Safety and Environment. It consists of six pillars which form the basis of how the global HSE strategy is defined across the company and it is periodically reviewed and updated accordingly. The policy applies to all Siemens Gamesa activities worldwide - regions and locations - and is mandatory for all employees working for the company, on its behalf or under its authority. Together with our Business Conduct Guidelines[23] the policy indicates a zero-tolerance toward negligent health and safety conduct as well as personal security and a commitment to continuous improvement. The Board of Directors has an active Health & Safety oversight role.

- Regarding health, the policy states: "Siemens Gamesa protects and promotes our health and well-being, guards against the risk of work-related accidents, and offers a wide range of supports to maintain and promote our physical and mental health".
- Regarding safety, the policy states: "Siemens Gamesa provides a safe work environment to ensure employees return home safely at the end of the working day. We ourselves contribute to this".
- Regarding security, the policy states: "Siemens Gamesa is active worldwide, including in areas and situations where the security situation is critical. To protect our employees, the Company, and our business in the best possible way, Siemens Gamesa identifies and analyzes global security risks and assesses their potential impact".

B2.3 Zero harm culture

Safety is the prerequisite for every activity in Siemens Gamesa. It goes further than legislation and market requirements - it is a precondition for all the work we do. We believe that we will only become the global industry leader if we are also the leader in safety.

[22] Siemens Gamesa Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-policy-august-2017.pdf

[23] Siemens Gamesa Business Conduct Guidelines. Link: https://www.siemensgamesa.com/es-es/-/media/siemensgamesa/downloads/en/sustainability/business-conduct-guidelines/siemens-gamesa-business-conduct-guidelines.pdf

The company works hard to ensure there is a firmly implemented safety and zero-harm culture across the entire business for employees, suppliers and customers alike as well as for society at large. We enforce a zero-tolerance policy towards negligent health and safety behavior by ensuring work is only carried out in appropriately secured situations. Siemens Gamesa has launched several initiatives to foster and promote a zero-harm culture, such as the following:

Safety is my choice

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

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

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

The initiative also seeks to ensure that safety is seen as a positive aspect of working for Siemens Gamesa rather than a hindrance. In this respect, managers have a special role to play in safety awareness and cultural change must be supported by their leadership.

LeadSafe

Siemens Gamesa launched a project called LeadSafe in conjunction with DuPont Sustainable Solutions in November 2019. The project aims to allow the organization to speed up its progress towards zero accidents and injuries. The LeadSafe project has three focus areas:

1. Raising risk awareness throughout the company;
2. Building leadership skills related to safety management;
3. Improving the safety of our engineering processes.

To achieve this, LeadSafe is implementing several actions across the organization's different levels, which are as follows:

- **Top-management:** Leadership workshop focus on alignment and engagement of top-managers as well as coaching sessions;
- **Middle-management:** Leadership workshop focused on visible felt leadership combined with sessions of group coaching;
- **All staff members**: Implementation of The Risk Factor™ throughout the entire organization, having as central goals the increase of overall risk awareness among Siemens Gamesa workforce, whilst inspiring the organization to reduce risk-taking;
- **Engineering Safety Awareness workshop:** targeting the several Engineering groups across Siemens Gamesa and aiming to raise awareness of the topic "Safety in Design" while promoting the sharing of tools and best-practices.

The LeadSafe program started out as a pilot scheme in one business unit and will be broadened to include the entire company over the coming years.

B2.4 External commitments

Siemens Gamesa's commitment to health and safety topics is not only reflected in our internal policies, but also in our involvement in external associations such as WindEurope, the Global Wind Organization (GWO), and the Global Offshore Wind Health and Safety Organization (G+), in which the company's representatives play key roles.

- **Wind Europe** is the voice of the wind industry. It actively promotes wind power in Europe and around the world. With 400 active members in over 35 countries, the association seeks to expedite national and international policies and initiatives which strengthen the development and social acceptance of global wind energy markets, infrastructure and technology. Siemens Gamesa is a Leading Member, or more specifically a "Market Leader", of WindEurope. The company has appointed representatives to several working groups and task forces and, in this capacity, makes contribution to defining the annual work program, regularly takes part in meetings, exchanges information on ongoing projects and contributes to reports, policy documents, position papers, etc. As regards health and safety, noteworthy examples of our participation this fiscal year include acting as a Steering Committee member of the Wind Harmony project[24]. On behalf of the European Commission, the project has analyzed H&S regulations and related standards that have an impact on wind energy (onshore & offshore) across 28 EU countries, along with Iceland, Liechtenstein and Norway. It also assessed and prioritized their potential for harmonization or alignment at a European level.

- **The Global Wind Organization (GWO)** is a non-profit organization founded by wind turbine manufacturers and owners in 2012. GWO members are committed to setting and adopting common international safety training and emergency procedure standards aimed at ensuring an injury-free working environment in the wind turbine industry. Siemens Gamesa has been appointed hold the vice chair role for the last eighteen months and has therefore played a decisive role in shaping GWO's global strategy entitled Safety without Borders 2020-2022. As a leading member, Siemens Gamesa has also appointed representatives to the GWO's General Assembly, Executive Committee and to several of its topic-specific committees, like the Training, Audit & Compliance Committee and a Regional Special Committee.

- **G+** is the **Global Offshore Wind Health and Safety Organization.** It brings together leading operators and owners of offshore wind farms to work towards shared goals and outcomes in four main work areas: incident data reporting, good practice guidance, safe by design workshops and learning from incidents. As an associate member of G+, Siemens Gamesa has appointed a representative to sit on the G+ Board as well as on several focus groups. In this capacity, Siemens Gamesa engages on important industry matters and supports the search for solutions to the safety challenges faced by offshore wind projects.

[24] See information on the Wind Harmony Project at https://www.windharmony.eu/

B2.5 Life-Saving Rules

The “10 Life-Saving Rules” are a minimum expectation that must be fulfilled in all SGRE activities. These cover the most critical life safety hazards that have historically been found to cause loss of life or serious injury in the wind industry. SGRE is determined to avoid these types of incidents, including the adaptation of processes, products, facilities, etc. to ensure safe work conditions, and the organizational measures needed to ensure the commitment with these rules. These rules are created from industry lessons and have been put in place to ensure consistent behaviors are followed to prevent the kind of incidents that could result in a serious injury or a fatality. Implementation of these rules is part of SGRE's commitment for continuous improvement in HSE and has a tangible contribution to strengthening our “Safety is my choice” culture.

The 10 Life Saving Rules have been presented globally through a variety of communication methods and provide a lot of details on each of the topics, including video interviews with senior managers, infographics and short emotional videos.

Table 30 - The 10 Life-Saving Rules

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

B2.6 Occupational Health & Safety Management System

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

Siemens Gamesa has an Occupational Health and Safety Management System certified according to the international ISO 45001:2018 standard. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to March 2021.

Siemens Gamesa’s Integrated Management System provides a framework for global procedures and tools to handle various HSE topics to monitor, control and improve the company’s HSE

performance. As regards health and safety, the company can demonstrate compliance to our stakeholders, identify potential hazards and implement controls to avoid or reduce occupational accidents and illnesses, as well as to engage employees and motivate contractors to put safety leadership into practice in their daily work. Nonetheless, the management system, which is comprised of a series of documents and tools, would be ineffective without competent employees and a supportive leadership team that can bring it to life. The figure below provides an overview of the global health and safety procedures at Siemens Gamesa.

Figure 9 – Global Health & safety procedures

Examples of some of these key global HSE procedures include:

- **HSE Aspects Identification** procedure, which requires all relevant organizational units to conduct assessments on an annual basis to identify any potential HSE risks or opportunities. Improvement targets and actions are set accordingly for any aspects deemed significant to prevent or mitigate their potential impacts.
- **Risk Assessment** procedure, which provides for a systematic hazard identification and the assessment of any associated risks within a work activity or workplace to subsequently facilitate the implementation reasonable control measures aimed at eliminating or mitigating them. In addition, it makes is easier for SGRE to be in a position to fulfill legal risk assessment obligations.
- **Incident Management,** which supports effective incident reporting and management to strengthen risk management and prevent the recurrence of risks. It is meant to ensure there is a robust framework in place which provides for a systematic approach to incident reporting, management and investigation, thereby enabling effective corrective and preventive actions to be set and any lessons learned to be shared.
- **Emergency Management** sets the SGRE Emergency Management approach, escalating the emergency response through Emergency Management by defining a set of aligned escalation triggers that interface minimum communication levels between affected entities, in addition to the communication and escalation process from emergency to crisis management.
- **Stop Work Process,** which provides a framework for the Technical Safety Committee to ensure that timely effective action can be taken to deal with QHSE incidents when the impact may be felt beyond the incident's initial location. It makes cross-business communication possible on actions that need to be taken to maintain safe working environments or ensure the quality of products and their components.

[403-1] Every Siemens Gamesa organizational unit should be represented by a working environment committee that clearly has a chairman, management-level representatives and employee-level representatives. These committees help to monitor and put forward advise on workforce-specific occupational health and safety topics. They also ensure joint participation in the design of policies and the implementation of control measures aimed at fostering improved working conditions.

B2.7 Health & Safety targets and performance

The Siemens Gamesa corporate HSE strategy is set out in a three-year corporate HSE strategy that is then cascaded across the business. Strategic plans are backed by specific action plans, which are reviewed annually and strive to improve HSE performance in all areas of the company, including at a corporate, business unit and local level. Each organizational unit is required to set improvement actions covering at least one significant health & safety aspect and one significant environmental aspect.

Strategic corporate HSE targets support the strategy on the topics that have been assessed as significant for Siemens Gamesa as a whole, including total recordable injuries, lost-time injuries, energy consumption, waste generation and sustainability score rate. These corporate targets are cascaded across the business and monitored locally, along with any additional targets that may be relevant to each location, site or unit.

At Siemens Gamesa, we have defined clear targets to reduce our Lost Time Frequency Rate (LTFR) from 1.68 in FY18 to 1.00 in FY22 and Total Recordable Injury Rate (TRIR) from 4.95 in FY18 to 3.00 in FY22. This represents our ambition to reduce the frequency rate for both targets by more than 50% in 4 years.

Table 31 - Safety targets roadmap

Core KPI	KPI description	FY20	FY21	FY22
TRIR	Total Recordable Injury Rate	4.00	3.50	3.00
LTIR	Lost Time Injury Rate	1.50	1.20	1.00

Note: Expressed as number of Lost Time / Recordable cases x 1,000.000 hours

Sphera, our internal HSE software tool, is the backbone for handling all safety-related data and provides support for:

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

Weekly management reports are submitted, and meetings are held at which selected managers and employees review Siemens Gamesa's safety performance by discussing previous incidents, the lessons learned and corrective actions. Furthermore, remuneration is linked to the company's H&S performance.

B2.8 Health & Safety in times of COVID-19

Protecting the health and safety of our business, people and stakeholders has been Siemens Gamesa's core strategy as far as the COVID-19 response is concerned. At the onset of the COVID-19 outbreak, protocols were drawn up to respond to the pandemic. Ensuring the continuity of operating wind farms has been of utmost importance to ensure affordable clean energy was still being generated for vital services needed by society, while ensuring that our factories continued to run to the extent possible according to local authority regulations. More than half of Siemens Gamesa's employees were able to work from home to minimize the risk of coronavirus exposure as much as possible.

Siemens Gamesa implemented a Prevent, Contain and Sustain methodology.

- In order to **prevent**, Siemens Gamesa has established a continuous monitoring system, reduced business travel, deployed a 100% working from home system and developed preventive protocols for various aspects to prevent the spread of COVID-19.
- In order to **contain**, Siemens Gamesa has designed a testing strategy that includes PCR and antibody testing. Furthermore, Siemens Gamesa has made sure all protocols are updated to adapt to and optimize the evolving situation.
- In order to **sustain**, Siemens Gamesa has developed long-term preventive measures, including office reopening protocols, a surveillance testing strategy and automated risk control systems

Some of the outcomes of the stringent health and safety approach include: office staff working from home without any productivity losses, no COVID-19 transmission in SGRE's operations and permanent support provided to suppliers and subcontractors by sharing prevention protocols and providing testing support. As a result, our O&M activities have continued, manufacturing plants have continued operating and have only been halted by government requirements. However, there were some delays in construction activities.

There can be no doubt whatsoever that Siemens Gamesa had made "Safety my choice" a top priority and has focused on ensuring its business's continuity as a secondary priority.

B2.9 Performance in 2020

[L11-HR14] Incident management is governed by a global procedure and internal controls that set forth standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to: 1) detect their underlying causes in the prevention system and other factors which may cause or contribute to such incidents happening again; 2) identify the need to implement corrective actions; and 3) detect opportunities for implementing preventive action and continuous improvement.

At the end of fiscal year 20, the number of employee Lost Time incidents (LTI) in Siemens Gamesa amounted to a total of 78 (71 in 2019). As a result, the overall employee Lost Time Frequency Rate (LTFR) reached 1.41 (1.41 in 2019) at the end of the period. This rate (LTFR) is calculated for a 1,000,000-working hour's period and includes all accidents that result at least in one lost day of work, so called lost-time incidents. As regards contractors, LTFR rate was 1.22 (1.30 in 2019). The combined rate for employees and contractors in fiscal year 2020 was 1.36 (1.71 in 2019) at the end of the reporting period, what shows a positive trend in terms of sinistrality rates. The number of Total Recordable Injuries (TRI) amounted to 280 (385 in 2019), meaning a reduction of 27%. Consequently, the overall Total Recordable Injury Rate (TRIR) stood at 3.14 (4.71 in 2019) at the end of the reporting period.

Figure 10 – Track record LTIFR

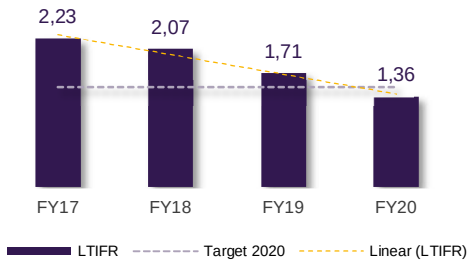


Figure 11 – Track record TRIR

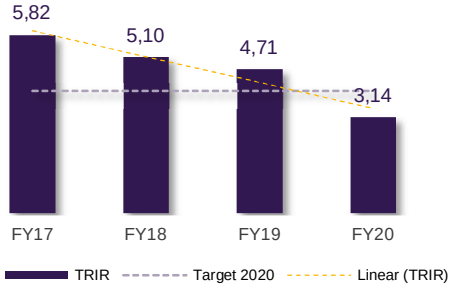


Table 32 - Key safety statistics

	FY18	FY19	FY20
Recordable injuries	**376**	**385**	**280**
o Fatalities	1	0	4
o Lost-time case employees	156	71	78
o Lost-time case contractors		41	43
o Medical treatments	151	150	67
o Restricted works	68	95	88
Lost days per LTC	20	21	22
Working hours	72.7	81.8	89.1
o Working hours employees (x10^6 hours)	47.1	50.3	55.4
o Working hours contractors (x10^6 hours)	25.6	31.4	33.7
SR Severity rate	0.04	0.04	0.05
LTFR SGRE Group	**2.07**	**1.71**	**1.36**
o LTFR employees	2.10	1.41	**1.44**
o LTFR contractors	2.23	1.30	**1.22**
TRIR SGRE Group	**5.10**	**4.71**	**3.14**

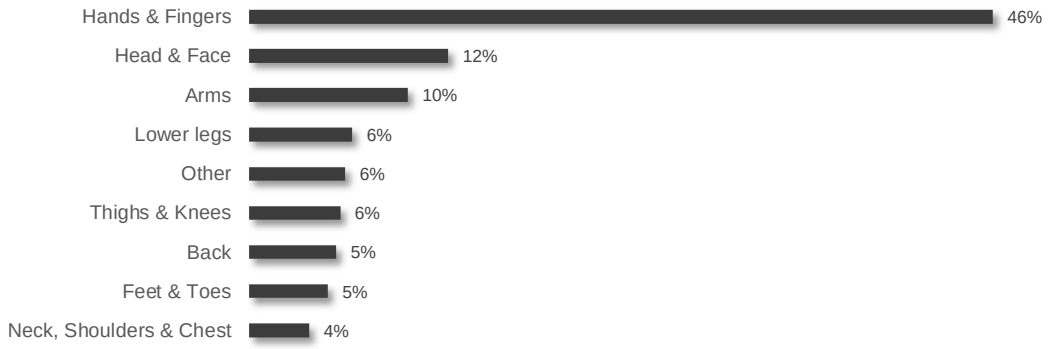
Note: rate per million hours worked

The company has regrettably suffered four fatalities in fiscal year 2020.

- An employee of one of SGRE's subcontractors died on January 19, 2020 while doing preparatory work on the grounds of the Tonstad Wind Farm in Norway.
- A Siemens Gamesa employee died on February 13, 2020 after receiving an electric shock while performing maintenance work on one of the turbines in the Viudo II wind farm in Spain.
- An employee of a SGRE subcontractor died on February 5, 2020 while carrying out lifting operations at the Novas Vilas I wind farm in Brazil.
- An employee of a SGRE subcontractor died on June 20, 2020 after falling off a platform while a concrete tower was being assembled at the Novas Vilas II wind farm in Brazil.

These tragic accidents have shocked and deeply saddened us. We therefore extend our most heartfelt sympathy to the deceased employees' family, friends, colleagues and co-workers on site. An internal taskforce has been put together to ensure that the lessons learned from these tragic events are being implemented prevent them from ever happening again.

Figure 12 – Injuries by body part in FY20



[L11-HR11] In relation to absenteeism days, these reflect only the number of days lost due to accidents, and the closing figure for fiscal year 2020 is 2,641 (2,707 in 2019), equivalent to 21,128 working hours (21,656 in FY19).

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

B2.10 Safety prevention

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

The company acts proactively to analyze the root causes of accidents and is equipped with management indicators which show the attainment level of this working philosophy in day-to-day management. This includes, for example, conducting 26,059 safety inspections (15,770 in 2019), making 60,113 safety observations (44,803 in 2019) and conducting 66 health & safety audits (112 in 2019) by the end of the reporting period.

Table 33 - Safety prevention

	FY18	FY19	FY20
Safety inspections	13,566	15,770	26,059
Safety observations	41,288	52,310	60,113
Health & Safety audits	257	112	66

Siemens Gamesa works to create a distinctive and unique prevention culture and ensure expertise in this area extends across the entire company.

B2.11 Occupational illness

The occupational illness frequency rate (OIFR) for employees ended the fiscal year at 0.379 (0.504 in 2019), calculated solely based on cases, totaling 21 in fiscal year 2020 (24 in FY19), of occupational illness recognized by the Employers' Liability Insurance Association.

Table 34 - OIFR employees

(number)	FY18	FY19	FY20
OIFR employees	0.594	0.504	0.379

Note: rate per million hours worked

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

B2.12 Healthy workplace

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

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

B2.13 Product Health & Safety

[L11-SO08] [416-1] The company assesses the impacts of its products on the health and safety of its customers from the initial development stages with the aim of improving them through design and project management policies. This is achieved by describing Product Safety as an umbrella term for the Quality Management and HSE procedures and processes we have in place to protect customers, employees and members of the public from any risk derived from Siemens Gamesa products or manufacturing, installation, operating and decommissioning activities.

Management procedures are in place to establish responsibilities, workflows and activities to ensure component designs are optimal and to prevent them from generating unnecessary hazards or dangers that could endanger the health and safety of those working directly with that component resulting from a poor conception of safety conditions. For instance, Siemens Gamesa has issued an

instruction that defines the processes for ensuring that the wind turbines and/or related products that we place in the market in the EU or EEA comply with any Directives which apply within the EU and outside it, where said requirements are established by contractual obligations to customers.

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

At the time of preparing this report, no material cases of alleged non-compliance with regulations concerning the health and safety impacts of products/services have been identified.

B2.14 Health & Safety in the value chain

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

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

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

To pave the way towards zero harm and support the Supplier Quality Management team with regards to HSE awareness, a HSE contractor management procedure laid down for the execution phase is in the process of being implemented across the business to ensure contracted work tasks are executed safely.

B3. Diversity and Equal Opportunity

B3.1 Management approach

[L11-HR21] Siemens Gamesa is a strong advocate for diversity, inclusion and equal opportunities. Valuing the importance of the individual is one of the cornerstones of our culture, and Siemens Gamesa, as a company, is aware that its enriching diversity is what makes our company stand out.

Siemens Gamesa recognizes that its employees come from a wide variety of cultures, ethnicities, beliefs and languages. This wealth of diversity is what makes the Siemens Gamesa Group more innovative, creative, sensitive and committed to society. We firmly believe that diversity and inclusion allow us to better understand and reflect customers' expectations and make us a better partner in the communities we serve. Embracing diversity and inclusion leads us to truly becoming innovative and enables us to find outstanding solutions to the challenges we need to overcome

The company is committed to creating an exceptional workplace characterized by openness, collaboration and trust, in which all workers are treated with respect and where they can give the very best of themselves. We appreciate the creative potential that individuals of different backgrounds and abilities can bring to their work.

The evolution of diversity and inclusion metrics and targets are reviewed by the Management Board and Executive Committee regularly. The Diversity & Inclusion (D&I) Policy is also reviewed on an annual basis to ensure the continuous improvement of the company's D&I initiatives.

The Diversity & Inclusion functional area forms part of the Human Resources Department and is led by a dedicated Chief Diversity & Inclusion Officer. This role holds responsibility for influencing and raising awareness throughout our company, as well as for setting corporate-wide diversity and inclusion policies that are consistent across the globe.

B3.2 Policy framework

[L11-HR24] Siemens Gamesa's Diversity & Inclusion Policy[25] sets the framework and the principles that are common to all the group's companies, in the different countries where the Company operates. The purpose of this policy is to promote equal opportunity, diversity, inclusion, equality and dignity in the Company's culture in general, and in all the Company's policies and practices of selection, hiring, remuneration, training, promotion and termination. The commitment of the Siemens Gamesa Group to diversity and inclusion is based on the following principles:

1. Provide a work environment that promotes dignity and respect for all. No form of intimidation or harassment will be tolerated.
2. Ensure that the policies and practices of selection, hiring, remuneration, training, promotion and termination avoid any discriminatory bias.
3. Foster a motivational and creative working environment, where opportunities for hiring, training, development and promotion are available for all based on the knowledge, attitudes, abilities and skills required for the various positions.
4. Foster understanding of gender identity.
5. Support employees who make use of reconciliation measures, provided they are permitted by the demands of work and applicable law.

[25] See Group policy on Diversity and Inclusion Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/diversity-and-inclusion-policy.pdf

6. Break down barriers to promote the professional development of women at the highest levels of the company.
7. Cultivate a culture that encourages collaboration, flexibility and fairness so that the whole workforce can contribute with its maximum potential.
8. Provide all reasonable adjustments for persons with disabilities.
9. Promote understanding between cultures and equip our staff with the tools necessary for the development of a global mentality and to work effectively within all cultures, virtually or in person.
10. Offer information and training to the entire workforce so that it has the necessary tools and resources to create an appropriate workplace.
11. Develop a diversity and inclusion plan in order to ensure the implementation of this policy.
12. Ensure that this policy has the full commitment of all levels of the organization, especially the executive team.
13. Review this policy regularly in order to ensure the continuous improvement hereof.

The right to be treated with respect and dignity

Siemens Gamesa is committed to fostering a working environment in which all individuals are treated with respect and dignity. Siemens Gamesa's Protocol of Action in Case of Harassment and Discrimination states that the company's policy of zero tolerance towards any form of violence, harassment, verbal abuse, abuse of authority at work, unlawful discrimination or any other behavior that creates an intimidating environment or is offensive to the rights of employees and sets forth that relationships between people in the workplace should be business-like and free of any kind of bias, prejudice and harassment.

Any type of harassment and unlawful discrimination is unacceptable at the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events. A breach of this protocol is not necessarily a violation of the law. It may, however, result in disciplinary action, including fair dismissal.

The company encourages all employees to report any incidents of discrimination, harassment or retaliation. Individuals who feel they have experienced discrimination or harassment or who have any concerns about these matters should contact their Country Harassment and Discrimination Committee or their Human Resources Representative.

The power of diversity

"The power of diversity" is Siemens Gamesa's Diversity & Inclusion ethos. It aims to bring focus onto the recognition that Siemens Gamesa's rich diversity is what makes us stand out as a company.

Diversity is our true energy, the energy that will enable us to lead the transition to a cleaner and more sustainable world.

Siemens Gamesa is committed to fostering a work environment that promotes equal employment opportunities, dignity and respect for all. A place where employees can be themselves and their differences are recognized and respected.

B3.3 Diversity Initiatives undertaken

The **Women's Empowerment Principles** were endorsed by the company in 2010 and the endorsement has been maintained for the new company. These principles were drawn up by 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.

Additionally, Siemens Gamesa is an official member of the **Spanish Diversity Charter** launched in 2009, an initiative of the European Institute of Diversity Management and the Alares Foundation with the support of the Spanish Ministry of Equality.

Our company was awarded the **Spanish Flexible Company Award**, a recognition of our commitment to work flexibility. The Ministry of Health, Consumption and Welfare highlights the best practices in this field through said award.

Siemens Gamesa was included in **2020 Bloomberg Gender-Equality Index**. The index includes 325 companies from 50 industries with a combined market capitalization of $12 trillion USD, which are headquartered in 42 countries and regions. The GEI tracks the financial performance of listed companies committed to supporting gender equality through policy development, representation and transparency. The reference index measures gender equality across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women brand.

Siemens Gamesa has joined the **Target Gender Equality (TGE)** program promoted by the United Nations Global Compact. This program addresses barriers to gender equality and sets corporate goals for equal representation and leadership for women in business. It was set up from the need to speed up progress on urgent aspects of gender equality. By joining, Siemens Gamesa undertakes to set and meet ambitious goals to increase the leadership of women in line with target 5.5 of the 2030 Agenda.

Siemens Gamesa has signed the **Telework and Flexibility Charter** promoted by Fundación Más Familia. This charter is a letter of commitment that companies sign voluntarily to promote a clear commitment to the culture of labor flexibility and teleworking, respect for the environment, diversity and inclusion, thereby recognizing and raising awareness about the benefits gained from a flexible culture.

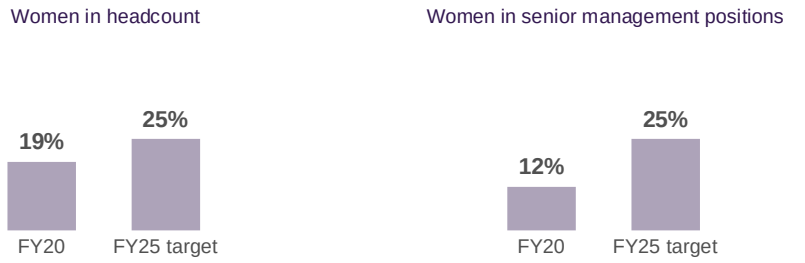
B3.4 Strategy and targets

[L11-HR22] The Diversity & Inclusion Strategy for FY20-FY22 was approved by the Executive Committee in 2020 and is driven by four long-term goals aimed at encouraging diversity and equal opportunities as impactful and competitive advantages:

- Strengthen our D&I employer brand.
- Increase female representation in the company's Board, the overall workforce and senior management positions.
- Create the working environment of the future to attract and retain the best talent by promoting work-life balance measures and improving workforce flexibility.
- Contribute to positive social transformation in our internal culture by encouraging diversity as an impactful and competitive advantage.

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

Figure 13 – Diversity & Inclusion targets to 2025



B3.5 Performance 2020

Gender Equality

[405-1] Our commitment to equality extends beyond gender. But, in this specific aspect, our goal is extremely clear: We need to achieve gender equality within our Company.

Siemens Gamesa is one of the 140 companies that are signatories of the initiative "**Mas mujeres, mejores empresas**" (More Women, Better Companies) initiative promoted by the Spanish Government's Ministry of Equality [26] . The company has stated through this initiative its commitment to foster equal participation of women and men on the company's Board of Directors and to adopt measures aimed at increasing female representation in leadership positions and on executive committees within four years.

As far as gender diversity on the Board of Directors' composition is concerned, three of the Board's ten members were women on September 30, 2020, namely 30% of its members, thereby fulfilling "Director Selection Policy" [27]. The overall share of female employees amounted to 19% (18.76%) of the entire workforce. By regions, women accounted for 21% of the workforce in Europe, the Middle East and Africa, 20% in the Americas and 10% in Asia, Australia.

Table 35 - Proportion of women in Headcount

(% of total employees in the region)	FY18	FY19	FY20
Europe, Middle East and Africa	21.08	20.95	20.74
Americas	20.23	20.62	20.19
Asia, Australia	10.20	10.16	10.66
SGRE Group	**18.90**	**18.79**	**18.76**

Gender equality in an essential prerequisite for creating a diverse and inclusive working environment and, thus, the company fosters diverse recruitment and equal opportunities for all.

[26] See: Ministerio de Igualdad de España. Link: https://www.igualdadenlaempresa.es/redEmpresas/compromIgualdad/docs/2_PROTOCOLOS.pdf

[27] See: Director Selection Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/director-selection-policy.pdf?la=en-bz&hash=695666CBAAA0719446F58B3C7F64B0CBA66A880E

Siemens Gamesa had 248 employees holding senior management positions at the end of the reporting period, 11.7% of whom were women (10.24% in FY19). This proportion is expected to grow in accordance with the application of best working practices. Moreover, 19.54% of the Company's management positions are held by women (19.28% in FY19).

If we consider STEM job families, 23.20% of the Company's information technology (IT) job family workforce are women and 11.59% of the Company's engineering job family workforce are women.

Table 36 - Employees in management positions

	FY18	FY19	FY20		
			Male	Female	Total
Europe, Middle East and Africa	227	267	187	24	211
Americas	33	37	20	2	22
Asia, Australia	18	28	12	3	15
SGRE Group	**278**	**332**	219	29	**248**

Communities for women

The Global Women@SGRE Network has over 350 members and groups together several SGRE initiatives for women set up in eight chapters around the world in Brazil, the United States, the United Kingdom, Spain, Denmark, Germany, India and Morocco. It is an inclusive group of people from all backgrounds who support the empowerment of women and it encourages networking, training, leadership and community building opportunities.

Inclusive culture

Our workforce is comprised of over 109 different nationalities. The company recognizes and values the creative potential that individuals of different backgrounds and abilities can bring to their work. Our priority is to ensure there is understanding and respect across all the ethnicities, races, languages and cultures of all the individuals who work at Siemens Gamesa.

At Siemens Gamesa we make sure that all individuals are valued and appreciated in an inclusive working environment and that this will always be the case.

Siemens Gamesa conducts an employee engagement survey on regular basis. Its results are assessed by gender, seniority, collective and job families. Diversity is on the top 4 categories with the highest total favorable scores. This category is rated with 77% of satisfaction. In particular, the question “I can be myself at this company without worrying about how I will be accepted” scored 79%, 5 points above the industry norm.

For inclusion to become a real value, there must be a constant commitment to it, something that everyone practices, and which leadership promotes and takes into consideration in every business decision. That is why senior managers were invited to attend an unconscious bias training session at the last Management Summit to raise awareness about their own unconscious biases and to provide them will the tools and strategies needed to narrow the gap between what they as leaders communicate and what is perceived and experienced by employees.

Siemens Gamesa fosters inclusion through access to equal parental benefits that recognize the full spectrum of family diversity of our employees around the world. These benefits include: paid and unpaid parental leave for primary and secondary care-givers who have recently had a child through birth, adoption, surrogacy, foster care or legal guardianship, access to on-site breast-feeding rooms, time off for adoption assistance, child care services, along with a broad range of health services, including company health insurance. Some of our local health insurances also provides partial coverage for fertility and contraception services.

[L11-HR09] We are committed to accelerating equality for all and to creating an inclusive, accessible workplace, providing all reasonable adjustments for persons with disabilities. The average number of people employed by the Siemens Gamesa Group during 2020 with a disability greater than or equal to 33% is 127 (32 in FY 2019). By countries, Siemens Gamesa registers 41 persons with disabilities in Germany, 35 in United Kingdom, 28 in Spain, 16 in Brazil, 3 in the United States, 3 in India and 1 in México. In China and Denmark, we cannot register disabled people in the workforce due to legal requirements. These countries account for 86% of the total workforce in fiscal year 2020.

[L11-HR20] [L11-HR23] As far as site accessibility for people suffering from disabilities is concerned, Siemens Gamesa does not have a global standard in place to ensure accessibility for disabled people at its offices and other sites. The company does, however, comply with all relevant local regulations and building codes in the countries where Siemens Gamesa operates. In countries where very specific regulations have been laid down, such as Canada, the company has established internal access control procedures for disabled people. The Accessibility for Ontarians with Disabilities Act of 2005 has therefore been transposed into SGRE internal procedure PRO-46806 in Canada.

Creating the work environment of the future

[L11-HR08] The COVID-19 pandemic has had a deep impact on how we work in 2020 and may have changed the workplace forever. The new way of working that arose from this unfortunate situation also brought significant lessons and insights. The surveys conducted on our employees have revealed that a large majority of employees would, if given the chance, prefer to continue working from home 50% or more of the time.

Siemens Gamesa has therefore decided to introduce a new global framework that incorporates these lessons and brings the FlexAgility concept up to the next level known as FlexAgility 2.0, which includes new ways of working and more ways of doing so.

[L11-HR12] FlexAgility is a business philosophy and a commitment to openness, collaboration and trust. It is our starting point for a state-of-the art leadership that is aligned with market demands, seeking modernity and the benefits provided by a work/life balance. FlexAgility sets out flexible options to adapt the working environment to the needs of our employees. FlexAgility is based on the **Smart Working Framework**, which is an innovative method for organizing and carrying out work using information and communication technology, which allows employees to perform their duties in environments other than their official worksites. Smart Working allows employees to work from home, on the road or from a satellite site for all or part of their working week. Any employee may request Smart Working arrangements, provided they meet its eligibility criteria.

Smart Working is a viable, flexible work option when both the employee and the job are suited to such an arrangement. Thus, this program may be appropriate for some employees and jobs but not for others. Positions requiring on-site performance of duties may not be candidates for Smart Working. As of September 2020, there are 17,973 employees potentially eligible to Smart Working, provided they want to request this program and meet the eligibility criteria, representing 69% of the total workforce.

Due to the evolution of the COVID-19 pandemic, most of SGRE's offices remain closed or partially shut down with only a skeleton workforce to perform essential work. In the 40th week of the year in September 2020, the facilities reported a partial reopening of some offices, allowing 1,752 employees to return to their offices. Approximately 62% of the total workforce are therefore still working from home on permanent or semi-permanent basis.

While there are benefits to be gained this flexible approach to work, the risk exists of blurring the boundaries between working time and private time. The company therefore encourages disconnection through the **Siemens Gamesa Right to Disconnect Global Guidelines.** The right to disconnect refers to the right of employees to disconnect from their work and feel as though they do not have to answer any work-related emails, calls or messages outside normal working hours. These guidelines set out some best practices in four areas, namely: effective email management, disconnecting intentionally and regularly, being inclusive and being respectful with other people's time.

We are of course very aware that the pandemic is still affecting us, and it is important to note that the implementation of the Smart Working framework will take place on a country-by-country basis depending on the assessment of the pandemic and when Health & Safety protocols allow us to return to the office normally.

Celebrating Diversity & Inclusion

At Siemens Gamesa we have set aside six United Nations International Days in our calendar to promote our diverse and inclusive culture through awareness raising and actions.

- International Day of Women and Girls in Science
- Zero Discrimination Day
- International Women's Day
- LGBTQ + Pride
- International Day of persons with disabilities
- International Day for Tolerance

The company prepares special communication campaigns and shares specific resources with employees during these days. They are a good chance to remind ourselves that Siemens Gamesa embraces diversity, inclusion and equal opportunities in each business decision, and to celebrate and reinforce our achievements on the path towards creating an engaging, inclusive and respectful working environment.

The Americas Region held its second annual Diversity Week in August 2020, which included a totally virtual comprehensive agenda. A total of twelve countries were involved in the SGRE Americas Diversity Week. More than twenty moderated discussion panels took place and over 1,000 employees took part over the course of the week, accounting for 30% of the region's employees

Commitment to equal pay

[405-2] Siemens Gamesa is committed to achieving pay parity across the globe as a way of fostering an inclusive culture that rewards fairly and recognizes the contributions made by all our employees. We firmly believe the topic of pay equity should be made transparent and clear for all employees.

Attention to pay equity at Siemens Gamesa is not a one-time fix, but rather requires constant attention. The HR C&B department applies best practices that include among other matters: salary benchmarking to exercise better control over our hiring practices to ensure equality; setting salary bands to strive for consistency and equality; leadership reviews to proactively identify and address potential disparities; analysis of all decisions concerning rewards before they are made final; conducting comprehensive compensation analyses; and releasing quantitative global gender pay gap metrics.

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

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

Siemens Gamesa current gender pay ratio, which is calculated by dividing women's wages by men's wages, amounted 1.13. When it is expressed in percent terms, this figure amounted 113%. In other words, a woman makes about 1 euro and 13 cents for every euro a man earns.

Our inclusive compensation practices promote the effective application of the principle of equal wages for work of equal value and analyze whether there is any possible gender discrimination-based salary pay gaps. More information in Table 41 - Pay gap by gender (page 96)

B4. Labor Relations

B4.1 Management approach

[L11-HR15] [L11-S12] The Siemens Gamesa Group aims to foster relationships with labor representatives that are based on trust, transparency reporting and negotiations in good faith by sharing the knowledge, experience and needs that generate a good corporate climate that favors understanding.

Labor relations are grounded on three basic areas:

- The legal regulations of each of the country where we have a presence. We fulfill labor regulations scrupulously and company-employee relations are developed within the regulatory framework which applies to each of these countries.
- European Committee. Siemens Gamesa is member of the Siemens AG European Committee and actively participates in it. It takes part in the annual meeting and takes the floor, reporting on all points subject to consultation and information in accordance with said Committee's regulations.
- Internal working group. This working group is comprised of workers' representatives from the most relevant European countries. The purpose of this group is to share and assess all matters of general interest to Siemens Gamesa as a whole.

B4.2 Operating framework

[L11-HR16] [102-41] The 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 Business Conduct Guidelines (BCGs).

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

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

The outlook therefore remains diverse and depends on each country's laws and legal practices. The company operates in countries where union representation is extensive (Denmark, Spain, Germany, France, Brazil and the UK), but also in other countries where, without having internal union representation, we are in contact with local and national unions to fulfill and abide any local or national collective agreements (China).

Regarding collective agreements, there is a wide variety of situations, collective agreements with a limited scope to a specific workplace, local agreements with province or region scope, country agreements that can be both internal or externally negotiated. Examples include:

- In Spain, there is an extensive overall collective agreement signed with our internal Unions covering all employees working at headquarters and many other specific local agreements signed by regional/national unions depending on where the sites are located.
- In Denmark, all our employees are covered by enterprise agreements with national unions, as we are a member of Confederation of Danish Industry.
- In China, employees at our Lingang plant are covered by a collective employment agreement signed with a local trade union, while in the rest of the country they are covered under statutory law.

At an international level and due to its European footprint, Siemens Gamesa forms part of the Siemens AG European Works Council (SEC), where it is playing an active role in providing employees with information and consultation rights. Within that framework, it has reached an agreement with its workers' representatives to set up a specific working group to establish more flexible forum to discuss labor relations of greater proximity.

[L11-S13] Furthermore, the company has replaced the Global Framework Agreement[28] (GFA) on social, labor and environmental matters that was reached prior to the merger by legacy Gamesa with IndustriALL Global Union (with the involvement of the main Spanish unions) with a completely renewed and upgraded GFA between SGRE and IndustriALL Global Union – still being the only global agreement to guarantee labor rights by a company in the renewable energy sector.

[L11-HR17] [L11-S14] This Global Framework Agreement strengthens social, labor and environmental rights already contained in the Business Conduct Guidelines; makes health and safety at work, working conditions and equal opportunities key issues for company action; guarantees implementation and promotes the conditions for a social dialogue at the international level. As stated in the Business Conduct Guidelines, Siemens Gamesa is a member of the UN global Compact. Its ten Principles, and the Global Industrial Union Framework Agreement are binding for the company. That means than 100% of the Siemens Gamesa employees are actively covered by a legally binding, and freely negotiated collective agreement [102-41]

[402-1] Concerning the minimum prior notice period for operational changes, the Group fulfills, at minimum, the notice periods set forth in each country's specific legislation, as well as in the European Union regulation. However, if there are no regulatory requirements, Siemens Gamesa ensures that its employees will be suitably informed of any significant operational changes affecting them in accordance with the Company's standards.

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

B4.3 Performance 2020

Siemens Gamesa constantly needs to adapt to the challenging wind industry market, which is characterized by stiff competition and significant pricing pressures that have eroded wind turbine manufacturers' margins. To succeed in this environment and boost the competitiveness of its onshore business, the company will focus on large next-generation turbines with rotors of up to 170 meters. These models already account for almost half of current demand and are crucial to increase the company's profitability and bring down the cost of clean energy even further.

To drive that strategy forward successfully, Siemens Gamesa has taken the decision to shut down its Aoiz blade factory in Spain, which is no longer competitive in such a competitive market environment to produce blades for large turbine models. The Navarre plant manufactures SG 3.4-132 turbines for projects which are primarily located in Spain. Its higher costs and geographical location, more than 200 km away from the nearest port, make it uncompetitive for global markets.

[28] See Siemens Gamesa Global Framework Agreement (GFA). Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

The company initiated a collective dismissal procedure covering a maximum of 239 employees in July 2020. In August 2020, a majority of the Siemens Gamesa Aoiz workforce voted in favor of approving the layoff plan submitted by the company for the plant's closure, which included measures that make it possible to limit the closure's impact. The agreement includes an early retirement plan for employees who are 55 years of age or more and a severance payment of 45 days per year worked (above the 20 days set forth by law). A minimum compensation payment of €30,000 euros has also been agreed. In addition, the company submitted an outplacement plan offering 88 jobs. Hence, if all the vacancies are covered, the total number of employees affected by the dismissal procedure would be reduced to 150 from the initial 239 workers affected by it. Siemens Gamesa has also engaged an external outplacement company that has already detected job vacancies at other companies which Aoiz employees can apply for.

The company considers that the closure of Aoiz plant is an essential part of the measures it needs to ensure the company's sustainability in the long term and the jobs of it 25,000 employees around the world, including over 5,000 in Spain, 1,500 of which are in Navarra, where Siemens Gamesa has its largest R&D center employing than 360 people.

As part of the process of seeking to improve the Onshore business's competitiveness, decision have also been taken in this fiscal year to shut down other more production plants, like the one that took place in Denmark at the beginning of the fiscal year to shut down both the Brande and Aalborg Onshore plants. Said process was carried out by means of a collective dismissal that affected around 600 employees. The Ford Madison plant in the USA has also been recently affected by a reduction of its workforce amounting to 130 employees.

B5. Talent and Leadership management

[L11-S15] [404-2] As part of the integration process in SGRE, our employees build our new culture, known as Culture of Trust, that is based on pillars: continuous learning, empowerment and diversity. To support the continuous learning pillar SGRE is in the journey to create global frameworks, processes and tools available for all employees across SGRE, creating a unique Employee Experience.

SGRE has developed an Employee Experience based on building blocks that together put employees at the very heart of their own career development by means of a strong performance cycle (FLOW), a consistent talent development path (LEAD), a meaningful learning experience and a set of global tools which are available to all employees. In addition, our leadership community plays an essential role in turning this Employee Experience into a reality by providing support throughout the path as part of their leadership roles. At the same time, SGRE also provides a leadership ecosystem to make sure we employ the very best leaders to ensure our strategy's success.

Figure 14 – Siemens Gamesa Employee experience process

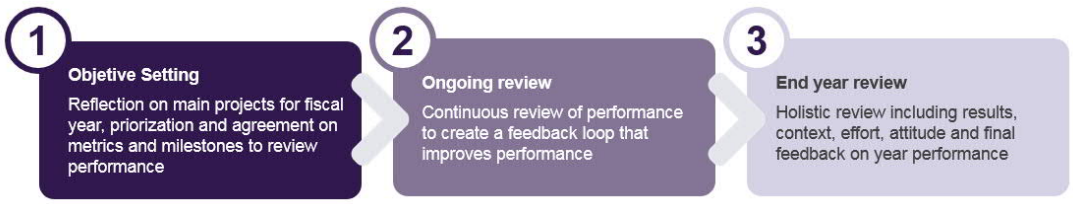
Lastly, the Culture of Trust's other two areas supplement the Talent & Leadership strategy by granting each employee ownership over his/her career. The Human Resources & Leadership community is ready to support and foster growth opportunities, but it is up to the employee to drive and steer his/her own career. We expect employees to reflect on their career ambitions and understand the development opportunities needed to reach their development goals. Diversity then gives each of the building block the richness and depth needed to put together the very best team in the renewable energy industry.

B5.1 Performance Philosophy (FLOW)

SGRE's performance appraisal cycle creates an adaptable framework In line with our Culture of Trust to deal with dynamic market conditions. We trust our people and empower them to lead the company to becoming a market leader in an ever-changing world. Performance aims to improve both the company and individual performance. This process ensures that all employees are clear about what is expected from them and that they receive constant feedback about how they are performing. Performance management is part of the managerial toolkit needed to lead teams. The performance management cycle allows managers to:

- Improve employee and company performance by continuously monitoring performance, adjusting to environment and creating action plans
- Motivate employees: by recognizing good performance and their achievements and identifying actions to improve performance
- Differentiate between the different levels of contribution within the team

Figure 15 – Performance Philosophy scheme



B5.2 Talent Management (LEAD)

The purpose of Talent LEAD is to create a culture focused on personal and professional development. It aims to get managers involved in the growth of their teams and to improve the visibility of SGRE's talent pipeline. It also creates a talent management experience that brings us one step closer towards becoming a talent-driven organization.

Talent LEAD includes several interconnected talent-related processes which, together with our LEAP Business program, places the right kind of talent in the right positions:

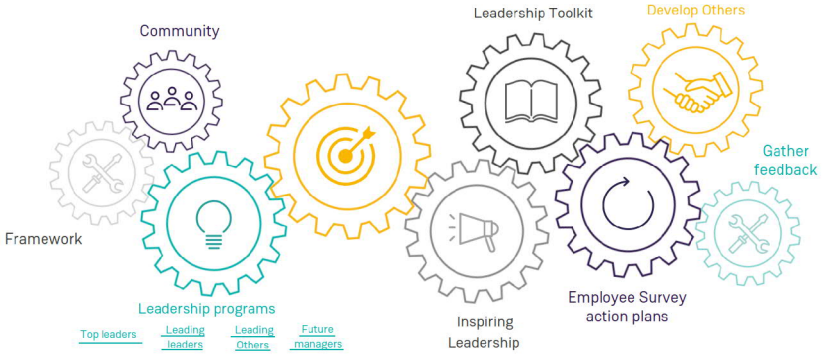
- Employee reflection on career ambitions
- Creation of Individual Development Plans
- Top Talent identification (Explorers & Navigators)
- Leadership Competency Assessment
- Succession Planning

B5.3 Leadership Ecosystem

Leaders play a role in cascading the company program (LEAP) across the organization and implementing the company's culture (Culture of Trust) to turn it into a reality. Leadership development is therefore a priority. In order to provide a framework for the leadership community's growth, we have created the Leadership Ecosystem, which connects all the different initiatives together and offers each manager a personalized path.

The Leadership Ecosystem is based on a modular approach, in which different elements can be used by leaders depending on their needs. The ecosystem's different elements are illustrated below:

Figure 16 – SGRE Leadership Ecosystem



- **Framework**: a unique place where all the foundational elements can be easily found by managers including: i) Mission, vision and values, ii) LEAP, iii) Culture of Trust, iv) Leadership Booklet and v) Leadership Competency model
- **Leadership programs**: we have partnered with INSEAD business school to create 4 programs adapted to the different needs of the leaders: i) Leading at the Peak (LatP), ii) Amplifying Organizational Impact (AOI), iii) Maximizing your Leadership Potential (MyLP) and iv) Emerging Leaders (EL)
- **Leadership Community**: enhancing the spaces where leaders can exchange and learn together at the same levels and also interact with senior levels of the organization and experts. Community must be sustainable and therefore is owned by the leadership community with facilitation and support from HR and Communication.
- **Individual Development Plans:** as part of the Talent LEAD experience, managers need to focus their IDPs in leadership growth. In the IDP, the leader creates the map using the elements of the ecosystem, based on strengths and weaknesses, to reach the required leadership development.
- **Inspiring Leadership:** a library in our Talent & Leadership intranet site that contains different topics related to leadership and communication plan with bi weekly communications to all managers with inspirational materials.
- **Leadership toolkits:** to provide adaptable framework to managers to create experiences in their teams in an easy way. It helps us create one identity across the organization, making sure all leaders understand key and strategic initiatives and can cascade down to all the organization (Foundations, Culture, Innovation, Calibration, On the job development opportunities etc).
- **Employee Engagement Action Plans:** once leaders received the feedback from their employees through the Engagement Survey, it is time to design the future of the company and create an even better place to work. Sharing with their teams the results of the survey is a great opportunity to bring SGRE values into life. The manager starts a dialogue around the main topics and creates a shared action plan for the team.
- **Develop others:** we expect our leaders to participate in development opportunities for other employees. Leaders are key make the development framework sustainable, and therefore the company encourages for example to become available for mentorship relations in the company, identify shadowing or job rotation opportunities, or make available projects for intra company development and talent exchange.
- **Gather feedback:** in addition to the Employee Engagement Survey, we have implemented two other ways of gathering feedback for the leaders. Feedback is the cornerstone of our development framework and we want to make sure it is available for leaders. The 360º tool is available at any time of the year and is included in other elements of the ecosystem like the leadership programs. We also have developed an upward feedback program internally, where teams can have a feedback session with their manager that is facilitated by HR business partners.

B5.4 Global Tools

In order to set up a consistent Employee Experience across Siemens Gamesa, we have created a set of global tools that are available to all employees across the globe. SGRE ensures access to these global tools by providing transparent global processes designed at a corporate level and further developed by the Human Resources Community, which implements the different tools locally by incorporating the necessary cultural adjustments.

Mentoring Program

SGRE offers a mentoring program to foster career development and at the same time an opportunity for leadership development. Mentoring was launched in September 2019. We differentiate 3 scenarios:

- Participants in Leadership Programs: are encouraged to select a mentor as part of the development journey offered by the program. All employees attending to the programs receive all the information about the program and get support to find a relevant and meaningful mentor.
- Ad hoc mentoring programs: Human resources decides to create a mentoring program for a defined community (top talent, high performers, new employees, key experts) where there are defined nomination criteria both for mentors and mentees and a matching process.
- Mentoring Public Marketplace: any employee in SGRE can decide to include a mentoring relationship in his Individual Development Plan (IDP). Workday provides full transparency of the available mentors through different filters so that any employee can find a relevant mentor (by location, by job position, by business unit, by gender etc.).

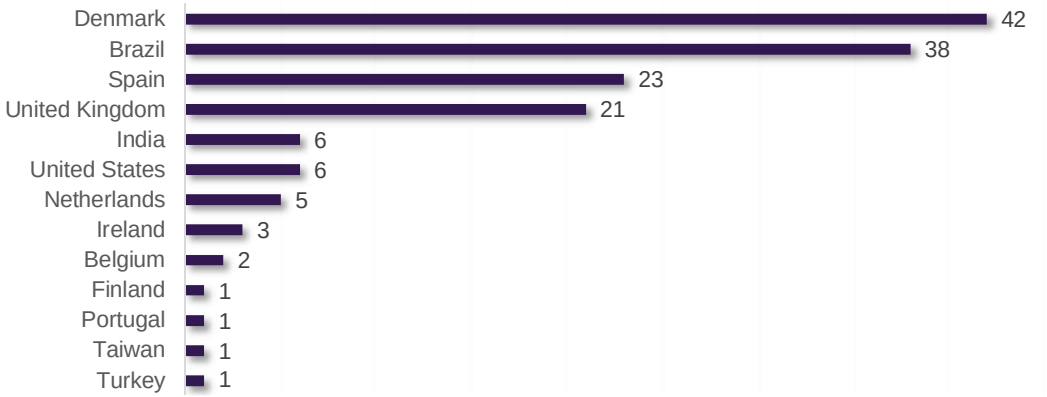
The number of active mentors at the end of fiscal year 2020 totaled 317.

360º Feedback

This is a development enabling system that gathers feedback on an individual from several sources, usually managers, colleagues and direct reports. In addition, there are other group which can be used to include internal or external customers or any other group that is relevant to understanding he employee's strengths & development areas. The tool was launched on November 27, 2019 and 150 employees around the world have used it.

The employee is at the very center of the process and decides whether to apply for it together with the manager, who approves the request. The employee decides who will be invited to take part as raters in each group. Once all the raters have responded, the report drawn up is sent directly to the employee. It is the employee who decides (as we recommend) whether to share the report with his/her manager. Lastly, we have trained 50 HR Business Partners across the globe to conduct feedback sessions with any employees who request to get a better understanding of the report's results.

Figure 17 – 360º Feedback evaluations in FY 20



Upward Feedback

SGRE wants to create high-performing teams that resolve conflicts easily, are aligned and in full cooperation mode. The objectives of the Upward Feedback are enhancing team feedback for managers creating an action plan for team growth. In Upward Feedback sessions, the whole team with the facilitation of an HR Business Partner reflects on strengths and areas of development of the manager, and shares with him in order to create an action plan for the whole team that improves efficiency and performance.

The Upward Feedback was launched in June 2020, and 72 HR Business Partners have been trained around the global to facilitate Upward Feedback sessions.

B6. Learning and training

[L11-HR18] Learning initiatives are used to support the company's vision by enhancing the skills of employees, thereby developing competencies to boost on-the-job performance. Our mission is to support short-term performance and build up long-term capabilities.

Wind University's learning services underpin the entire organization. Learning is everywhere and forms part of SGRE's values. Wind University provides support through consultancy services, tools and the delivery of a variety of activities across the business.

B6.1 Learning Drivers

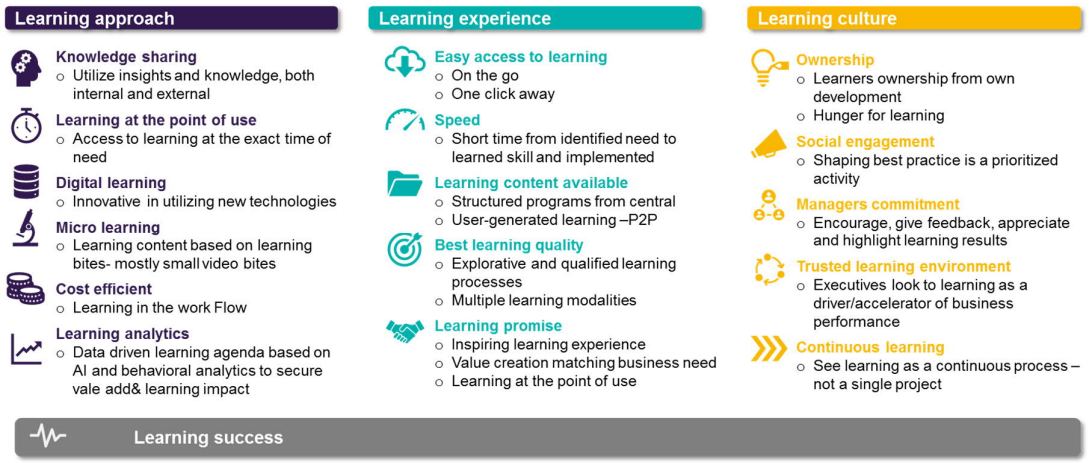
Today's competitive and fast changing business environment, along with increasingly complex labor market conditions have made SGRE´s ability to develop employees and speed up the way we build new business-critical skills more crucial than ever. The COVID-19 pandemic has shown us that we can move away from a controlled traditional learning setup and use digitally based learning that can be delivered on demand when necessary without any kind of predefined schedule.

B6.2 SGRE Learning ambition

In order to attain a successful employee experience and enhance output, it is important understand what drives modern professionals. Today's professionals learn continuously on the job. They want immediate access to solutions that can resolve their problems and are happy to share what they know. They rely on a trusted network of colleagues and like to learn with them and from others to keep up to date with their industry and profession. Last but not least, modern professionals thrive on autonomy

We have set out our SGRE learning ambitions to support us in along the path to learning and have based a strategic learning transformation program that we have initiated based on these principles.

Figure 18 – SGRE learning ambitions



B6.3 SGRE learning principles

We have defined a set of principles that applies before commencing any learning activity. These are as follows:

- **Principle 1: Training is agreed upon with line manager.** The purpose of any training or learning activity is to secure measurable business success for the company. You and your line manager must consider and align upon how the training or learning activity will increase measurable performance, leading to an increase in efficiency, sales or decrease in costs.
- **Principle 2: Ownership culture.** Training your skills and providing time and space for your continuous learning is an asset for the company. You and your line manager share the responsibility of optimizing your capabilities, which will make you perform as best as possible in your work.
- **Principle 3: Easy access to learning and training.** The company is committed to providing the easiest possible access for you to learning resources, inspiration and training, with means focusing on your convenience. User experience and interfaces are the heart and soul of our approach to give you the most efficient access to answers and new skills.
- **Principle 4: Impactful leadership & Valuing people.** The company recognizes you and your line manager's decisions regarding training and learning needs, if they honor principle 1.
- **Principle 5: Planning and booking.** You plan and book training and learning activities in agreement with your line managers.
- **Principle 6: SGRE Booking channels.** SGRE offers an internal online platform where you can book training and learning activities within the product, process and business learning areas. External training that is not offered via internal sites must only be booked under agreement with line manager and in line with budget.

B6.4 SGRE Learning Landscape

Certain job roles have required legal, country and business critical qualifications that need to be covered. When a job role has been assigned it is the managers responsibility to make sure that any mandatory trainings are completed within a reasonable/defined timeframe. At SGRE we have defined the following learning landscape and overall guiding principles for each area.

SGRE Product Learning

SGRE specific learning on process, tools and products to ensure operational excellence. This enable the business to remain compliant with mandatory requirements. Qualification frameworks are built as an integrated part of the Product Learning and secures license to operate via ISO standards. SGRE Product learning refers to training related to the SGRE products.

The model includes:

- **Internal training & Qualification Management**: Core knowledge on process, tools and products and is developed internally in SGRE.
- **Customized training:** Buy best market offerings and customize it to SGRE standards, vision and mission.

Training in this category is mainly offered through SG Training Web and registered in the company LQMS.

For all Internal training within this category it applies that it is mainly offered by internal experts. The whole end to end process for this is covered in detail by PRO-26552 Learning Management to ensure a uniform approach to training across the company.

Customized training is used either when new knowledge is to be added to the organization, where no internal resources are available or when certifications are required. Providers are to be selected on market performance and their ability to live up to the learning objectives set for the specific topic.

Qualification Management is a specific methodology used when training requirements are not to be defined and tracked on an individual level and it allows responsible functions to define and track the requirements set in a standardized way thereby living up to ISO-standards.

Standard Learning

Standard learning refers to generally available training and is bought from the best options the market has to offer, both globally and locally. We have initiated a global project aimed at partnering with the best vendors in the market which collaborate with the Siemens group to offer our employees a single global employee experience.

B6.5 Performance 2020 and roadmap to 2023. Strategic learning initiatives

SGRE Learning 2.0 is our strategic learning initiatives/ program to support us in reaching our strategic goals. SGRE Learning 2.0 aspires to make learning a competitive advantage by putting the learners in the driver's seat and providing them with a user-centric learning universe, which enables them to acquire new skills with speed and ease. In fact, continuous learning is an integral part of the SGRE Strategy.

SGRE Learning 2.0 will leverage both digital learning, more traditional training delivery methods, learning analytics, social learning and apply enhanced learning technologies. To create continues and highly engaging learning experiences, which enable learners to build new skills in the flow of work and to gain fast and easy access to learning.

One important step on this journey will be to continue to develop and support our learning culture, in which we utilize our strong internal trainers community with more than 500 internal trainers that on top of their normal job take on the trainer job to roll out our internal programs, that the learners take ownership of their own development and that leaders prioritize learning and knowledge sharing. Another important step is to have a global digital standard learning catalogue to support the learner in their development.

SGRE Learning 2.0 also sets some clear guidelines for governance and resources. To ensure efficient, cost-effective and strategically aligned learning practices across the entire SGRE organization, Wind University have established a global network for learning professionals in SGRE.

Focus on digitalization

The focus on digitalization is driven by four main leavers: 1) market trends and expectations; 2) timely delivery; 3) cost; and 4) the COVID-19 pandemic. Some of these leavers are quite straightforward and generally recognized in the L&D Business. Learners in the 21st century have certain expectations that must be combined with proven learning delivery methods. Moreover, at SGRE these are in turn combined with the company's reporting, compliance and cost-efficiency needs. This was catalyzed by the global COVID-19 pandemic, which highlighted the importance of digital training and its impact on cost reduction..

To achieve digitalization in learning SGRE have run several strategic initiatives in 2020 that can be clustered as follows:

- **Testing and application of new digital platforms for delivery of SGRE Product Learning.** In 2020 SGRE have tested a number of digital learning solutions for delivery of learning like Adobe Connect, for promoting social learning like FUSE and for using AI to customize learning offerings like Filtered/magpie. Whilst some are still testing the FUSE platform is being deployed for a large SAP project and Adobe Connect as a tool for internal trainers to deliver training remotely when classroom training was no longer a possibility.
- **Upskilling of internal trainers.** Internal Wind University trainers have in general a large number of ways to achieve upskilling to secure a better transfer of knowledge. SGRE runs a global trainer program to upgrade skills, introduce new methods and trends as well as share knowledge but also to generally recognize the effort done by the internal trainers. This year the focus has been especially on digital delivery of training and through this effort we have managed to increase the number of instructors led trainings delivered online by 134% compared to 2019. This success was achieved by both providing the tools but also upskilling trainers to use them afterwards.
- **Initiating a project to find a global digital standard learning provider.** Traditionally standard learning has been delivered as face to face training or as local digital solutions. SGRE are currently working on securing contracts with one or more suppliers of digital standard learning platforms to be able to roll out a global solution in early 2021.
- **More focus on VR for new releases.** Currently SGRE are running a big VR project connected with the release of a new turbine platform (5X). The idea is to support the upskilling of the entire value chain to this new platform by deploying an affordable and flexible concept for the use of VR.
- **Embarking on the journey towards a digital learning eco-system.** All the above initiatives are combined into a digital eco-system acting as the blueprint for future initiatives on digital training in SGRE.

Targeted Learning / Global Learning Frameworks

The Global Programs aims to support a business area directly with learning for specific roles and capabilities. Through Global Programs have SGRE been able to strategically deploy global learning framework for groups of employees. We have established Global Learning Board that is set and drive the strategic direction for learning within their organizational area. This is done by agreeing targets with the various business functions and then planning and supporting the delivery of the needed learning activity as well as deploying new methods and tools – also partially described above. Among the highlights:

- **Sales Program:** This year the sales program added new training and began using the Qualification Management Product to get a better focus on the detection of training gaps.
- **Technology Program:** This program was highly focused on digitization even before the pandemic in an effort to make delivery more flexible and cut down on costs.
- **Trainer Program**: New methods and testing the FUSE social learning tool
- **Training within industry (TWI):** Roll-out of the TWI method in India, though it has been halted temporarily due to the COVID-19 pandemic.
- **Project Management**: Qualification Management began to be used to track PM certifications in the organization, along with a more tailored internal training program for PM roles

Global e-learning campaigns to ensure compliance and global mindset

In fiscal year 2020 SGRE rolled out four major mandatory e-learning campaigns to all employees. Both to ensure compliance but also promote the right mindset for instance on HSE topics.

- Cyber security eLearning – Booked for 22,500 employees. Goal reached of 80% participation
- Export Control and Customs Awareness – Booked for 24,000 employees. Completion 12,769 (67%)
- Business Conduct Guidelines – Booked for 24.148 employees. Completion 7,971/ 42%
- HSE-1000 Global Health, Safety and Environment Awareness – Booked for 24,179 employees. Completion 13,007 (68,5%)

These marks the first global campaigns in SGRE to truly promote ONE mindset for the entire company on topics like HSE, Cyber Security, Customs but also how to act in daily business living up to the company values and standards. In the coming year we are working on tools to secure a leaner roll-out of these campaigns as well as improved reporting.

Global Qualification Management

The continued deployment of Qualification Management to track mandatory training requirements both on site and at production facilities has taken place in 2020. Consequently, the backgrounds of the employees present on any construction or service site anywhere in the world are available. Group Account stores over 100,000 certificates and provides a standardized safety overview of the qualifications held by both internal and external employees. Work is currently being done to upgrade the reports and enhance the use of functionalities to allow for employee development tracking as well.

Learning in numbers

[L11-HR19] [404-1] During the reporting period our company registers a cumulative number of training hours of 839,950 (904,529 hours in FY19). The training hours rate per employee in fiscal year 2020 stood at 32 and the average training hours per training session is 4.2.

Table 37 - Training hours of employees

	FY18	FY19	FY20
Europe, Middle East and Africa	504,284	682,082	**637,005**
Americas	49,387	105,442	**91,058**
Asia, Australia	65,586	117,005	111,886
SGRE Group	**619,257**	**904,529**	**839,950**

The group employed 634 graduates (615 in FY19) - including Interns, apprentices and students - at the end of the reporting period, of which 510 (80%) were internal so they were paid to work while pursuing a course of study.

Table 38 - Graduates

	FY18	FY19	FY20
Internal	421	496	510
External	86	119	124
SGRE Group	**507**	**615**	**634**

B7. Compensation & Benefits

Benefit Programs

B7.1 Management approach

[401-2] [401-3] The SGRE Global Benefits Policy is aimed at supporting Siemens Gamesa's purpose of empowering people to lead the future. It considers Diversity, Empowerment and Continuous Learning as the three dimensions that comprise the Siemens Gamesa Culture of Trust. Furthermore, the Global Benefits Policy is aligned with the company's Values, fostering the creation of the Trust: Results Orientation, Customer Focus and Innovativeness, Attitude of Ownership and Valuing People.

Siemens Gamesa ensures that all countries have an individual benefit offering which is in line with local market conditions. The benefits offered include insurable benefits, pensions and fringe benefits. Insurable benefits are managed through a global external vendor to ensure we remain aligned with the market median, are properly governed and achieve competitive rates. To attract and retain our talent, benefits are regularly reviewed to move with market trends.

B7.2 Policy framework

[201-3] Benefits complete an individuals' compensation in an effort to offer an attractive and competitive compensation and benefits package in the market:

- Offer global consistency with local relevance and local implementation responsibility: Benefits are local and are dependent on the country regulations and general market practice
- Benefits ensure employer attractiveness
- On the jobs benefits can increase the level of dedication and enthusiasm
- Benefits comply the 'Duty of Protection': Protecting employees against the consequences of an eventually event causing any economic impairment to them or their dependents
- Benefits are aligned with company Culture

Benefits are indirect and non-cash compensation offered to employees. All benefits are set according to mandatory local market regulations or median market practices. The scope of the benefits we offer varies across countries and strongly depends on local social security and tax regulations. They may include: i) post-employment benefits; ii) life and disability benefits; iii) accident benefits; iv) health insurance; or v) business travel assistance insurance. Other benefits include transport allowances, time off/vacation, work/life balance benefits, awards, perquisites and social security.

B7.3 Strategy and targets

The benefits policy ensures Siemens Gamesa employees are protected against the risks associated with their health, death in service and planning for their retirement. The benefits package contributes to the overall Total Remuneration (TR) package. All Benefits are defined according to mandatory local market regulations or to median market practice. The scope of the benefits we offer varies across countries and strongly depends on local social security and tax regulations.

B7.4 Performance in 2020

Defined Contribution (DC) schemes are becoming increasingly prevalent at Siemens Gamesa. The design of DC pension schemes should provide suitable tools for employees to manage risks appropriately and provide them with a capital sum that can be turned into an acceptable, affordable and relatively stable level of income during their retirement. The annual contribution of Siemens Gamesa is around 55 € million being 32.6€ million in Denmark, 8.5€ million in UK, 9.2 € million in the US, and 0.02€ million in Germany.

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

Compensation

B7.5 Management approach

A fair and competitive compensation and benefits package is offered to attract and retain the workforce of SGRE so it can shape the renewable energy industry through its commitment to diversity, inclusion and employee well-being. Employees are our most valuable asset. We operate under the principal of equal opportunities by avoiding any kind of discrimination and ensuring fulfillment of the labor legislation which applies to all countries where the company has a presence.

B7.6 Policy framework

Cash compensation is one of four central elements of the Total Rewards Framework of SGRE. The cash component consists of base salary and variable pay. Base salary and Variable Pay together are defined as Total Target Cash. The Total Target Cash can be subject to the annual salary increase procedure, namely Compensation review process. This procedure is intended to address:

- regular salary increases for performance meeting expectations
- extraordinary merit salary increases for outstanding performance
- market and equity adjustments.

Salary bands per grade profile are set for each country. These bands include base salary and country target percentages per grade profile. Said target percentages are mandatorily applied to all new hires. Additionally, said percentages have to be harmonized over time for existing employees with the help of the yearly merit increases or when they change positions.

- **Base salary** is defined according to local market practices. We target a base salary around the market median. Base pay is considered to cover your family spending, normal living standards. Based on market practice additional allowance can be paid.
- **Variable Pay** is defined as a target percentage of base salary. This percentage of base salary is paid out as annual incentive, if the company and individual targets are reached. The targets are set in a yearly guideline that is globally mandatory applicable to all eligible.

B7.7 Strategy & targets

At Siemens Gamesa we pay for performance. The compensation package is aligned with the market median. Our salaries are benchmarked against relevant market data from leading market data providers. Salary bands are defined centrally for 16 levels below the senior management positions. The salary bands offer enough flexibility to account for the candidates' different levels of expertise and effectiveness.

B7.8 Performance 2020

Variable Pay: SGMBO

The Siemens Gamesa Management by Objectives (SGMBO) is the procedure to set targets for employees. It is designed to reward company and individual performance based on the variable portion of the compensation package and is being paid as an annual incentive. The eligibility depends on local market practice. SGMBO target structure includes Company Targets as well as Individual Targets, therefore the payout amount depends on the respective achievements. Individual Targets are set between manager and employee as part of the SGRE performance process. In general, the final target achievements apply on the individually agreed SGMBO target percentage, which is paid according to local rules. Apart from the fix remuneration, we define a globally applicable short-term incentive program for about 44% of the employee population (43.5% in FY19). To support the integration process, the globally applicable target structure for the short-term incentive is composed of 70% overall Siemens Gamesa key performance Indicators and 30% individual targets.

Table 39 - Individual Performance Appraisal

	FY18	FY19	FY20
Employee coverage of individual performance appraisals	35.8	43.5	44.4

Long-term Incentive

SGRE Long-term Incentive (LTI) aims at boosting the motivation of SGRE's management, attracting and retaining talents and fostering ownership culture aligned to Compensation and Benefits Value Proposition, while enhancing the long-term business performance. The SGRE LTI is a performance-oriented stock awards plan. In a yearly allocation process, CEO decides on the eligible senior managers for the yearly cycle. SGRE LTI is in line with the market and its major objective is enhancing business outcomes. Therefore, it reflects external market developments and strategic company priorities by considering determined performance indicators.

The Plan is a long-term incentive under which the beneficiaries have the chance of receiving a certain number of the Company's ordinary shares after a three-year (3) measurement period, provided certain performance criteria are met. The full text of the long-term incentive scheme is included in Resolution 7 of the resolutions approved at the 2018 Annual General Meeting of Shareholders of "Siemens Gamesa Renewable Energy, S.A." [29]

[29] See Report relating to item seven on the Agenda of the Shareholders' General Meeting regarding the proposal for a Long-Term Incentive Plan for the period from fiscal year 2018 through 2020. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/general-shareholders-meetings/2018/documentation-with-supplement/informe-ilp-2018-agm.pdf

Salary gap by gender

[L11-HR05] [405-2] [L11-HR06] To analyze average remuneration, we classified employees into four levels following both Korn Ferry and IBEX35 trends. These levels are: Executive, Management, Professional and Operational staff. These four (4) professional levels include several GRIP levels. The GRIP[30] leveling system analyzes every position evaluating main factors to identify the right level: impact on the organization, key responsibilities, experience and knowledge required, impact on other employees, responsibility over other employees, educational requirements, and problem solving and critical thinking required. We split the levels this way because one single pay gap per country would not be showing the real situation. On the opposite, it is not possible to add more granularity to these four levels as we do not have female population in a significant combination of country+ job level + job family. Also, we include gender distribution per job level and country. This is also following the Korn Ferry approach. This analysis helps us to gain an understanding of the pay gap and enables us to address it.

Table 40 - Pay gap by gender

	FY19						FY20					
Category	Fenale universe	Male universe	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Salary Gap	Female universe	Male universe	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Salary Gap
<35 y	**1,249**	**6,502**	**42,069**	**28,256**	**30,482**	**149%**	**1,241**	**6,306**	**44,448**	**29,883**	**32,278**	**149%**
Executive	2	2	115,355	92,323	103,839	125%	1	1	129,847	175,500	152,674	74%
Management	114	279	80,877	80,763	80,796	100%	108	262	89,684	77,341	80,944	116%
Professional	860	3,430	42,990	32,531	34,628	132%	929	3,229	43,195	33,809	35,906	128%
Operational	273	2,791	22,424	17,707	18,128	127%	203	2,814	25,700	20,909	21,231	123%
35 < y < 44	**1,696**	**5,985**	**55,415**	**49,738**	**50,991**	**111%**	**1,761**	**6,629**	**56,669**	**50,973**	**52,169**	**111%**
Executive	18	90	150,837	184,947	179,262	82%	14	85	174,476	185,470	183,916	94%
Management	348	1,251	86,380	86,122	86,178	100%	418	1,354	88,206	88,541	88,462	100%
Professional	1,039	3,047	50,490	43,892	45,570	115%	1,063	3,281	49,139	44,901	45,938	109%
Operational	291	1,597	30,067	24,770	25,586	121%	266	1,909	31,000	28,775	29,047	108%
45 < y < 54	**812**	**2,922**	**63,207**	**69,438**	**68,083**	**91%**	**902**	**3,395**	**64,843**	**69,104**	**68,210**	**94%**
Executive	12	115	210,585	237,150	234,640	89%	13	118	210,296	228,340	226,550	92%
Management	191	915	97,483	96,376	96,567	101%	237	1,002	95,869	97,411	97,116	98%
Professional	426	1,244	55,601	53,129	53,760	105%	448	1,359	56,517	55,212	55,536	102%
Operational	183	648	35,473	32,945	33,502	108%	204	916	37,813	38,238	38,160	99%
55 < y < 60	**203**	**743**	**60,323**	**81,855**	**77,235**	**74%**	**199**	**866**	**65,365**	**81,670**	**78,623**	**80%**
Executive	3	39	233,737	279,231	275,982	84%	6	40	224,143	313,886	302,181	71%
Management	35	248	100,811	110,770	109,538	91%	38	264	98,938	111,892	110,262	88%
Professional	87	264	59,402	57,838	58,226	103%	87	272	61,348	60,492	60,700	101%
Operational	78	192	36,512	37,439	37,171	98%	68	290	37,735	41,991	41,182	90%
> 60 y	**61**	**249**	**73,738**	**95,936**	**91,568**	**77%**	**99**	**466**	**63,777**	**73,353**	**71,675**	**87%**
Executive	0	6	0	349,073	349,073	0%	-	8	-	245,979	245,979	0%
Management	14	91	115,384	115,918	115,847	100%	20	132	107,185	114,430	113,477	94%
Professional	30	82	64,999	84,701	79,424	77%	51	146	60,737	65,326	64,138	93%
Operational	17	70	54,863	61,424	60,142	89%	28	180	38,309	42,068	41,562	91%
SGRE Group	**4,021**	**16,401**	**53,369**	**46,888**	**48,164**	**114%**	**4,202**	**17,662**	**55,394**	**49,024**	**50,248**	**113%**

Considerations for this salary GAP report:

- Headcount as of September 30 (end of fiscal year)
- From total headcount, population in the report has been reduced, eliminating information being either not accurate or missing. Population of 21,864 employees (20,422 in FY19) were considered for calculations.
- Formula for salary GAP is: Average Female / Average Male, stated as percentage.
- TTC = Total Target Cash. This includes Base Salary + Variable Salary.
- All salaries contained are gross annual amounts in EUR.

[30] GRIP: Global reward Infrastructure program

C. Environmental matters

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C1. Environmental management system

[L11-M01] Climate change and resource scarcity are some of the greatest global challenges facing society today. Siemens Gamesa's business model is based on the development of sustainable solutions, products and services. Therefore, the company focused in recent years on energy efficiency, the systematic reduction of CO2 emissions associated with our processes, and the reduction of the environmental impact of the life cycle of our products and services. Given that any industrial activity has significant impact on the environment where it takes place, the company adheres to the principle of precaution, especially when managing environmental, climate and water risks in an integrated manner, reducing and offsetting emissions, promoting the circular economy, and conserving biodiversity.

Environmental protection is set out in the Business Conduct Guidelines and is developed by means of three action policies that cover the main environmental risks in operations: Global Corporate Social Responsibility Policy, HSE Policy and Climate Change Policy. Moreover, environmental excellence is an essential pillar in contributing to achieving the UN's 17 Sustainable Development Goals (SDGs) and meeting the requirements set out in the Paris Agreement for climate change. We are committed to fostering the sustainable use of resources, a culture of respect for the natural environment and to leading the combat against climate change by reducing the environmental impact of our company's activities.

As envisaged in the Sustainability Master Plan, the integration of climate change and the application of environmental policies and principles in Siemens Gamesa's business operations is guaranteed through strategies and programs submitted to the Executive Committee.

The company has specifically qualified personnel in all functional and geographical areas. This allows us to provide the highest quality and experience at all times when developing our activities based on the strictest environmental standards. However, we recognize that our internal efforts to reduce our environmental impacts are only strengthened when combined with other collaborative initiatives with our business partners such as customers, suppliers, authorities and political figures, industry associations, research institutes or similar. We therefore seek, lead and support environmental improvements throughout our product value chain to ensure appropriate improvements are realized in all lifecycle stages of our products and services.

C1.1 Environmental Policy

[L11-M05] The Siemens Gamesa Policy[31] provides clear direction and specific objectives with regards to Health, Safety and Environment. It is divided into six pillars (below) which form the basis of our combined strategy and activities for HSE in Siemens Gamesa. Further, it applies globally to all Siemens Gamesa activities, regions and locations and is mandatory for all employees working for Siemens Gamesa, on its behalf or under its authority. The policy forms the basic framework for how we aim to achieve our Company DNA. The following quote, taken from our policy, clearly articulates our core philosophy:

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

[31] See: Siemens Gamesa Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-policy-august-2017.pdf

C1.2 Environmental Framework

[L11-M04] [102-11] Siemens Gamesa has incorporated the precautionary principle regarding environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment.

[L11-M02] The global Head of Quality Management and Health, Safety and Environment (QM&HSE) is responsible for the governance of Siemens Gamesa's Integrated Management System including all HSE related certifications, policies and procedures. Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard, which covered 110 locations in 2020 but is subject to change in the next months due to the closure and addition of some locations. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to July 2021.

[L11-M03] Siemens Gamesa's Integrated Management System provides a framework of global procedures and tools around various HSE topics to monitor, control and improve the company's HSE performance. For environment, the company can demonstrate compliance to our stakeholders, identify potential aspects and implement controls to avoid or reduce potential environmental impacts as well as engage employees and motivate suppliers to improve the environmental performance when planning and carrying out activities related to our operations, products and services. However, the management system, which is composed of a series of documents and tools, is otherwise ineffective without competent employees and a supportive leadership team bringing it to life. Figure19 provides an overview of the global procedures for environmental protection at Siemens Gamesa.

The global HSE processes are governed by the corporate HSE functional area. They are developed and continuously improved on a joint basis by HSE specialists across Siemens Gamesa to ensure they reflect the different parts of the business. As such, they also apply to all of Siemens Gamesa, including both corporate functional areas and business units.

Figure 19 - Global procedures for environmental protection

C1.3 Environmental targets

The company has established a broad range of targets geared at ensuring its commitment to fight against climate change and protect the environment. Due to the company's firm commitment to the environmental matters, some of these have been attained earlier than originally planned.

Table 41 - Environmental key targets to 2023

Core KPI	KPI description	FY21	FY22	FY23
Carbon intensity	**Carbon intensity reduction (Scope 1+2)** *tCO2 eq / MW installed*	5.8	4.90	4.0
Energy intensity	**Energy intensity reduction** *GJ/MW installed*	126	121	116
Green electricity	**Achieve a share of minimum 95%** electricity supply from renewable sources	80	90	95
Waste intensity	**Reduce waste generation to achieve 6.0 t/MW waste generation rate**	6.15	6.10	6.00

Monitoring and analyzing the environmental performance of our production facilities and project sites on a regular basis is essential to attain these goals. Since 2019, Siemens Gamesa implemented Sphera, our internal HSE software tool that allows for data collection and analysis. Further, it becomes instrumental to:

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

C1.4 Expenditure and investment for environmental impact management

Table 42 - Breakdown of key environmental expenses

(€ thousand)	FY20
Energy consumption	17,802
Waste management	7,776

C1.5 Environmental successes in fiscal year 2020

At Siemens Gamesa, we are committed to society and the environment. We pride ourselves on our consistent efforts to promote a shared health culture and motivate our employees to consider wellbeing in and out of the office. In addition, we encourage our employees to participate in global initiatives related to health, wellbeing and environment such as the “Virgin Pulse Global Challenge” mentioned above and the World Cleanup Day. These are voluntarily initiatives where employees can register either as individual or a team.

The World Clean-up Day is a civic movement that unites 180 countries and millions of people across the world to clean up the planet in one day. Volunteers and partners worldwide come together to clean up waste from beaches, rivers, forests, and streets. Due to COVID-19, Siemens Gamesa could not arrange teams this year. We, however, encourage all employees around the world to go out into their local nature or social environments and collect trash.

Moreover, Siemens Gamesa invite employees to the Digital Clean Up Day as an alternative option to the World Clean-up Day since the COVID-19 situation made it difficult to carry out activities in person. The Digital Clean Up Day consist on delete all unnecessary files, emails, apps, photos and videos from the smartphones, tablets, laptops, PCs and servers. By doing this, employees are not just extending the life of their gadgets, but also saving a huge amount of CO_2. The carbon footprint of the internet and the systems supporting it account to about 3.7% of global greenhouse emissions, which is similar to the amount produced globally by the airline industry and is predicted to increase to 20% in 10 years if we do not act. Therefore, we are giving employees the opportunity to help make sure this doesn't happen. In the first edition of the Digital Clean Up Day, 102 employees participated around the globe, saving around 390 tons of CO_2 in total.

Siemens Gamesa fosters a culture where all employees have the chance to identify problems and submit innovative solutions to reduce and improve the company’s processes. The Siemens Gamesa action plan tool serves to openly share cost-efficient ideas and discover “greener” opportunities across the business in order to facilitate cross-site learning and the sharing of ideas and knowledge. Employees are requested to submit their team’s innovative project initiatives that can also inspire others. By means of this centralized tool, we track our HSE improvements and categorize them in relation to the six areas of our HSE Policy and our HSE processes. HSE improvements can be categorized as actual environmental savings e.g. absolute reduction, substitution or efficiency measures or other initiatives such as campaigns, investigations or mappings, trainings, etc.

Improvements can be found across Siemens Gamesa. For instance, the nacelle factory in Brande is already running entirely on renewable electricity. Moreover, in December 2019, the plant exchanged ten diesel-powered forklift trucks used in daily operations at its warehouse with electric-powered vehicles as part of a plan to make the factory even smarter and greener. The idea had great potential to both help the environment and save on company resources. The introduction of ten new electric forklift trucks has diminished CO_2 emissions by 297.5 tons. The material handling equipment (MHE) exchange project is now being rolled out globally and it is expected to generate CO_2 savings of 1,800t CO_2 per year and make significant progress over the next two years as a support measure for Siemens Gamesa's efforts to reduce its CO_2 emissions in line with its science-based targets.

Another good example is the Aalborg Plant, which took on the mission of reducing waste as a way to become greener and more cost-effective. The plant sold any items that were no longer needed instead of scrapping them. The plant made 225 sales cases from April to June 2020, thereby saving around 115 tons of CO_2 and avoiding the waste volumes amounting to 60 tons of metal, 0.3 tons of plastic and 1.2 tons of waste destined for incineration. This successful initiative has made a huge difference for the factory’s environmental footprint and will be continued to support Siemens Gamesa to accomplish its waste reduction target and decarbonization targets by reducing CO_2 emissions, increasing the value of redundant stock and continuing to foster a great change of behavior at factories.

The SEA (South Europe and Africa) Construction team is also taking decisions along the same lines to reduce Siemens Gamesa's carbon footprint. SEA initiative was focused on replacing its traditional portable lighting system required on construction sites during night shifts with a lighting tower equipped with a smaller generator set. The new lighting tower has a smaller 25-liter diesel tank as compared to the conventional towers' 80-liter tank. The new towers are more versatile and lighter than the original ones. Additionally, both the power and investment cost required are much lower when compared to conventional towers costs. The initiative not only helps the team to cut down on CO_2 emissions by more than half when compared to traditional towers, it also reduces a great deal of investment costs. The initiative kicked off in July 2020 with two towers sited on two construction sites and it is expected to progress significantly over the next year.

Furthermore, Siemens Gamesa is engaging its supply chain towards a complete decarbonization in line with the 1.5-degree Celsius global warming trajectory. In 2019, Onshore Tower Operations team together with the Procurement team developed the 'Supply Chain Decarbonization Program' that aims at reducing the CO_2 emissions that are emitted during the manufacturing of our towers and which leads the way to a more sustainable supply chain. The results of the program so far are promising: three suppliers have already agreed to switch to renewable energy sources, which will reduce the relative global average carbon intensity of tower manufacturing by 25% and an absolute reduction of about 20,000 tons of CO_2 emissions annually. The team now has full transparency of where CO_2 emissions are taking place and how they can be reduced. Siemens Gamesa is currently expanding this for tower procurement globally to then expand its scope gradually.

C1.6 Product portfolio and environmental benefits

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

In 2020, 8.7 GW of wind energy was installed helping our customers further reduce their emissions by 23 million tons of CO_2. On a cumulative basis, more than 107 GW of wind energy from Siemens Gamesa wind turbines have been installed since 1998. This allows our customers to mitigate their carbon footprint by more than 281 million tons of CO_2 per year.

Table 43 - Environmental benefits (cumulative at fiscal year-end)

	FY18	FY19	FY20
MW installed (annual)	6,234	9,895	8,767
GW installed (cumulative)	88.8	98.7	107.5
TWh/year (cumulative)	272	303	332
NOx prevented (cumulative million tons)	1.9	2.1	2.3
SO_2 prevented (cumulative million tons)	1.0	1.2	1.3
toe prevented (cumulative million tons)	23.4	26.0	28.5
CO_2 emissions prevented (cumulative million tons)	231	257	281

Note on the conversion factors used. Emission factor world fossil: 849grCO_2/kWh; Conversion toe/MWh (1toe=11.63 MWh): 0,0859 toe/MWh; Conversion tSO_2 avoided per MWh generated: 0,0038 t/MWh; Conversion t NOx avoided per MWh generated: 0,006875 t/MWh. Hours equivalent a year group average: 3066.

C1.7 Product stewardship

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

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

C1.8 Life Cycle Assessments

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

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

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

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

Table 44 - Lifecycle assessments (LCA) and environmental product declarations (EPD)

	FY18	FY19	FY20
# LCAs	16	20	23
# EPDs	14	17	20

The current reporting period shows a 100% rate for products covered with LCAs (Screening and Full-Scale) and EPDs (Both Type II & Type III), as well as a 100% revenue-based coverage ratio within our business. In this past fiscal year, Siemens Gamesa published the following Environmental Declarations:

- Type III Environmental Product Declaration for SG 5.0 132
- Type III Environmental Product Declaration for SG 5.0 145

C1.9 Environmental criteria in product design

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

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

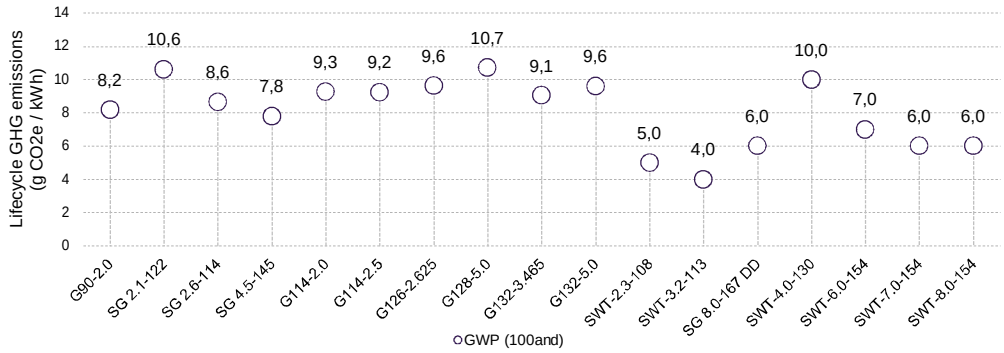
Operational procedures and controls are also set to assess and improve environmental aspects linked to manufacturing, assembly and construction, such as developing action plans and improvement measures for the materials and substances used, the waste generated, the energy consumed, or the volatile organic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

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

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

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

Figure 20 - Global warming potential [32] (GWP-100y) during the lifecycle of Siemens Gamesa wind turbines



[32] The Global Warming Potential (GWP) was developed to allow comparisons of the global warming impacts of different gases. Specifically, it is a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide (CO2). The larger the GWP, the more that a given gas warms the Earth compared to CO2 over that time period. The time period usually used for GWPs is 100 years. GWPs provide a common unit of measure, which allows analysts to add up emissions estimates of different gases and allows policymakers to compare emissions reduction opportunities across sectors and gases. (Source: EPA.gov)

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

C1.10 Environmental requirements in our Supplier Code of Conduct

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

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

We engage our suppliers to join our journey towards greening operations and reduce our carbon footprint. In this way, a 'Sustainability/GHG' category is now incorporated into the yearly supplier evaluation process as a result of the Supply Chain Decarbonization Program that was launched in early 2019. This new category gives Siemens Gamesa's suppliers an opportunity to present their environmental efforts translated in CO_2 reductions. Siemens Gamesa is on the way to implement a sustainable procurement approach, to focus not only on a cost-benefit analysis, but also on how to maximize the net benefits for both the company and society.

C2. Climate change

[L11-M14] Siemens Gamesa recognizes that climate change is a global issue requiring urgent and collective action by governments, businesses and citizens alike. As a provider of clean affordable energy, our scale and global reach reinforces the central role we have in shaping the future's energy landscape. We are a member of multiple global communities who share our commitment to climate protection and decarbonization. For example, the Paris Pledge for Action, Caring for Climate and The Science Based Targets Initiative.

Siemens Gamesa climate change strategy covers the full scope of Siemens Gamesa's operations e.g. design and manufacture, pre-assembly and commissioning, operation and maintenance. We are committed to action and we will continue making important contributions to the global economy's decarbonization in terms of the products and services we develop, the ways in which we operate and the partnerships we engage in with policymakers, industry associations and business partners to address climate change collectively.

C2.1 Climate Change Policy

Aware that climate change is a fundamental threat to markets and sustainable development, the Group has adopted a Climate Change Policy [33], which applies company wide.

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

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

"Contribute to sustainable development by reducing the environmental impact of Siemens Gamesa's activities and generating new solutions through innovation."

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

1. Support the global greenhouse gas emission reduction goals established in the Paris Climate Agreement and any international agreements that replaces it.
2. Support the United Nations Sustainable Development Goals (SDGs) to take urgent action to combat climate change and its impacts.
3. Foster and implement management systems that make it possible to fight climate change.
4. Pursue innovative advances in product design that help provide sustainable solutions to current climate challenges and achieve the gradual greenhouse gas emission reduction goals.
5. Advocate a global emissions market that makes it possible to generate the resources needed to finance clean energy projects, both in industrialized countries and in other emerging and developing economies.
6. Support a culture for an efficient and responsible use of energy and resources, as well as behavior favoring such responsible use.
7. Develop training and awareness-raising activities for its staff and external stakeholders throughout the value chain and for society in general concerning the environment and the fight against climate change.

[33] See; Climate change policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/climate-change-policy.pdf

8. Transparently report significant results and activities with respect to the fight against climate change.
9. Promote industry alliances and partnerships with multiple interested parties to take advantage of the resources of the Siemens Gamesa Group, with a view to solving climate problems and generating social value.

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

The company has made undertakings to several business initiatives aimed at assessing its climate related risks and opportunities, mapping and reducing the impacts associated to its emission sources, and voluntarily committing to climate protection and decarbonization initiatives such as the **Science Based Targets Initiative** [34] , **American Business Act on Climate Pledge**[35] or the **Paris Pledge for Action**[36]. Furthermore, the Company has announced that it became carbon neutral in late 2019, which is a major step closer towards the long-term target of net-zero CO_2 emissions by 2050.

C2.2 Risks and opportunities: Task force on climate-related financial disclosures

Siemens Gamesa, as any other company, is exposed to risks and opportunities related to climate change. We assess risks and opportunities based on their impact and likelihood over a time horizon of three years. The potential impact of a risk or opportunity can be assessed from a quantitative or qualitative perspective. Regular risk reporting takes place at the end of the quarterly update and review process. Each organizational unit reports its updated risk register to the next higher organizational level for further evaluation and analysis. Climate change is integrated into this process to the extent that it influences our business in relation to either our strategy or operations

The Taskforce on Climate-related Financial Disclosures (TCFD) recommendations are voluntary principles on integrating short to long-term climate risks & opportunities in risk management frameworks based on scenarios that anticipate physical and transitional changes due to climate change. This framework allows for a better understanding of business risks and opportunities that are derived from climate change impacts and greater transparency in companies' climate governance, strategy and performance in mainstream financial reporting.

Siemens Gamesa re-assessed its climate-related risks and opportunities in 2020. A materiality assessment was performed for five key geographic areas to identify specific physical and transitional risks and opportunities. After prioritizing a selected number of risks and opportunities, a scenario analysis was conducted using two climate change scenarios (see figure below): a "rapid low-carbon transition" scenario where strict control over GHG emissions and a rapid transition towards cleaner energy limits average warming by end-century to below 2°C, and also a 'high physical impact' scenario where GHG emissions continue to rise and we see on average 4°C of warming by the end of the century. Where the scenarios revealed a potentially significant risk and/or opportunity to the business, a financial impact assessment was conducted to get a better understanding of what the scale of the impact to SGRE could be.

[34] See: See: Science Based Targets Initiative. Link: https://sciencebasedtargets.org/
[35] See: American Business Act on Climate Pledge. Link: https://obamawhitehouse.archives.gov/the-press-office/2015/12/01/white-house-announces-additional-commitments-american-business-act
[36] See: Paris Pledge for Action. Link: http://www.parispledgeforaction.org/whos-joined/

Figure 21 – Climate scenarios assessed

High physical impact (4° warming)

- **Overview:** GHG emissions continue to rise at current rates, leading to significant physical climate change impacts (rising temperatures, changing precipitation, extreme weather events)
- **Example risks/opportunities:** Increased frequency of extreme weather events (wind patterns, floods, tropical cyclones, heat waves) causing prolonged periods of outage, frequent supply chain disruption or even rising premiums

Rapid transition (below 2C° warming)

- **Overview:** Aggressive climate policies from governments and action led by businesses and individuals leads to drastic cuts in global GHG emissions (halving by 2050), helping to limit physical climate change impacts
- **Example opportunities/risks:** Policy incentives for the renewable energy sector and higher carbon prices could lead to a significantly higher demand for renewable energy incl. wind power

Figure 22 – Scenario 1: Potential risks and opportunities within "Rapid low-carbon transition"

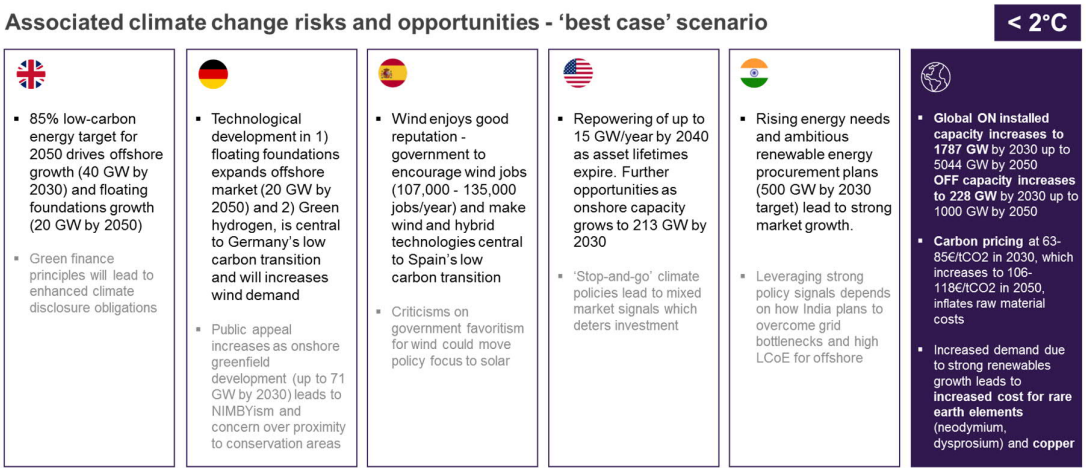
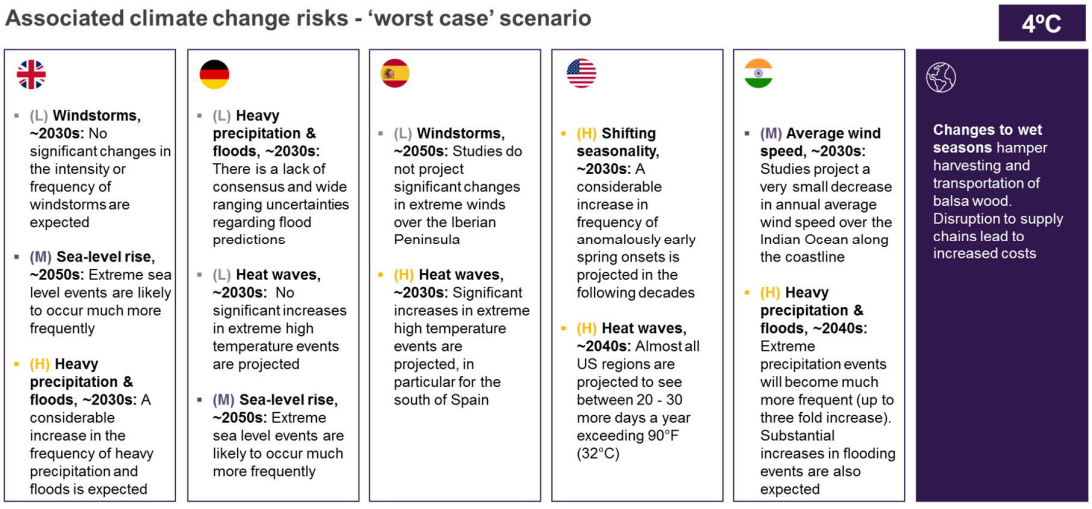


Figure 23 – Scenario 2: Potential risks and opportunities within "High physical impacts"



The **'rapid low carbon transition' below 2°C scenario** offers significant opportunities to Siemens Gamesa in relation to the expansion of onshore and offshore wind markets globally, as well as for the development and expansion of clean technologies such as green hydrogen and floating offshore wind. In addition, this scenario suggests various policy and social benefits from Siemens Gamesa's ability to encourage policymakers and other public authorities to adopt more ambitious targets and regulatory frameworks to support the expansion of renewable capacities and employment opportunities around the world. However, the below 2°C scenario also suggests that there are some important risks for Siemens Gamesa regarding the demand for raw materials, such as concrete, steel and rare earth elements and its supplier's ability to keep pace with technological developments in a sustainable way. Furthermore, carbon pricing of key raw materials, an increased risk of 'NIMBYism' with larger turbines and greenfield expansion and competition with the maritime industries (fisheries and O&G sectors) are other identified risks.

The **'high physical impact' 4°C scenario** mainly suggest risks to Siemens Gamesa such as acute and chronic weather conditions – particularly changes in wind speeds or patterns–, extreme temperatures, large seasonal differences and variations in precipitation that cause floods or droughts. The physical risks thus identified tend to be high impact but low likelihood events which result in comparatively low annualized risk levels affecting specific sites (factories or wind farm assets) and/or operations.

The risks and opportunities thus identified are assessed in accordance with TCFD guidelines. Siemens Gamesa is on the path towards integrating the risks and opportunities identified into its business strategies and risk management processes. By fully adopting the TCFD framework, the company will enhance its governance over existing commitments like the SBTi and also mitigate climate-related risks and exploit climate-related opportunities, which will consequently strengthen confidence among its shareholders and customers.

C2.3 Net-zero carbon emissions strategy

[L11-M15] In 2018 Siemens Gamesa pledged to becoming carbon neutral by 2025. Several motivating factors encouraged this decision such as the need to adapt to changing market landscapes and to leverage new opportunities, the growing climate awareness by our management and employees as well as the anticipation of future climate regulations and carbon prices. Carbon neutrality in Siemens Gamesa has to date, included measuring, reducing and/or offsetting the CO_2 generated directly or indirectly by the company.

Siemens Gamesa became carbon neutral at the end of 2019, five years ahead of schedule. This accomplishment is a major milestone and was attained by a combination of reducing and/or offsetting the CO_2 generated directly or indirectly by the company. In this fiscal year 2020, Siemens Gamesa widened its ambitions and incorporated a **long-term target of achieving net-zero emissions by 2050**. Net-zero means zero absolute emissions without the use of any kind of offsetting. Another new strategic focus was established for our Scope 3 emissions, which were previously excluded from the original carbon neutral strategy. Scope 3 emissions are indirect emissions generated by our value chain, so Siemens Gamesa will engage further with our key suppliers to encourage them to reduce their Scope 1 and Scope 2 emissions that the products and services they supply to us.

The global roadmap for meeting this commitment now involves six emission reduction levers which are shown below.

Table 45 - Siemens Gamesa's global roadmap to Net-zero carbon emissions

Energy reduction and efficiency measures
Siemens Gamesa will continue to make reductions and implement energy efficiency measures related to their operations across production facilities and project sites. We are currently investigating total costing methods (CAPEX and OPEX) related to energy efficiency in new factories. For more detailed information around energy reductions refer to the Environmental successes in fiscal year 2020 and Energy use section.

Electricity supply from renewable energy-based sources
Siemens Gamesa continues to transition its electricity supply towards renewable sources. Previously, 62% of our energy was renewable in countries where the company has a strong manufacturing footprint – mainly Spain, Denmark, Germany and the United Kingdom. We increased this share to 100% (99.9%) in this fiscal year. This was achieved by purchasing green renewable certificates that guarantee that the electricity has been generated from a renewable energy source. We continue to assess the cost and feasibility of implementing additional renewable energy generating technologies directly at our own facilities.

Green mobility plan to reduce fleet emissions
Siemens Gamesa has implemented an Employee Mobility & Transport Benefits Policy. Its purpose is to establish a framework for all Siemens Gamesa entities worldwide to govern the implementation of local country specific mobility and transportation policies. The policy sets requirements for management benefit cars, including a decreasing set of CO_2 limits over the next three years, a ban on certain vehicle types and explicit preference to the use of electric vehicles as the preferred option for internal transportation. The policy also addresses how employees can reduce their CO_2 footprint, either using greener vehicles or alternative transport and work modes e.g. car sharing, cycling, public transit, home office, work/commute times. The company is currently implementing this policy, which will support in reducing the Company's Scope 3 (Indirect) GHG emissions. Combined with this, Siemens Gamesa is starting the transition of its existing operational fleet which includes material handling vehicles and service vehicles. Transitioning to these low-carbon alternatives will support in reducing the company's Scope 1 (Direct) GHG emissions.

Offset of non-avoided emissions through compensation projects
Where we cannot reduce or transition our energy, Siemens Gamesa will compensate for the non-avoided emissions by investing in environmental projects which aim to reduce future emissions to balance our carbon footprint. We are currently investigating in Clean Development Mechanism (CDM) projects and sink projects involving reforestation actions that could contribute to offsetting our greenhouse gas emissions. The wind power project Bii Nee Stipa[37] in Oaxaca, Mexico, was registered as a Clean Development Mechanism (CDM) under the United Nations Framework Convention for Climate Change (UNFCCC). This project generates Certified Emission Reductions (CER) for Siemens Gamesa that are used to offset GHG emissions. In fiscal year 2020, Siemens Gamesa voluntarily cancelled 27,910 CERs[38] where Siemens Gamesa did not yet eliminate emissions.

37 UNFCCC CDM: Project 0107: BII NEE STIPA. Link: https://cdm.unfccc.int/Projects/DB/AENOR1129213791.04/view
38 See Voluntary cancellation certificate at: https://cdm.unfccc.int/Projects/DB/AENOR1129213791.04/iProcess/RWTUV1412839682.5/Forwarding/Anonymous1604333906.49/viewAttestationLetter

Employee awareness campaigns and idea management

Siemens Gamesa launched several communication campaigns to share best practices across the organization and to encourage employees to make additional environmental improvements in both their private and work lives. Most notably, the company organized a challenge in the first quarter which all Siemens Gamesa employees could take part in and compete on who could save the most CO_2 during a 10-day period. The 462 participants who took part managed to record actions that saved a total of 19 tons of CO_{2eq}, diverted 920 kg of waste and saved 164,000 liters of water during the challenge. To acknowledge the efforts made by all the challenge's participants, Siemens Gamesa donated a CO_2-offset equivalent to the ~19,000kg of CO_2 avoided during the challenge. Siemens Gamesa will continue to engage with its employees in awareness-raising campaigns and look into other ideas for further CO_2 reduction initiatives.

Engagement across the value chain

Since over 80% of the carbon footprint of Siemens Gamesa's wind turbines takes place in its supply chain, the company acknowledges its responsibility in promoting a green transition across the value chain beyond its direct control by encouraging Scope 3 emissions reductions. The first steps have already been taken to strengthen collaboration with suppliers to achieve these targets, including the launch of a supply chain development program in early 2019 aimed at increasing collaboration with Siemens Gamesa's tower suppliers and motivating any suppliers which might not have progressed as much in their decarbonization efforts as others, thereby finally reducing these suppliers' environmental impact.

C2.4 Science Based Targets Initiative (SBTi)

[L11-M16] The Science Based Targets Initiative (SBTi) is an initiative between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, the World Wildlife Fund for Nature and the We Mean Business Coalition. The SBTi encourages companies to set carbon emissions reduction targets at a level necessary to meet the 1.5/2°C compared with preindustrial temperatures set in the Paris Climate Agreement. Siemens Gamesa committed to the SBTi as the first renewable energy manufacturer in September 2018 [39] and reaffirmed its commitment to the initiative by becoming a signatory of the United Nation's Business Ambition for 1.5°C campaign in the lead up to COP26 in December 2019[40] .

Ten months after becoming carbon neutral, the SBTi verified that Siemens Gamesa's emission reduction strategy is aligned with what climate science estimates necessary to meet the 1.5°C trajectory[41]. The company joins a group of 430 other global organizations who have had their targets approved by the SBTi, where only about 150 have targets consistent with meeting the most ambitious 1.5°C scenario.

39 See: Siemens Gamesa announces formal commitment to SBTi. Link: https://www.siemensgamesa.com/en-int/newsroom/2018/09/20180917-commitment-to-science-based-targets-initiative

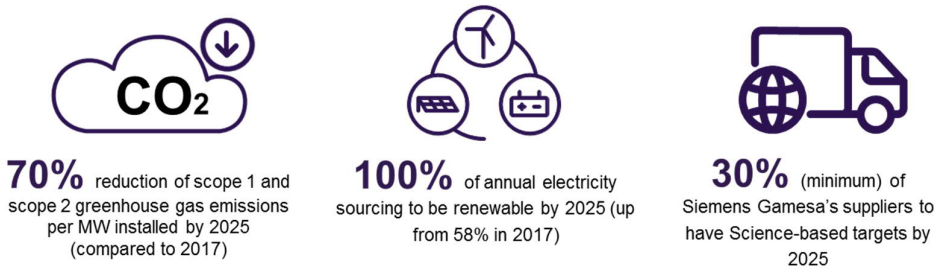
40 See: Siemens Gamesa reaffirms pledge to meet UN's climate targets for Industry COP25. Link: https://www.siemensgamesa.com/en-int/explore/journal/2019/12/siemens-gamesa-cop25-pledge-compromise

41 See: Reaffirming its commitment to a zero emissions future: Siemens Gamesa's climate targets verified by SBTi. Link: https://www.siemensgamesa.com/en-int/explore/journal/2019/12/siemens-gamesa-cop25-pledge-compromise

Siemens Gamesa has set targets for the next five years until 2025 in an effort to meet its net-zero goal by 2050, which include:

- Reducing scope 1 and scope 2 greenhouse gas emissions by 70% per MW installed (compared to 2017)
- Increasing the annual sourcing of renewable electricity to 100% (up from 58% in 2017)
- 30% of Siemens Gamesa's suppliers by spend covering purchased goods and services and transportation and distribution will have science-based targets by 2025

Figure 24 – Siemens Gamesa approved SBTi targets to 2025

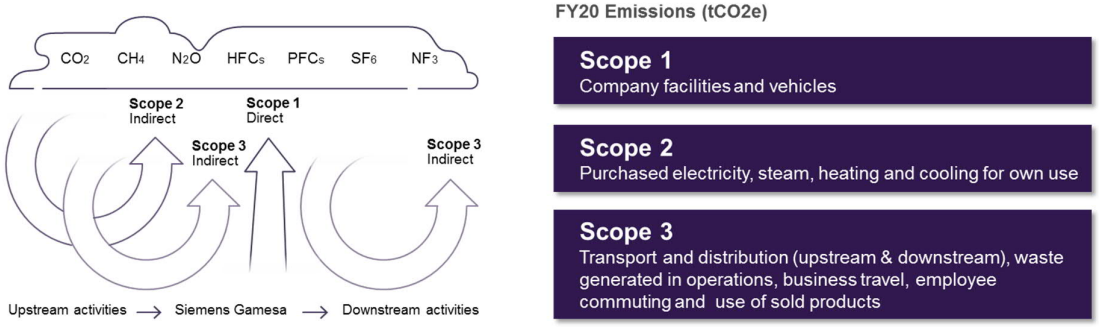


The Science Based Targets initiative has verified that our emission reduction targets are meeting the most ambitious 1.5°C scenario:

C2.5 Verified GHG emissions report

Since Siemens Gamesa is committed to transparent science-based communication, we monitor and report our progress along the path to carbon neutrality and net-zero carbon emissions by issuing an annual GHG emissions report in accordance with the GHG Protocol and the requirements set by the ISO 14064-1 standard. In addition, our GHG emissions report is verified by an independent third party according to the ISO 14064-3 standard with a limited assurance scope pursuant to the ISAE 3410 standard.

Figure 25 – Siemens Gamesa's Greenhouse gas emissions inventory



C3. Sustainable use of resources

Siemens Gamesa's environmental management model is based on the principles of improving environmental performance and establishes a common framework for action that facilitates the coordination of the various environmental management systems of each of the business units and in all geographic areas. This model addresses the determination of environmental aspects from a lifecycle perspective and the identification of risks and opportunities as a way to accomplish improvement.

The company's environmental management systems identify, assess and minimize any possible negative impacts of the company's carbon and other atmospheric emissions, in addition to their noise and light impact, raw material consumption, waste, water usage and spillage, and chemical product management, while at the same time maximizing their positive impacts.

Siemens Gamesa's environmental management systems are verified and certified by independent entities accredited according to the international ISO 14001 standard.

C3.1 Use of materials

[L11M11] [301-1] The company’s procurement of raw materials in 2020 stood at 1,424 thousand tons, mostly including core, resin and process materials, bearings and lubricants. Other relevant materials include tower production, hydraulics, castings and other materials.

Table 46 – Top key commodities & materials used by weight

FY19	tons	FY20	tons
C-parts	386,237	Core, Resin & Process Materials	380,086
Towers - Conversion	156,212	Bearings & Lubrication	361,236
Blades - Resin & Structural Adhesive	153,940	Tower Production	156,212
Blades - Paint & Adhesive	143,678	BUY & BtP Blades	63,019
Blades - Composites	91,404	Hydraulics & Cooling	54,603
Castings	53,639	Castings	54,496
Blades - Core Material Balsa	53,052	Glass Fabrics & Carbon Materials	51,146
Blades - BUY	39,596	C-parts	44,092
Blades-Plastic,Metal parts & Lightning	34,964	Large Steel Fabrications	43,889
Electricals	33,764	Fasteners	41,095
Blades - Material Filters & Flow Kits	32,187	Generators & Segments	27,895
Bearings	27,134	Small Steel parts	25,336
Blades - BTP	23,422	Internals	15,458
Large Steel Fabrication	22,033	Transport & Lifting Equipment	15,260
Small Steel parts	19,417	Gearbox	14,437

C3.2 Energy Use

[L11M12] [302-1] Energy consumption within Siemens Gamesa is systematically monitored, for all significant Group locations (production facilities, buildings, project sites and offices belonging to Siemens Gamesa and accounting for 95% of the energy consumption, excluding energy consumption from contracted companies). The energy consumption is calculated by adding up the following items:

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

Energy consumption monitoring is set out in our internal procedure on environmental monitoring and applies to all of Siemens Gamesa. The procedure defines the criteria to ensure the monitoring of all significant locations and units, as well as the cut-off criteria that have been set. Hence, monitoring scope includes 95% of total energy consumption at minimum. There is a clear overview of the locations as regards the scope of monitoring and each data type is defined in detail to ensure the data is recorded consistently across all countries and locations. Energy consumption data is recorded in Sphera on a monthly basis after its acceptance by several input units. All records are then converted to GJ, which is the company's standard value.

Total internal energy consumption amounted to 1,201,637 gigajoules (4% lower than in 2019) in the reporting period. Hence, the figure for energy consumption per employee and year could be estimated to 46 GJ/employee in FY20. Natural gas is the most relevant primary energy source, representing 60 % of the total primary energy demand.

[L11M13] Total electricity consumption for the reporting period amounted to 655,497 GJ, of which the share of renewable electricity amounted to 99.9%. Siemens Gamesa's electricity consumption is now covered by Energy Attribute Certificate (EACs), which ensures that the origin of the electricity is from renewable sources. Additional to that, Siemens Gamesa owns wind and solar assets, that generated more than 390,000MWh of electricity in fiscal year 2020, which is more than double our in-house consumption making Siemens Gamesa a net-producer of renewable electricity. Said assets are located in Spain, Denmark, India and United States.

Table 47 - Energy use (absolute figures)

(Gigajoules-GJ)	FY18	FY19	FY20
Primary energy	**386,459**	**454,549**	**471,800**
Natural gas + Bio natural gas	243, 458	233,694	283,089
Heating Fuel	85,029	5,046	3,845
Gasoline/Diesel	39,579	188,457	159,383
Liquefied petroleum gas	18,213	27,352	25,484
Secondary energy	**663,138**	**801,386**	**729,838**
Electricity from standard fuel combustion sources	160,829	271,933	587
Electricity from renewable sources	402,986	434,958	654,910
District heating	99,323	94,495	74,341
Total Energy use	**1,049,597**	**1,255,935**	**1,201,637**

Table 48 - Energy intensity

	FY18	FY19	FY20
Total energy intensity (GJ/MW installed)	**168**	**127**	**137**
Primary Energy intensity (GJ/MW installed)	62	46	**54**
Secondary Energy intensity (GJ/MW installed)	106	81	**83**

Figure 26 – Energy use (TJ) absolute

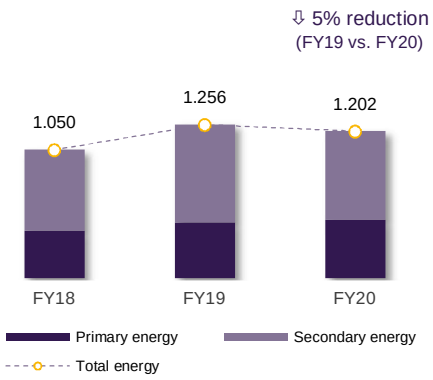
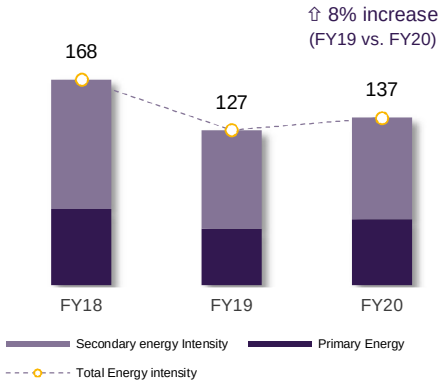


Figure 27 – Energy intensity (GJ/MW)



C3.3 Greenhouse gas emissions (GHG)

[L11-M06] Siemens Gamesa measures its direct and indirect emissions on an annual basis according to the requirements set forth in ISO 14064-1. The GHG emissions inventory is then published in our GHG emissions report, which is verified by a third party and made externally available. The Company's total emissions of $CO_{2\text{-eq}}$ under Scope 1 and Scope 2 amounted to 27,910 tons CO2-eq (70,698 in FY19) during the reporting period.

Table 49 - Total GHG emissions

(t CO2-eq)	FY18	FY19[42]	FY20
GHG emissions scope 1	22,865	26,437	26,053
GHG emissions scope 2	38,502	44,261	1,857
Total GHG emissions	**61,367**	**70,698**	**27,910**

Table 50 - GHG emissions intensity

	FY18	FY19	FY20
Emissions intensity (tCO_2/MW installed)	**9.8**	**7.1**	**3.2**
Scope 1 intensity (tCO_2/MW installed)	3.7	2.7	**3.0**
Scope 2 intensity (tCO_2/MW installed)	6.2	4.5	**0.2**

[305-4] GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other internal-specific metric. In the case of Siemens Gamesa, the most representative is the number of installed megawatts. For the reporting period, the combined intensity ratio for direct (Scope 1) and indirect (Scope 2) GHG emissions was 3.2 $tCO_{2\text{-eq}}$ /MW.

[42] This information has been updated with respect to the information previously disclosed due to the preparation process of this Consolidated Non-Financial Information Statement of 2020 and its certification.

Figure 28 – Total CO_2 absolute emissions

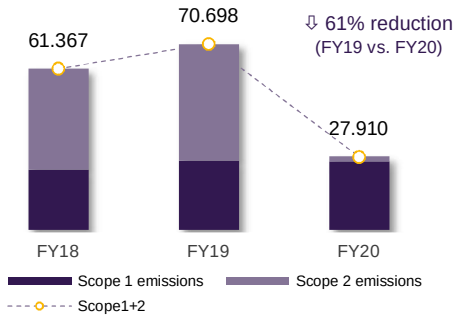
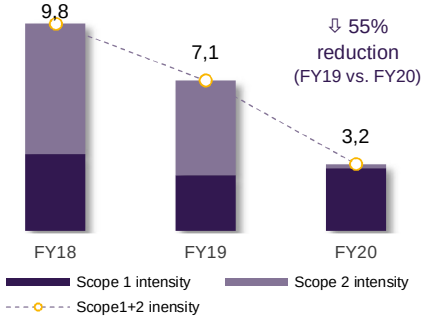


Figure 29 – Emissions intensity (tCO_2/MW)



Scope 1 (direct) emissions

[305-1] Direct greenhouse gas emissions (Scope 1) arise from sources in the company's ownership or under its control. It includes emissions generated by the combustion of materials to generate heat. In addition, chlorofluorocarbon substances (CFCs) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the atmosphere. The presence of these substances at Siemens Gamesa is marginal and found mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation. During the reporting period, Scope 1 emissions amounted to 26,053 tCO_{2eq}. (26,437 tCO_{2eq} in FY19, representing a 2% reduction year on year).

Scope 2 (indirect) emissions

[305-2] Indirect greenhouse gas emissions (Scope 2) refer to the consumption of purchased electricity and district heating. In order to calculate the indirect emissions produced by consuming electricity, specific emission data from the supplier is preferentially used. If said data is unavailable, country-specific conversion factors are used. During the reporting period, Scope 2 emissions amounted to 1,857 tCO_{2eq} (44,261 tCO_{2eq} in FY19, which represents a 96% reduction). Electricity supply at locations having a strong manufacturing footprint, such as Spain, Denmark, Germany and the United Kingdom, led the way and had gone green. Siemens Gamesa's renewable electricity ratio has been steadily rising from 58% in fiscal year 2017, 61% in fiscal year 2018 and 62% in fiscal year 2019 to reach almost 100% in fiscal year 2020. The conversion of our annual electricity consumption amounted to almost 650 Gigajoules, all of which was generated by renewable sources. Siemens Gamesa avoided emissions of approximately 42,000 tCO_2 and reduced its carbon footprint on an annual basis accordingly.

Scope 3 (other) emissions

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions. This calculation includes transportation and distribution (marine diesel oil for vessels), disposal of waste generated in operations, use of sold products, business travel (air travel, rail travel) and employee commuting. During the reporting period, Scope 3 emission amounted to 516,853 tCO2-eq (71,824 tCO2-eq in FY19). Increase between FY19 and FY20 is due to the addition of jet fuel from Offshore and the addition of information from the Onshore business. More specifically, information from FY19 includes Offshore marine a diesel use, while FY20 data includes Offshore and Onshore including marine fuel, Offshore jet fuel and Onshore road fuel.

Table 51 - Scope 3 emissions

(t CO2-eq)	FY18	FY19	FY20
GHG emissions Business Travel	n.a.	9,739	5,101
GHG emissions Disposal of waste	n.a.	3,061	10,666
GHG emissions Employee commuting	n.a.	4,841	3,041
GHG emissions Marine operations	n.a.	54,183	498,045
GHG emissions Use of sold products	n.a.	0	0
SGRE GHG scope 3 emissions total	n.a.	**71,824**	**516,853**

C3.4 Other atmospheric emissions

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

Volatile organic compounds (VOC) contribute to the formation of ozone close to the earth's surface and are responsible for what is known as summer smog. These organic compounds are used by Siemens Gamesa as solvents in paints and adhesives, in impregnation processes and for surface cleaning. The monitoring of VOC emissions is defined by local authorities and can be done either via measures in the exhaust systems or via mass balances calculating the air emission based on the actual consumption and the amounts disposed of as waste. Both methods are accepted in our internal procedure for air emissions management because local legislation are fulfilled. Quantitative measurements are conducted at each air emission source by an authorized third party, where required by the authorities.

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

Table 52 - Atmospheric pollutant emissions

(t)	FY18	FY19	FY20
Volatile organic compounds (VOC)	254	278	231
Ozone depleting substances (ODS)	0	2.4 E-4	1.1 E-5

C3.5 Noise management and control

[L11-M08] The company has implemented operating procedures (PRO-30836) to control the release of air pollutants and ensure legal obligations are met. Documentation is recorded and filed properly. These processes set minimum requirements for the management and control of external noise.

In order to ensure that a local production facility is abiding by the local noise limit as set forth in the environmental permit, the noise level of a specific process or equipment is measured. Maintenance or technical departments must be aware of local legal requirements on noise and react if any equipment or vehicles exceed permitted noise levels. This also applies to external suppliers. When purchasing new equipment (ventilation systems, forklift trucks, production equipment, etc.), noise level specifications are considered along with other technical specifications. The HSE functional areas assess noise by measuring the overall noise level in order to ensure compliance with the legal requirements set forth the environmental permit. When designing new processes or changing existing processes, noise level specifications are considered and the local HSE functional area makes consultations to ensure the change is allowed under the environmental permit.

C3.6 Waste management

Environmental impacts from Siemens Gamesa's waste depend on the waste types generated and the waste treatment methods chosen. Our waste performance indicators address absolute reductions in waste and waste treatment improvements according to the waste hierarchy.

Waste generation and management are governed by our internal waste management procedure, which applies globally across Siemens Gamesa. The procedure differentiates hazardous and non-hazardous waste, provided it is generated by our production facilities and project sites. Waste generation is recorded from all significant locations on a monthly basis.

Waste records are additionally divided into recyclable waste, which in turn is divided into waste for reuse, waste for recycling and waste for recovery, including energy recovery, along with waste for disposal or landfill.

In addition to stating the way for properly recording of all different kinds of waste, the procedure also sets requirements for local waste management plans and for waste segregation, labelling and storage to ensure there is no contamination from potential spills, while the same time ensuring proper waste disposal.

The total volume of waste amounted to 68,311 t in the reporting period (58,506 in FY19). The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:6, and the waste overall recycling rate was 72%.

Table 53 - Waste production

(metric tons)	FY18	FY19	FY20
Hazardous waste | Recyclable	1,892	4,413	4,215
Hazardous waste | Non recyclable	2,112	3,686	5,839
Non-Hazardous waste | Recyclable	31,006	40,605	44,686
Non-Hazardous waste | Non-recyclable	12,795	9,802	13,571
SGRE Group Total waste	**47,805**	**58,506**	**68,311**

Waste intensity (t/installed Mw)	FY18	FY19	FY20
SGRE Group Waste intensity	7.7	5.9	7.8

Figure 30 – Total waste (t) and type

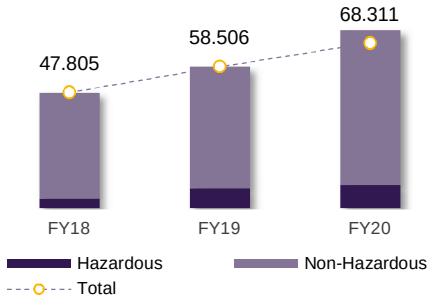


Figure 31 – Total waste intensity (t/Mw)

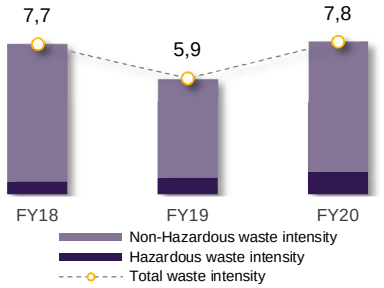


Figure 32 – Total waste (t) by nature

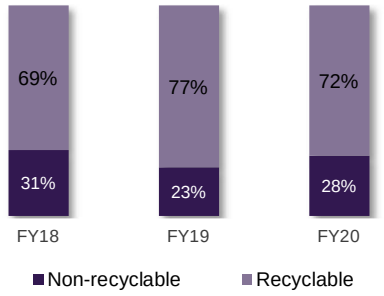
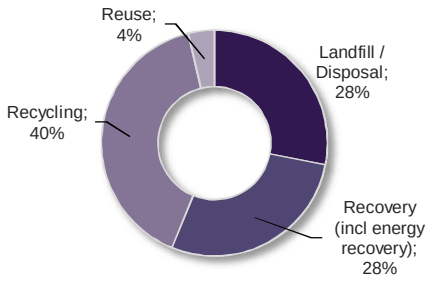


Figure 33 – Waste destination in fiscal year 20



C3.7 Water management

[L11M10] [303-1] Water consumption at Siemens Gamesa is mainly produced at manufacturing centers, where the best practices available are used to reduce water withdrawal and consumption and to include reused water in production processes. Work is also being done on lowering environment impact by avoiding water withdrawal in water-stressed areas. Moreover, the company is focusing on making efficient and responsible use of sanitary water at offices and buildings.

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

Total water consumption in the period amounts to 522,530 cubic meters (22% less than in FY19). During fiscal year 2020, a total of 19,740 m3 of recycled water was used. This includes a total of 16,945 cubic meters (9,854 m3 in FY19) of recycled water treated internally.

Table 54 - Water consumption

(cubic meters)	FY18	FY19	FY20
Fresh water	428,835	449,550	453,608
Underground water	6,673	89,693	40,984
Ground and surface water for cooling purposes (*)	10,130	127,115	25,142
Recycled water from external sources	n.a.	394	2,795
SGRE Group (**)	**445,638**	**666,753**	**522,530**

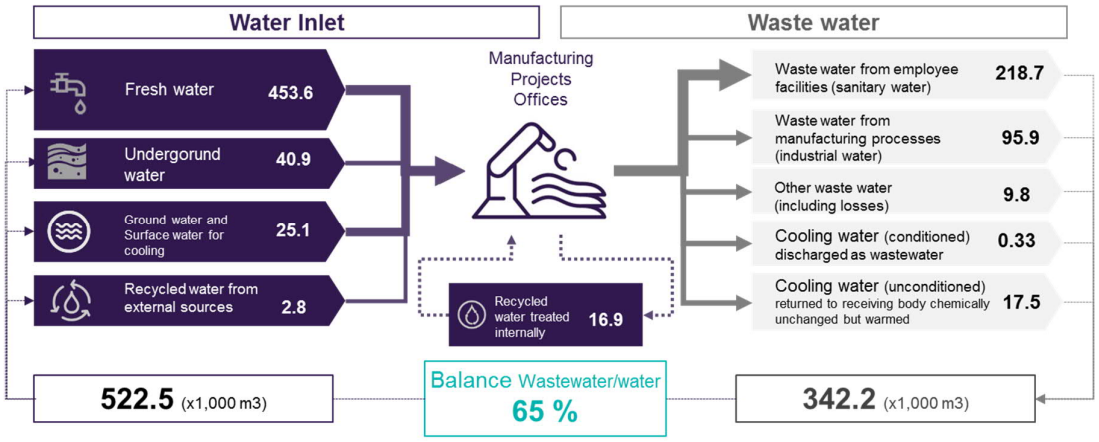
(*) returned to receiving water body chemically unchanged, but warmed.
(**) Excluding recyled water treated internally

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

- withdrawals which amounted to more than 5% of the total annual average of any water mass
- withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or otherwise, a threatened or endangered system that shelters protected plants or animals

- withdrawals from Ramsar wetlands or from any other local or international protected area. All withdrawals of water are strictly regulated by public administrations, which grant permits and set the maximum withdrawal volumes allowed to ensure no significant impacts occur.

Figure 34 – Water balance FY 2020



The volume discharged at the end of the reporting period amounted to 342,227 m^3. Most of effluents discharged are linked to the use on manufacturing processes.

Table 55 - Wastewater produced

(cubic meters)	FY18	FY19	FY20
Wastewater from employee facilities	139,011	121,080	218,691
Wastewater form manufacturing processes	220,819	164,640	95,933
Other wastewater (incl.losses)	81,216	0	9,778
Cooling water (unconditioned) discharged as wastewater	0	7,592	17,497
Cooling water (conditioned) returned to receiving water body chemically unchanged, but warmed	10,130	35,245	328
SGRE Group Total waste water	**451,176**	**328,556**	**342,227**

C3.8 Substances

Siemens Gamesa has implemented a global substance management process to ensure the chemical products involved in our activities are used in a safe and environmentally sustainable way. The process is set out in our internal substance management procedure. The procedure applies to wind turbine design and development, procurement, materials handling, transport and component imports/exports. It also applies when chemical product or component waste is handled during wind turbine manufacturing, assembly, installation and servicing. Furthermore, the procedure establishes requirements for the chemical products used in the work performed by third parties under Siemens Gamesa's responsibility.

The procedure (PRO-18811) sets forth an assessment process which covers all requests made for the usage of new chemical products at Siemens Gamesa. The assessment process is conducted by several internally trained employees who assess the request against Siemens Gamesa's approved List of Prohibited Products and its approved List of Restricted Products. Prohibition or restriction criteria are defined based on the chemical products' hazard classification. Existing products are assessed on an annual basis and phase-out plans are implemented for existing products when they meet prohibition criteria.

C3.9 Environmental incidents

Spills

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

A total of 1,042 spills were recorded in 2020, of which 535 were contained and another 507 affected either water or soil to some degree. None of these spills required any exceptional corrective measures.

Other environmental incidents

In addition to spills, we registered other 3,072 minor environmental-related incidents in relation to:

- Biodiversity impact (153)
- Environmental non-conformance (368)
- Fire, smoke, explosion (114)
- Another environmental incident (1,551)
- Stakeholder complaint (noise, smell, dust) (362)
- Weather or natural disaster (flood, winds...) (524)

Fines and non-monetary sanctions

There were no significant non-conformances or stakeholder complaints in 2020 involving reports made to the authorities which were related to the environment. Likewise, Siemens Gamesa did not pay any significant fines or penalties for environmental or ecological issues. Significant fines or penalties are defined as those exceeding $10,000 USD (or its equivalent when converted from a local currency).

C3.10 Product recycling

[L11-M07] Siemens Gamesa works continuously on improving the end-of-life phase. For example, we offer extended lifetimes regarding both design and the lifetime extension programs. Alternative materials such as recyclable resins are also being investigated to improve the recyclability of composite rotor blades. Modular wind turbine design is also an environmental benefit since it eases dismantling and optimizes waste treatment methods.

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

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

As a member of the European Technology and Innovation Platform on Wind Energy (ETIPWind) Siemens Gamesa contributed to the publication 'How Wind is Going Circular'[43] which emphasizes how the EU must prioritize R&I funding to diversify and scale up recycling technologies as part of the next R&I framework program, Horizon Europe. This is critical to Europe's technology leadership as we embark on a global sustainable energy transition.

Siemens Gamesa has likewise been participating in WindEurope's Working Group for Sustainability since its inauguration in 2016. Composite blade wastes have been a recurring topic and the members have been jointly looking into potential solutions. WindEurope's members (including Siemens Gamesa), the European Chemical Industry Council (Cefic) and the European Composites Industry Association (EuCIA) submitted their recommendations for the recycling of wind turbine blades in the report entitled "Accelerating Wind Turbine Blade Circularity"[44] in fiscal year 2020.

Siemens Gamesa has also an appointed representative in the WindEurope Task Force on Dismantling and Decommissioning. The Task Force is currently preparing the submission of practical recommendations to the International Electrotechnical Commission (IEC) to define global standards for wind turbine recycling. Harmonizing national standards that apply to the decommissioning of wind turbines will be key to ensuring cost and resource-efficient processes.

Siemens Gamesa is continuously assessing its participation in similar projects, research consortia and networks because it directly supports our HSE strategy, particularly in relation to waste and resource efficiency. Increasing the recyclability of turbine components is high on our agenda and we continuously take part in projects to support the development of a circular economy. Siemens Gamesa advocates for industry-wide international standards on product decommissioning and recycling instead of specific national regulations.

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

The wind industry is still relatively young and is aware of its responsibility of finding a sustainable way to deal with wind turbine components at the end of their lifecycle. Most of wind turbine components can already be recycled (85-90% of total mass). We do, however, acknowledge that wind turbine blades pose a special challenge due to the materials they use and their complex composition. Blade recycling is being approached from an industry perspective. Several industries, including the wind, chemical and composites industries, have joined forces to conduct research on and come up with possible solutions to this issue.

The industry is committed to waste management in line with the waste hierarchy. The first step is prevention of blade waste through reduction and substitution efforts in design. Some examples are: mass reduction, decrease failure rate and lifetime design extension, and design for easy upgrade of existing blade to new versions (segmented / modular blades).

[43] See: How Wind is Going Circular. Link: https://etipwind.eu/files/reports/ETIPWind-How-wind-is-going-circular-blade-recycling.pdf

[44] See: Accelerating Wind Turbine Blade Circularity. Link: https://windeurope.org/newsroom/press-releases/cross-sector-industry-platform-outlines-best-strategies-for-the-recycling-of-wind-turbine-blades/

The industry has identified two alternative ways of processing wind turbine rotor blades that are decommissioned:

- Reuse or repurposing: if applicable, wind turbine blades that are decommissioned are refurbished and sold for re-installation elsewhere. If that is not possible, the blades can also be used as spare parts for similar turbines or else used for alternative purposes such as building structures, where an existing part of a blade is reused for a different application i.e. street furniture, walkways, bike shelters, playground, architectonic use, etc.
- Recycling:
    - Mechanical recycling involves milling, shredding, crushing, grinding and/or separating fiber and resin fractions. The recovered fibers can be used as fillers or in the production of other fibrous products.
    - Thermal recycling involves the application of high temperatures to separate resin from fibers:
    - Incineration (combustion) is a thermal process where the energy content from the resins is used to produce energy (electricity and heat) and the remaining residue (ash/slag) is sent for further waste handling.
    - Pyrolysis and gasification are thermal processes where high temperatures permit the preservation of the fiber materials, which can be used in secondary applications.
    - Chemical recycling such as solvolysis involves solvents and thermal processes to dissolve resin from fibers and permits the preservation of the fiber materials, which can be used in suitable secondary applications.

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

Some of our facilities are fully or partially dedicated to repairing components and putting them back into operation (gearboxes, generators, electrical boards and even blades) to foster progress towards a circular economy with the final aim of achieving cradle to-cradle solutions.

C3.11 Biodiversity

[L11-M17] [L11-M18] Siemens Gamesa products and services use certain natural resources (raw materials, water, fossil fuels and wind) to perform their function, thereby interacting with, and potentially affecting, ecosystems, landscapes and species. For example, this can occur when establishing new facilities or when constructing new wind power plants. Potential impacts to biodiversity can include, for example:

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

Despite these potential impacts on biodiversity, Siemens Gamesa wind projects are constructed in a sustainable way that allows for a balanced coexistence, thus conserving and protecting natural assets, i.e. biodiversity and climate. This respect for biodiversity and ecosystems plays a leading role in the company's business strategy. There are different regulatory and voluntary instruments to achieve a positive net balance in relation to biodiversity and the environment, including:

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

Protected areas and areas of high biodiversity value without protection are generally avoided during the planning stage of new infrastructures. Potential environmental impacts are analyzed through a formal HSE aspects evaluation and by conducting environmental impact assessments beforehand, with measures to correct and minimize the impacts. In case that they cannot be completely mitigated, offsetting measures are taken. Siemens Gamesa has activities in some areas where threatened species included in the IUCN Red List and in other national conservation lists live or could be present. This, however, does not mean that they are affected or threatened by such activities. The identification of species on the IUCN Red List and other species included in national conservation lists which could be affected by Siemens Gamesa's activities is monitored to take the necessary measures to avoid endangering them.

D. Fight agaist corruption and bribery. Respect for Human Rights

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In this section:

- D1. Ethics, Integrity and Anti-Corruption p. 126
- D2. Human Rights p. 134

D1. Ethics, Integrity and anti-corruption

D1.1 Management approach to this material aspect

[103-1], [102-17] Compliance provides the foundation for all our decisions and activities and is the key component of our business integrity. Compliance is not a program; it is the way we conduct business. Hence, preventing corruption, violations of fair competition and other improper business activities take the highest priority at Siemens Gamesa. Our main principle is: “Clean business at the core of clean energy”.

This means complying strictly with all laws and internal regulations and adhering to the principles of ethical business conduct. Compliance is an assurance function which is a permanent and integral part of our business processes. Furthermore, our Business Conduct Guidelines lay the foundation for our internal regulations and give expression to the Siemens Gamesa values, compliance related responsibilities and, hence, is a behavioral framework for all managers, employees, and Managing Board members worldwide.

The company developed unambiguous and binding principles of conduct that guide all our employees and managers worldwide and in their day-to-day activities. These principles are under the three cornerstones: "prevent – detect – respond".

The Siemens Gamesa Compliance Organization holds responsibility for the global governance and implementation of the Siemens Gamesa Compliance System in all areas within (a) Compliance, which covers anti-corruption, antitrust, anti-money laundering, and human rights; (b) Data Protection; and (c) Export Control and Customs.

The Compliance Investigations & Regulatory team is responsible for handling, managing and reporting all compliance allegations and any possible cases involving Siemens Gamesa units and third parties. Furthermore, Siemens Gamesa Renewable Energy offers people the chance of reporting specific information about suspected compliance violations through the Integrity Hotline[45] communication channel. An independent company, Business Keeper AG, is responsible for maintaining and technically administering the Integrity Hotline application, which is stored on secure servers in Germany. The hotline’s contents can solely be examined by Siemens Gamesa Renewable Energy.

The Siemens Gamesa Compliance Organization prioritizes the following topics for FY20 and FY21

- **Prevention**: Raising employee’s awareness of compliance, data protection, export control and customs-related topics through training and communication efforts (such as mandatory training, communication activities, *Tone from the Top* and others).
- **Digitalization** of workstreams to increase efficiency and accuracy (for example, in the area of Compliance Controls, due diligence process, case handling, among others).

D1.2 Compliance system

The company has developed and implemented a robust compliance system to provide the foundation for all our decisions and activities by strictly complying with all laws and internal regulations, as well as ethical business conduct principles. The compliance organization also operates systematic processes and tools to support the effective mitigation of compliance risks. The compliance system is systematically reviewed and evaluated for its effectiveness and is adapted accordingly to changing requirements in regulatory environment and business needs.

[45] See Integrity Hotline. Link: https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=23wd4&language=eng

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.

D1.3 Compliance organization

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

Management: Overall responsibility for compliance lies with the Management of Siemens Gamesa and the Managing Directors/Heads of the individual Siemens Gamesa units. They remain responsible, even if they delegate tasks. They act as role models in matters of compliance and integrity and ensure that all employees act in accordance with the law and with Siemens Gamesa regulations. All Compliance Officers are requested to provide appropriate guidance for managers to fulfil their duties in accordance with local law.

Board of Directors: The Board of Directors, as Siemens Gamesa's highest decision-making body, is ultimately responsible for compliance in the company.

Audit, Compliance and Related Party Transactions Committee (ACRPTC): The Committee is an internal body of the Board of Directors which is characterized by its permanent, informative and consultative nature. It holds reporting, counselling and proposal powers.

Compliance Organization: The compliance organization holds responsibility for the global governance and implementation of the company's compliance system in all areas within (a) compliance, which covers anti-corruption, antitrust, anti-money laundering and human rights; (b) data protection; and (c) export control and customs.

Chief Compliance Officer: The Chief Compliance Officer is an internal position of an independent and permanent nature. The person who holds the position heads the Siemens Gamesa Compliance Organization and reports to the Audit, Compliance and Related-Party Transactions Committee, as well as to the Executive Committee. The Chief Compliance Officer regularly and systematically reviews and assesses the effectiveness of the Compliance System and determinates the resources and budget of the Siemens Gamesa Compliance Organization subject to the Audit, Compliance and Related-Party Transactions Committee and Board of Directors' approval.

Compliance advisory team: The Compliance Advisory team defines and implements the framework of compliance rules, policies, and procedures based on laws and regulations. Said framework determines the overall direction and performance of the business. The Compliance Advisory team is made up of Compliance Experts and Regional Compliance Officers.

Compliance Investigations & Regulatory: The Compliance Investigations & Regulatory team is responsible for handling, managing and reporting all Compliance allegations and any possible cases involving Siemens Gamesa units and third parties.

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

Data Protection: The Data Protection Department holds responsibility for Siemens Gamesa's Data Protection strategy, worldwide implementation of the Binding Corporate Rules ("BCR"), as well as for advising on, clarifying and the further handling of data protection incidents and requests connected with the handling of personal data. The Data Protection team has implemented the necessary policies and procedures in order to implement the processes and tools required to comply with the EU General Data Protection Regulation ("GDPR")[46] and other local data protection local laws.

This includes the implementation of different measures to achieve compliance. The Data Protection Department is supported by the Data Protection Network consisting of Data Protection Officers, Data Protection Managers and Privacy Champions. The main focus is to comply on (1) records (completion and updating the descriptions of all processes/tools involving personal data for all SGRE legal entities; (2) Privacy Impact Assessments ("PIAs") (conducting risk assessments on processes with a high potential for violations of individuals' fundamental rights and freedoms; (3) breaches (implementing procedures to ensure that incidents are reported immediately); and (4) data subject requests (inquiries by employees or external workers about the handling of their personal data).

Export Control and Customs (ECC): The ECC Department forms part of the Compliance Organization and holds responsibility for the global governance of all ECC activities, which include applicable regulatory guidance, regional governance and coordination, along with external relations and reviews. The overall mission of the ECC Department is to ensure and facilitate legitimate trade, realize local revenues and protect our business activities, which has been defined as ensuring export control and customs compliance. This mission is being achieved by setting up a Global Corporate ECC Functional Area at headquarters and by introducing lean best-in-class policies, principles and IT solutions.

The Strategic Operating Plan for CO ECC is focusing on both central and regionalized implementation by using specialized full-time employees for governance, export control and customs, and partnering with outsourced business partners for trade compliance support and customs broker management. The management model is based on the following principles:

- General and Export Control processes to ensure compliance with rules and regulations and to put an effective trade compliance system and organization in place,
- Central export control and customs classification function globally,
- Integrate the "Project Partner Concept" (ECC Single Point of Contact throughout the value chain) into all Business units,
- Comprehensive broker management and monitoring tool to effectively connect, manage and monitor customs brokers.

[46] 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: https://ec.europa.eu/info/law/law-topic/data-protection_en

D1.4 Policy framework

Business Conduct Guidelines

The Business Conduct Guidelines [47] (BCGs) define Siemens Gamesa's attitude to responsible business conduct and how we shape the joint action needed. They also describe what Siemens Gamesa stands for and how the company fulfills its responsibilities as an employer, in our markets, in society and towards the environment. The BCGs must be fully implemented within Siemens Gamesa Group and our employees must comply with it in its entirety.

Compliance handbook

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

D1.5 Anti-corruption

[L11-C01] Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights or undermining the rule of law, among others. The company has provided regulation on many aspects related to possible corruption practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust.

- Gifts and hospitality: Even though in many cultures, gifts and hospitality are important in developing and strengthening business relationships, all benefits given to third parties must be in accordance with local law, the Business Conduct Guidelines and Compliance Handbook.
- Sponsorships, donations, charitable contribution, and memberships: Each planned sponsorship, donation, charitable contribution as well as membership must undergo certain rules and strategic directions for making such contributions which are set out in the principles related to these activities governed by Siemens Gamesa's Corporate Affairs department.
- Business partners: Siemens Gamesa enters into business relationships with many third parties every day and, in certain circumstances, we may be held liable for the actions of certain third parties which Compliance refers to as "Business Partners". Before establishing a specific relationship with Business Partners, Siemens Gamesa must take steps to create transparency and ensure that the relationship is responsibly evaluated and managed. That is whey Compliance Due Diligence (CDD) must be conducted, and mandatory contract provisions need to be included in the contract. Examples of business partners subjected to a CDD and to contract provisions are (1) intermediaries, such as sales agents, business consultants and lobbyists, (2) resellers and distributors, (3) consortium partners and (4) land developers.
- Facilitation payments and payments under duress: A facilitation payment is the payment of a minor sum of money or any other contribution to a (usually low-ranking) government official for their own personal benefit in order to speed up the processing of a routine governmental action. In general, facilitation payments are prohibited and can be prosecuted.

[47] See Business Conduct Guidelines Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/business-conduct-guidelines.pdf?la=en-bz&hash=5BA4D8D75510EFE1D79692A8C3878D8F97640FC6

- High risk payments: The high-risk payment process aims to prevent and mitigate compliance-related risks, particularly corruption risks, related to certain types of payments and payees.
- Customer projects: During all stages of a project or bid preparation, compliance-related risks may arise and need to be mitigated. Siemens Gamesa Sales/Project Managers hold overall responsibility for ensuring appropriate identification of compliance risks throughout the entire project lifecycle and their adequate mitigation. A Compliance and Security (CoSECC) check include anti-corruption, anti-money laundering and human rights. It is part of the Sales Business Approval (SBA) process, an internal approval process for all projects including the development of wind farm opportunities established by Siemens Gamesa.
- Compliance in procurement: Identifying and mitigating compliance risks in procurement at an early stage is one of the goals of the Siemens Gamesa supplier selection, qualification and auditing processes. The company also expects its suppliers and business partners to share Siemens Gamesa' values and comply with all applicable laws as laid down in the "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries".

D1.6 Anti-trust

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

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

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

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

D1.7 Anti-money laundering and prohibition of terrorism financing

[L11-C02] Siemens Gamesa does not tolerate money laundering and terrorist financing. All employees are obliged to abide by all laws and regulations aimed at preventing, detecting and reporting money laundering, terrorism financing and related criminal activities.

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

The Siemens Gamesa Anti-Money Laundering (AML) module is one of areas of the Siemens Gamesa Compliance System and aims to create a high level of transparency in business conducted with third parties (Counterparts) and in particular includes:

- Performance of specific due diligence including Siemens Gamesa's "Know Your Counterpart" (KYC) process, where obligatory according to local law or where appropriate based on a Siemens Gamesa internal AML risk assessment,
- Monitoring procedures in view of potentially suspicious business relationships and forms of payment, and,
- Reporting of suspicious transactions or suspicious behavior of any business counterpart to the local authorities.

D1.8 Performance in 2020

Training

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

Employees who, due to the very nature of their functions, are exposed to specific compliance risks (so-called "sensitive functions") must be provided with training to ensure that they keep their compliance expertise up to date and continue to conduct appropriately. The training can take place as web-based training (online training) and/or in-person training (training in a classroom setting).

Compliance in-person training, which was rolled out in FY19, covers compliance topics such as anti-corruption, anti-trust, anti-money laundering, human rights, conflict of interest, and compliance as part of other business processes. The target group for this training, among others, include the Board of Directors, the Executive Committee, Managing Directors and employees in sensitive functional areas. To increase the presence of compliance globally, the following activities are additionally being implemented by the company:

- Global Awareness e-Learning for the Business Conduct Guidelines (launched 9M FY20)
- Compliance introduction is part of the global Human Resources on-boarding concept for new employees
- Global Compliance awareness and refresher to Managing Directors on a yearly basis
- Training on request to mitigate local or business specific risks (e.g. compliance in procurement, business partner, compliance in customer projects)
- E-learning of the basic Compliance for all employees within Siemens Gamesa to be rolled out in Q4 FY21.

Table 56 – Compliance training in FY20

	Total completed	% of completion
Global awareness e-learning for the Business Conduct guidelines [48]	7,197	~38%
Compliance Basic training	2,470	~40%
-Additionally trained	3,194	n.a.

[48] The Business Conduct Guidelines e-learning was rolled out in June 2020 and is ongoing, therefore the numbers change constantly as employees complete the training: The extraction of the total number of completed courses reported is from the 16th of September at 9:30-10:00am CET time.

Communication

Management at Siemens Gamesa must ensure that all our employees are informed about relevant internal compliance rules, processes, and tools and that this information is kept up to date. It is also responsible for establishing proper channels for continuous and adequate communication with suitable outreach at all organizational levels, including the very top levels.

Hence, the Compliance Organization designs an annual compliance communication plan which is submitted to the Audit, Compliance and Related-Party Transactions Committee as well as to executive management for their approval after it has been aligned with the Communication Department. The plan's implementation is coordinated by Compliance together with the Communication Department.

Compliance Risk Assessment

Siemens Gamesa has established the Compliance Risk Assessment (CRA), conducted every 2 years. The CRA ensures the bottom-up identification of risks in individual Siemens Gamesa units worldwide and its goal is to evaluate these risks and to define mitigation measures accordingly.

Moreover, the CRA creates an awareness of Compliance risks, strengthens cooperation between the Compliance Organization and the operational units and emphasizes the responsibility of the Managing Directors and management in general for Compliance-related topics. The CRA 2020 was completed on 28th September 2020. The remediation of identified risks in this CRA will be executed in FY21.

Compliance cases

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

- Their manager and/or
- Directly to the Chief Compliance Officer and/or
- The responsible Compliance Officer and/or
- Human Resources personnel and/or
- The Whistleblowing Channel Integrity Hotline[49], which also gives employees with the chance to remain anonymous, if legally permissible under local law and/or
- Employee representatives

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

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

[49] Whistleblower channel (Integrity Hotline). Link: https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=23wd4&language=eng

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

Table 57 - Compliance cases

	FY18	FY19	FY20
Allegations received at Compliance channel	64	46	64
Compliance cases reported at the end of period	53	37	49
Disciplinary sanctions	6	7	26
Open investigations at the end of period [50]	11	13	33
Closed investigations at the end of period	11	20	21

[L11-SO10] **Nature of Compliance cases** could involve violation of law, violation of a Siemens Gamesa internal regulation, violations of accounting regulations, Breaches of Fiduciary Duties, violation of stock market laws, active corruption, antitrust violations, conflict of interest violations, money laundering or terrorist financing activities, human rights violations or retaliation on a whistle-blower.

Nature of disciplinary consequences varies according to the compliance misconduct in question and appropriate penalties are determined after considering all the material circumstances of the misconduct. The Compliance Organization has introduced basic principles and evaluation criteria to ensure the consistency of central and local disciplinary processes. However, not all Compliance cases result in disciplinary penalties. Some compliance cases may result in, for example, the improvement of the processes in question or other similar remediation measures.

The **remediation process** ensures that weaknesses addressed, the deficiencies and compliance violations detected during Compliance investigations, clarifications and other fact-finding activities are corrected. All Siemens Gamesa departments affected by a compliance case must therefore implement the recommendations included in the relevant investigation report. The Compliance Organization (at a central or local level) holds responsibility for the implementation, follow-up and monitoring of remediation measures resulting from compliance investigations.

Compliance Control Framework

The Compliance Control Framework (CCF) aims at ensuring the adherence and implementation of the globally applied Compliance Frameworks and Processes. It is an integral part of the Policy & Control Masterbook (PCMB), which covers all Compliance-related areas, such as business partners, customer projects, gifts and hospitality, etc. These areas are assessed through the Risk and Internal Control System (R/IC), which supports the Board of Directors, ACRPTC and Executive Committee in its responsibility to manage risks effectively and provide reasonable assurance that the organization's assets are safeguarded, financial reporting is reliable, and laws and regulations are fulfilled.

All compliance-related deficiencies detected should be remediated before the fiscal year-end, where possible. All units therefore have an obligation to organize, track and close measures, regardless of which Siemens Gamesa department has established them.

[50]Referred to as cases that had an ongoing investigation

D2. Human rights

D2.1 Management approach

[L11-H01] [103-1] Siemens Gamesa considers respect for human rights to be an integral part of our responsibility as a global business. For us, this responsibility is a core element of responsible business conduct and we are committed to ensuring respect for human rights within Siemens Gamesa's sphere of influence.

As stated in the Business Conduct Guidelines, Siemens Gamesa recognizes its responsibility for respecting human rights as a core element of responsible corporate behavior. Siemens Gamesa is a member of the United Nations Global Compact. Its ten Principles, and the Industry All Union Global Framework Agreement [51] are binding to the entire company. Siemens Gamesa aims to ensure respect for human rights in its own business operations and to request this in its value chain. The United Nations Guiding Principles on Business and Human Rights (UNGP) provide Siemens Gamesa with valuable guidance.

Siemens Gamesa is committed to embrace and support, within its sphere of influence, the set of core values in the areas of human rights, labour standards, the environment, and anti-corruption included in the United Nations Global Compact (UNGC) as an integral part of its business strategy and operations.

Respecting human rights is covered by Siemens Gamesa's Compliance System as follows:

- Human rights form part of Compliance training.
- Human rights are a module of the Compliance Risk Evaluation (CRE) within the SBA - Sales Business Approval process.
- Human rights risks are a mandatory element of the Compliance Risk Assessment (CRA).
- Human rights are part of the compliance reporting performed by the Chief Compliance Officer.

D2.2 Policy framework

[L11-H03] The group first approved and started implementing the Human Rights Policy [52] in 2018. Commitments in this area are therefore reflected in an individual and specific policy. This policy was first approved by a resolution of the Board of Directors taken on September 12, 2018. Our commitment to this principle is firmly rooted in the Siemens Gamesa Business Conduct Guidelines which set out the fundamental principles and rules governing the way we act within our company and in relation to our partners and the general public.

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

[51] See Global Framework Agreement. Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

[52] See Human Rights Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/human-rights-policiy.pdf?la=en-bz&hash=F332C18BD58C8E5CE8C50824E4AEB31C562D2DF1

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

D2.3 Performance 2020

[L11-H04] At the end of the reporting period, there was no record of any sanctions or fines related to human rights infringements.

The Sales Business Approval (SBA) process is the internal approval process for all SGRE projects which eventually involve external customers (customer projects) including the development of wind farm opportunities. It defines a framework for decision-making regarding project approvals (SAPP[53]) in the project and service business, i.e. when, how, and at what level management decisions based on compliance risks are required.

One of the steps for SAPP approval includes a Project Risk Evaluation when each project must be thoroughly evaluated regarding the potential risk it can bring to make sure that contracted projects are in line with the economic and financial targets as well as the desired risk profile of SGRE. In this process, Compliance is evaluated mandatorily, through the Compliance Risk Evaluation (CRE) using pre-defined questionnaires in order to identify, mitigate and/or approve risks. Human Rights is a module of the CRE within the SBA.

In this module, Siemens Gamesa has a due diligence process to both proactively and systematically identify potential human rights risks. All projects which meet the criteria are subjected to the Siemens Gamesa Human Rights Project Due Diligence process. The project is thoroughly assessed using a predefined detailed questionnaire and external ESG tools for any potential human rights risks with regard to its location, labor rights, local community rights, livelihoods and the partners involved, including customers, suppliers, consortium partners and security detail, where applicable. All potential risks must be mitigated and, if mitigation is impossible, the project will not be approved by the CRE process.

Additionally, human rights risks are a mandatory element of the Compliance Risk Assessment (CRA), conducted every 2 years. Any human rights risks detected during the bottom-up risk assessment conducted on each Siemens Gamesa unit must have a mitigation plan set for it, which must be implemented in the following financial year. The last CRA was conducted in 2018 and no specific human rights risks were detected. In accordance with its two-year cycle, the CRA 2020 was completed on September 28, 2020.

Human rights are universal and every person around the world deserves to be treated with dignity and equality. Basic rights include freedom of speech, privacy, health, life, liberty and security, as well as an adequate standard of living. Siemens Gamesa acknowledges that potential human rights issues could occur in our own operations or in our value chain or the activities related to our business. Siemens Gamesa is therefore expressly and publicly committed to ensuring fair and positive social and labor-related behavior through several high-level policies and requires its employees, business units, affiliated companies, suppliers and business partners to act in accordance with UNGC principles at all times.

53 SAPP is a SGRE online IT environment for online project management, financial follow up, and analysis.

E. Information about Society

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E1. Social Commitment

[L11-SO02] Siemens Gamesa is deeply anchored in the communities in which we operate. We see it as our duty to collaborate in their sustainable development. That is our business model. Long-term acceptance by local communities is our main priority, and being an active part of their activities, their community, our goal. Through the achievement of the UN's Sustainable Development Goals, we also meet the concerns of employees to engage with communities through volunteer activities. [54]

E1.1 Commitment to Sustainable Development

With the purpose to reinforce its commitment to society Siemens Gamesa has created in 2020 a new area called Social Commitment. Its mission is "to help reduce poverty in our communities, fight climate change and promote STEM education to meet society´s need for technological advancement, all aligned with the UN's SDGs".

Therefore, Siemens Gamesa is committed to achieving harmony between our corporate values and the expectations societies have from us, as well as to foster economic and social development of the communities in which we operate. Improvements in the quality of life and wealth creation are therefore provided by our standard commercial activities, as well as by driving forward socioeconomic development through non-business channels. For that purpose, Siemens Gamesa collaborates with a variety of stakeholders, such as institutions, administrations, and organizations in civil society and actively sponsors social action initiatives worldwide.

E1.2 Policy Framework

[L11-SO03] Community engagement is one of the five pillars of Siemens Gamesa's CSR strategy 2018-20, which emphasizes the importance of contributing to the communities in which the company operates by offering expertise to community members and engaging with them to positively impact society. The Global Corporate Social Responsibility Policy establishes the basic principles and the general framework for conduct in the management of corporate social responsibility practices endorsed by Siemens Gamesa.

The Social Commitment Policy[55] was first approved by a resolution of the Board of Directors on September 12, 2018 and is being reviewed and updated on 2020. Specifically caters to the Community pillar and provides the framework for any community engagement or social action initiatives. It defines the following primary objectives:

- Stimulate sustainability.
- Improve the company's recognition and reputation.
- Increase pride of being a Siemens Gamesa employee and satisfaction among employees and partners.
- Contribute to the improvement of the communities in which the Siemens Gamesa Group does business.

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

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54 Siemens Gamesa Social Commitment video #1 (Social Commitment). Link: https://www.youtube.com/watch?v=s8-KW1hkizE&list=PL9eXVmBTjYIxtZr4RLFXnf4vlaU1XpYq7&index=3

55 Social Commitment policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/social-commitment-policy.pdf?la=en-bz&hash=1B3A106E41B35ED4030EFF6DAE434C307BA95C5F

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

The purpose of Siemens Gamesa's Donations and Charitable Contribution Policy ("POL-51407 Donations and charitable contributions") is to regulate Donations and Charitable Contributions at a group level to comply with the Business Conduct Guidelines on donations and charitable contributions, SGRE's Global CSR Policy and SGRE's Social Commitment Policy. This policy defines the guidelines and framework on how to proceed (initiate, assess and approve) with regard to donations and charitable contributions at Siemens Gamesa.

E1.3 Strategy & targets towards 2023. Priorities & KPIs

[L11-SO03] Our strategy groups all the help to society through actions which are linked to the UN's SDGs and in particular SDG1 No poverty, SDG 4 Quality Education, SDG 13 Climate Action, SDG 14 Life Below Water, SDG 15 Life on Land. Our actions are independent of the business. In order to attain our goals, the company has set out three lines in its strategy:

- To help fight poverty in the communities where we are present.
- To combat the effects of climate change.
- To promote and encourage education in technological matters, especially in STEM.

What	▪ **Combating Poverty**: because we need to be part of the communities. ▪ **Technological Education**: push the talent we'll need in the future. ▪ **Protecting the environment**: for contributing on saving the planet.
Why	▪ Long-term stability & trust on our social commitment. ▪ Employees' sense of belonging and motivation, strongly focused on volunteer work. ▪ Alignment with analysts & investors demands: better Environmental, Social, and Governance (ESG) indexes. ▪ Separate all social activities from the business and unify, coordinate and enhance them.
How	The Social Commitment Area will be digital to become a pioneer in our industry. Our digital platform will allow us to attain greater efficiency, reach more beneficiaries, measure and enhance our impact and connect with volunteers, collaborators, students and the general public (e-learning, volunteer portal, collaborator portal, events, etc.)

This approach is channeled through several initiatives:

2nd SGRE Impact Project 2019/2020

Nine projects to be carried out in nine countries over the course of 2020 were selected in 2019. We received 132 proposals for projects in 36 countries from 98 employees from 17 different countries, whose total cost amounted to €2,843,071. The total cost of the nine projects that were finally chosen amounted to €190,794 and were the following:

- Solar streetlight at the refugee camps in Bangladesh
- Wind People Running for kids with leukemia in China
- Beach cleanup in central Taiwan
- Girls Empowerment Program in Thailand
- Fab Lab ED in Mexico
- Elliott Test Kitchen in the US
- A future through the sport that you love in Germany
- Save the Ocean in Spain and Portugal
- Dolphin Village - Clean Water and Sanitation in Tanzania

All these initiatives encourage employees around the world to become more engaged. They can apply for funding for projects that will bring about positive change to the communities of the places where the company operates.

3rd SGRE Impact COVID-19 Special Edition

Due to COVID-19 pandemic in 2020, company decided to postpone the 3rd SGRE Impact to FY21 and launch a SGRE Impact COVID-19 Special Edition[56] instead. This special edition received 55 proposals to carry out projects in 22 countries from 39 employees from eight countries, which altogether amounted to €1,092,624. Finally, 16 projects in 10 countries were chosen, whose value totaled €499,210, which were the following:

- “Hamburger Tafel” in Germany
- “By your side” in Spain
- “Corona relief Emergency Food Response” in India
- “Social inclusion of vulnerable people through food aid” in Spain
- “Valencia Cose” in Spain
- “Food and Clothing for the Homeless” in Canada
- “Prevention and preparedness for COVID-19 in Kenya's refugee camps” in Kenia
- “Cruz Roja Responde” in Spain
- “Mera Parivar's Food Bank and psychological support” in Rajeev Nagar, India
- “Feeding dignity” in Greece
- “Project Disha” in India
- “Daily meals for Young Students” in Mexico
- “New Start” in Denmark
- “Provide food security and sustainable development” in Morocco
- “COVID-19 Relief for Thalitha Cumi” in South Africa
- “Protection of vulnerable collectives” in Mexico

56 See: Siemens Gamesa Social Commitment video #2 (SGRE Impact 2020. Special Edition). Link: https://www.youtube.com/watch?v=EJZeTzlxC9w&list=PL9eXVmBTjYlxtZr4RLFXnf4vlaU1XpYq7&index=1

SGRE's impact and local social action initiatives around the world strengthen our link to the land and the local community, including the entities and institutions that work within it. The company seeks to maintain stable relationships with local entities and institutions that also strive to broaden the horizons of people.

Matching donation campaign through Red Cross

As a result of the COVID-19 crisis, Siemens Gamesa launched an employee donation campaign in response to the COVID-19 Emergency Appeal launched by the International Federation of Red Cross and Red Crescent Societies (IFRC), which led a wide-ranging program to combat the spread of coronavirus around the world. Siemens Gamesa invited its employees to donate to the Appeal and committed itself to matching staff donations. We provided relief to more than 25,000 people in affected areas both in the healthcare and social areas through this campaign.

Humanitarian Aid COVID-19

Siemens Gamesa pledged to fund the acquisition of €1 million of in-kind medical supplies and food donations for coronavirus relief in April. The donations were targeted at hospitals and communities where the company operates which had been very badly hit by the crisis. By September 2020, this included over 150,000 items of personal protection equipment that had been donated and more than 2.3 million food kits for more than 100,000 beneficiaries in 10 countries affected by the pandemic (Brazil, China, Egypt, France, India, Mexico, Morocco, Spain, UK and the US).

Environmental Projects

The fight against climate change is in the DNA of our business, not only by reducing emissions with our turbines, but also through environmental projects and social action initiatives that contribute to reducing the CO_2 footprint. At Siemens Gamesa we believe that reforestation and cleaning up our coasts are some of the best ways to fight climate change and make a contribution to environmental protection.

- Each mature tree absorbs 22 kgs. of CO_2 per year.
- River, beach, coastal pollution endangers biodiversity.
- Over 3 billion people depend on the ocean for sustenance.

We launched "The forests of Siemens Gamesa"[57] project this year, which aims to restore degraded forests around the globe. We hope to plant over 50,000 trees by 2021 with the support provided by volunteer employees. Its aim is to raise awareness about the relevance of reforestation in the fight against climate change and the importance of protecting our forests through this opportunity to do volunteer work.

On the occasion of World Cleanup Day 2020, Siemens Gamesa launched a Digital Cleanup Day to encourage employees to clean up their electronic devices. We also organized local coastal and riverbank cleanup activities involving employees in Bilbao and Madrid. In Taiwan, we organized another beach cleanup day with employees as part of the SGRE Impact 2019/2020. All above-mentioned activities form part of the Social Commitment Strategy on environmental projects.

57 See: Siemens Gamesa Social Commitment video #3 (The forest of Siemens Gamesa). Link: https://www.youtube.com/watch?v=WwfqZDaJuXU&list=PL9eXVmBTjYIxtZr4RLFXnf4vlaU1XpYq7&index=2

Technological Education projects

#Teaching Future

An initiative launched during the COVID-19 pandemic to help students aged 6 to 18+ build up STEM knowledge while learning about renewable energy, wind power and digitization thanks to videos recorded by employees who volunteered their time during the pandemic. Social Commitment has decided to keep the initiative alive until further notice to create a library of videos for students and teachers alike.

#EU vs Virus Hackathon

In May 2020, Siemens participated at the first pan-European hackathon to fight COVID-19 through innovation, and awarded a prize to The Human Project, a digital solution to help first responders and emergency personnel faced with stressful situations to share their stories and find emotional support.

Robotics with First Lego League

In September 2020, Siemens Gamesa launched a program on robotics for students aged 7 to 16+ with FIRST Lego League. Students will have a chance to develop early engineering skills with real world applications. Starting in Germany, Spain and the United Kingdom, this program also aims to enhance transversal skills such as logic, resourcefulness, communication and innovation.

Megaprojects with the University of Aalborg and 4GUNE Cluster in Basque Country

Siemens Gamesa is supporting the “Megaprojects”, a project-based learning program on “Material and Energy Flows in a Circular Region” at the University of Aalborg, in Northern Denmark. The challenge proposed to students in master’s degrees is How to Achieve an Energy Transition with Sustainable Solutions. The same challenge will be replicated in different universities and in different regions, starting in the Basque country, giving students the opportunity to share learning experiences and findings.

Through 4GUNE, the private and public partnership’s cluster in the Basque Country, four projects will be carried out during the academic year 2020/2021. Students from different academic background will work on how to decarbonize the local energy system while minimizing material impact.

Empowering women in STEM

Through an agreement with the Real Academia de Ingenieria (Royal Academy of Engineering) with outreach programs and mentoring programs such as TECHMI, a hands-on Olympiad for students 12 to 16, and Mujer e Ingenieria (Women and Engineering), an initiative targeting young graduates was launched to encourage them joining the engineering workforce.

#HackSTEM

Siemens Gamesa launched a hackathon in October 2020 to promote STEM education in a sprint-like event where university students were invited to design a videogame for younger students in which STEM concepts are key to progressing and on the subject that concerns them most, namely sustainability.

At Siemens Gamesa we are committed to the communities in which we operate. That is why we also engage in local projects to meet their specific needs and promote sustainable social and economic development. The Social Commitment Area unifies and coordinates these activities to maximize their efficiency and visibility.

Measuring the social return on investment

Siemens Gamesa partnered with the University of Deusto in Bilbao, Spain to assess the Social Return on Investment (SROI) of the projects funded by SGRE Impact, the company's global social action initiative. SROI measures the effectiveness of how the funds invested in these projects have been used. It is obtained by calculating a ratio using Integrated Social Value, which is the consolidation (sum without repetition) of the distribution value to economic players (workers, suppliers, etc.), and the distribution value to beneficiaries (usually through non-market mechanisms). The SROI for the projects implemented in 2018-19 was calculated to stand at €5.54, which means that the actual investment was worth 5.54 times of every euro spent on the projects by Siemens Gamesa.

Investments

[L11-C03] [102-13] The company has protocols in place for the control of donations and charitable contributions for actions of a social nature. By means of these protocols, all contributions of social content, donations and fund allocation are assessed to mitigate compliance risks. In fiscal year 2020 Siemens Gamesa's total donations and charitable contributions amounted to 2.90 million euros (0.43 million euros in FY19). By regions, most of these investments were originated in Europe, Middle East and Africa (68%), followed by Americas (25%) and Asia, Australia (7%).

All the donations and charitable contributions of local nature are included in this overall amount. The largest share of funds, however, is managed directly from Social Commitment Area, which centralizes and directly manages social projects and the allocation of funds. More specifically, the Social Commitment Area made the following investments in fiscal year 2020:

- In Kind and Direct donations due COVID-19: 1,050,000 euros
- SGRE Impact donations: 500,000 euros
- Environmental Projects: 108,000 euros
- Technological Education Projects: 280,000 euros

E2. Memberships and associations

E2.1 Management approach

[L11-SO04] [102-13] Siemens Gamesa, as a global leader in the renewable energy industry, fosters policies for a more sustainable future and shares its global experience with key stakeholders in the markets where we already have a presence and also in new markets. This capacity building activity is conducted through the associations and initiatives of which Siemens Gamesa is a member. Some of the actions that SGRE performs include:

- Sharing information about positive showcases in developing local value chains globally, engagement with communities while supporting Countries to achieve climate targets;
- Contributing with our global experience to build the skeleton of legal frameworks that may set the path to achieve national climate goals while providing private investors with long term visibility and market attractiveness
- Setting ambitious targets for the presence of renewable energies in the energy mix; the elimination of technical, bureaucratic and market constraints that limit the growth of wind power;
- Promotion of R&D and innovation.
- Capacity building through engagement with Universities and training Centers

E2.2 Policy framework for memberships & associations

The purpose of the Group's Membership of Associations Policy ("POL-51819 Membership of Associations ") is to set out the requirements for the registration and approval of company and individual memberships in Associations (such as chambers, clubs, institutions, trade bodies, standardization organizations and other professional organizations) in accordance with the Siemens Gamesa Business Conduct Guidelines, in particular:

- To ensure the proper coordination and dissemination of the strategy and key messages of Siemens Gamesa ("Strategy"), established by the Company's Governance bodies in all relevant Associations (sector-specific or otherwise), and entities in which Siemens Gamesa is represented (referred to as "Associations").
- Concerning Associations, to establish a common and global policy for ensuring alignment and governance of the following issues:
    - Definition of the responsibilities for validation of the proposals of each Association and the designation of the person responsible to represent Siemens Gamesa in any specific entity.
    - Knowledge of the reasons, objectives and the economic cost of the association proposal.
    - Legal validation: for compatibility with the pertinent laws and insofar as Siemens Gamesa's representation in the Association and in its governing bodies.

The policy for Associations and Memberships regulates all the requests for being a member of any Association made by Siemens Gamesa worldwide.

E2.3 Global action

The company actively participates in both industry-specific and business associations and organizations in each significant place where it operates.

Table 58 - Key memberships and trade associations in the wind sector

Global	Regional
GWEC GLOBAL WIND ENERGY COUNCIL The Global Wind Energy Council is the international trade association for the wind power industry. Our mission is to ensure that wind power establishes itself as the answer to today's energy challenges, providing substantial environmental and economic benefits.	Wind EUROPE WindEurope is the voice of the Wind Industry at European level. Encompassing industry representation (OEMs, operators, developers, utilities, suppliers, research, etc. Status of SGRE membership: Leading Member (highest category)

National							
AWEA	ACORE	VDMA	AEE	wind denmark	renewableUK	IWTMA	CII
AWEA is the voice of the wind sector in the U.S. As a trade association, it represents and defends the interests of the wind sector. SGRE is on the Executive Committee of the Board.	ACORE is a U.S. nonprofit that works to promote renewable energy. It educates policy makers and regulators about how to transition to a carbon free energy system. SGRE is on the Board of Directors.	German Machine Building Association. Representation of OEMs and suppliers for both Onshore and Offshore Wind Energy. Energy policies and technical groups (e.g. aviation marking and lighting, decommissioning, etc.)	The Spanish Wind Energy Association (AEE) is the voice of the wind sector in Spain. It promotes the use of wind energy in Spain, Europe and worldwide. It represents and defends the interests of the sector.	WindDenmark. Representation of OEMs, suppliers and developers for both Onshore and Offshore Wind Energy in DK. Policies and technical groups.	RenewableUK. Supports +400 companies to ensure increasing amounts of renewable electricity are deployed across the UK and access markets to export. Members are business leaders, innovators, and expert from right across industry.	Indian Wind Turbine Manufacturers Association (IWTMA) is the apex business association and voice of the Indian Wind Industry.	The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes.

On top of the most relevant global sectorial associations (GWEC, WindEurope, AWEA, IWTMA, ABEEOLICA, AMDEE, VDMA, Danish Industry, etc.), we are also members to the following initiatives:

a. RES4AFRICA Foundation[58], focused in unlocking the full potential of renewables in the continent. Currently focused in the Renew-Africa initiative[59] which may become the Europe-Africa tool to create the appropriate frameworks to accelerate the African Energy transition.

b. EU-Africa High Level Platform on Sustainable Energy Investments[60]

c. Green Recovery Alliance initiative[61],

d. Uniting Business and Governments to Recover Better statement as part of the Science Based Targets initiative and its Business Ambition for 1.5°C campaign[62]

e. IRENA Coalition for action Green Recovery statement[63].

f. Engagement in high level discussions as organized on May 26th, 2020 by GWEC with Executive Director at IEA, Dr Fatih Birol [64]

58 RES4AFRICA: https://www.res4africa.org/
59 Renew Africa Initiative: https://www.renew-africa.org/
60 EU-Africa platform: https://ec.europa.eu/energy/topics/international-cooperation/key-partner-countries-and-regions/africa/high-level-platform-sustainable-energy-investments_en?redir=1
61 Green Recovery Alliance: https://www.euractiv.com/section/%20energy-environment/news/green-recovery-alliance-launched-in-european-parliament/
62 Business ambition for 1.5ºC: https://sciencebasedtargets.org/ceo-climate-statement/
63 Irena coallition: https://www.irena.org/newsroom/articles/2020/Apr/IRENAs-Coalition-for-Action-calls-for-Green-Recovery-Based-on-Renewables
64 Link: https://www.youtube.com/watch?v=varFyg_9n3E

g. The Ocean Renewable Energy Action Coalition (OREAC), an initiative led by major players in the offshore wind industry, formed in response to the 2019 call for ocean-based climate action by the High-Level Panel for a Sustainable Ocean Economy.

h. CEO letter to EU heads of state and government urging them to raise the EU GHG emissions 2030 target to at least 55%, initiative led by University of Cambridge Institute for Sustainability Leadership.

i. Participation in World Bank Offshore Wind Virtual Study Tour organized by the World Bank Group and GWEC, which was held between 15-17 September 2020, to share global expertise about the offshore wind market with emerging countries interested in developing offshore wind markets.

E2.4 Performance 2020

The two initiatives set out below are a good example of the initiatives undertaken in financial year 2020:

- Siemens Gamesa supports policies targeted to promote a transition to a low-carbon economy and energy mix. This support is directly related to SDG 8. Promote sustained, inclusive and sustainable economic growth, and SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We have performed various policy engagement actions in this topic. In October 2019, "The **socioeconomic impacts of wind energy in the context of the energy transition**[65]" report was released. Siemens Gamesa joined forces with KPMG to share its global experience as pioneer in the wind industry about how the Company has been able to become one of the global leaders in the sector while developing local successful value chains in the more than 90 countries where Siemens Gamesa has been operating: investment in new facilities, developing local supplies, engaging with Local Universities, investment in R&D... a showcase on how Siemens Gamesa has built its strategy not only seeking for profitability, but about wealth for all stakeholders engaged with our activity.
- Siemens Gamesa also supports policies targeted at the development of green energy in developing countries, specifically Africa. This support is directly related to SDG7 - Access to energy in developing countries. Siemens Gamesa has been present in Africa for over 20 years and currently holding 55% market share. We have been able to install projects in Morocco, Egypt, Tunisia, Mauritania, Algeria, Kenya, Mauritius, South Africa and are currently working in Djibouti and Ethiopia. We have also carried out several policy engagement actions on this topic, as we are well aware of the vast renewable energy resource Africa is endowed with, its growing energy demand and how socioeconomically impactful renewables can trigger new sustainable economic sectors in Africa. Siemens Gamesa is one of the founding members of the RES4AFRICAs foundation, whose mission geared at creating an enabling environment for renewable energy investments in African countries to meet local energy needs. Renewable energy is essential for Africa to achieve inclusive and sustainable development. As a private sector and member-driven organization, the RES4Africa Foundation bridges the gap between its members and partners, allowing them to interchange viewpoints, initiatives and expertise.

[65] See: "The socio-economic impacts of wind energy in the context of energy transition" (KMG). Link: https://home.kpmg/th/en/home/insights/2019/10/report-siemens-gamesa-global.html

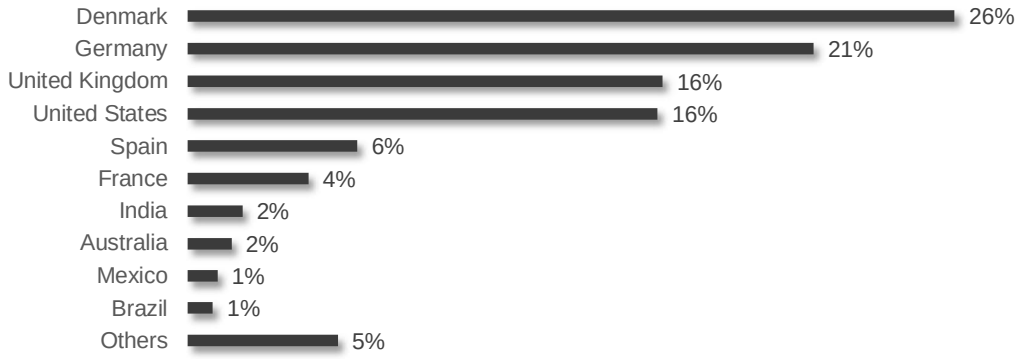
E2.5 Membership fees

Siemens Gamesa was an active member of about 200 organizations and associations around the world in fiscal year 2020, which amounted to a total expenditure of €3.6 million (same as in fiscal year 2019) in membership fees. The relationships of Siemens Gamesa and the companies which belong to the Group with public authorities are guided by institutional respect and fulfillment of the law.

Table 59 - Expenses in memberships and associations (€million)

	FY18	FY19	FY20
Membership fees	3.2	3.6	3.6

Figure 35 – Share of membership fees by Top 10 countries in FY20



E2.6 Lobbying activities

Siemens Gamesa does not make direct financial contributions to lobbying activities. We represent ourselves in public discourse mainly through contributions to trade and business associations. Siemens Gamesa is unable to ascertain what percentage of our contribution is allocated to lobbying from the many trade associations we collaborate with, neither are we able to provide an estimate thereof. As an alternative, we report our expenditure on actions directly performed by Siemens Gamesa which may indirectly influence public policy on the specific topics these actions address.

E2.7 Political contributions

Siemens Gamesa does not make direct political contributions. Our Business Conduct Guidelines expressly state that the companies belonging to the group are strictly forbidden from directly or indirectly making donations to political parties, including federations, coalitions and voter groups, even by way of loans or advances.

E3. Responsible Supply chain

E3.1 Management approach

[102-9] [103-1] As a world leading manufacturer of wind turbines, we source products and services from numerous suppliers based in a wide range of countries and generate significant share of value in our production stages. On the one hand the savings Procurement achieves have a direct impact on the EBIT of the company and we are continuously working with our suppliers to get our material at the best total cost of ownership available in the market. Additionally, together with our cross-functional partners, we strive to find the best sourcing solutions to get materials and services in the right quality on time.

Moreover, we assume supply chain sustainability is increasingly recognized as a key component of corporate sustainability. We believe that supply chain is the engine for today's global economy, serving to deliver goods and services around the world, connecting businesses and the individuals who work for them across geographic, industry, cultural and regulatory boundaries. Supply chain sustainability also ensures that our company will continue to meet the future needs, in economic, social, ethical and environmental terms. It ensures compliance with laws and regulations as well as adherence to and support of international principles for sustainable business conduct.

Siemens Gamesa's Supplier Relationship Policy[66], the Code of Conduct for suppliers and Third-Party Intermediaries[67], the General Purchasing Conditions [68] and our internal rules and procedures form the basis for this, as they all set minimum expectations for suppliers to comply with. They all integrate the Principles of the UN Global Compact on Human Rights, Environment and Anti-Corruption and provide fundamental guidance for our business activities.

E3.2 Procurement organization

Procurement is a corporate function that has transferred into a centralized organization during fiscal year 2020. Thereby, all Procurement forces have been bundled into an efficient streamlined organization within the supply chain, in direct reporting line to Corporate Chief Operating Officer. In order to unleash the full potential of Procurement organization, it is organized as follows:

- **Strategic Procurement** has the global responsibility for the strategic sourcing of goods and services to all turbine platforms, as well as to all company needs that enable, maintain and develop its operations. The sourcing is defined by a cross-functional commodity strategy with Procurement owning the supplier relationship and leading the price and contract negotiation.
- **Cost Value Engineering** works closely together with the Technology functions during product design and development, provides cost and value transparency and fosters the impact on an optimized cost baseline. It develops and manages material cost productivities and thereby contributes to the achievement of the productivity targets.

66 See: Siemens Gamesa Supplier Relationship policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/supplier-relationship-policy.pdf?la=en-bz&hash=552A19E60659E142285C31B2E6921EE4D2041196

67 See: Code of Conduct for Suppliers and Third Party Intermediaries. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/code-of-conduct/code_of_conduct_for_suppliers_and_third_party_intemediaries_en.pdf?la=en-bz&hash=D284F9974754A8848ABC85A15035AF0F1022B007

68 See General Purchasing Conditions. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/purchase-conditions/siemens-gamesa-gpc-002-2018-06-en_sgre-general-purchasing-conditions.pdf?la=en-bz&hash=1AAE86231AB9BD2E3918DE4EEE1DA5BB0DDC316B

- **Supplier Quality & Development** qualifies suppliers and contractors as well as their components and services according to our integrated management system (IMS) requirements. It monitors their performance globally and establishes an effective prevention and correction mechanism of supplier quality and HSE requirements. The claim management team drives the resolution of supplier related non-conformance cases.
- **Business unit Procurement Onshore, Offshore and Service** govern the interface towards Sales & Execution and Operations, as well as ensure the cost input into the Sales Business Approval Process. Furthermore, they implement procurement commodity strategies in local hub response to the related platforms. Therein, Project Procurement supports project phases, from the sales phase up to the commissioning, by strategies with special focus on logistics, crane and installation, as well as Balance of Plant (civil works & substation) activities.
- **Controlling & Reporting and Functional Excellence** ensure the end-to-end transparency in Procurement by means of KPI tracking and by efficient and lean processes, including digitalization initiatives. Thereby, they support all Procurement teams to collaborate as an integral part of the business to create a key competitive advantage for Siemens Gamesa.

E3.3 Supply chain principles and targets

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

- Continuous work on risk mitigation in the supply chain by close supplier collaboration across the globe.
- Strive to reduce the volume of single-source procurement.
- Work with suppliers to achieve world-class component design in order to reduce costs.
- Create 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 as well.

Sharing the commitment to society alongside the supply chain, we aspire:

- By 2021, 85% of purchasing volume (PVO) of our suppliers accept the Supplier Code of Conduct (maintaining the trend of FY20).
- By 2023, 90% of sustainability high risk suppliers assessed and/or audited of total purchasing volume (PVO) that is related to sustainability high risk suppliers (from current 77% at the end of FY20)
- By 2025, 30% of suppliers, covering the categories of purchased goods and services as well as transportation and distribution, will commit to targets that reduce greenhouse gas (GHG) emissions and that are considered as “science-based” in line with the Science Based Target initiative (SBTi). (New target that initiates in FY21)

E3.4 Sustainability focus

[L11-SO05] Our message to suppliers is that they must share with us the common goal of behaving in an ethical, law-abiding manner. The Group has therefore set a specific policy governing supplier relation and contracting which provides a group-wide framework for the management and control of procurement activities, the **Siemens Gamesa Supplier Relationship Policy.**

As a foundation on sustainability for suppliers, and compliant to the Group policy, the **Code of Conduct for Suppliers and Third-Party Intermediaries**[69] (also commonly referred to as "the Code of Conduct"), sets out the Group's binding requirements.

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

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

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

Siemens Gamesa also released the **Booklet for the Code of Conduct for Suppliers and Third-Party Intermediaries** [70] (also commonly referred to as "the Code of Conduct Booklet"). This comprehensive material documents in detail our expectations towards our suppliers in each requirement presented in the Code of Conduct, being an important support for our sustainability detection modules. The development of the Code of Conduct and the Code of Conduct Booklet is the result of the work performed by the Supplier Lifecycle Management and Sustainability community, which Siemens Gamesa has established since 2017. The group has representation in external communities, like the WindEurope® Sustainability Task Force, and is engaged in relevant sustainability topics.

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

E3.5 Mapping Siemens Gamesa supply chain

[102-10] In the reporting fiscal year 2020, Siemens Gamesa purchased almost €7.4 billion (€8.2 billion in FY19) from approximately 19,000 tier-1 suppliers. These suppliers have been impartially screened and assessed for high standards compliance with our excellence value.

Table 60 - Purchasing volume [71]

(€million)	FY18	FY19	FY20
Europe, Middle East and Africa	4,185	5,692	4,376
Americas	978	1,401	1,783
Asia, Australia	867	1,144	1,206
Purchasing volume (PVO)	**6,030**	**8,238**	**7,365**

[69] See: Supplier Code of Conduct. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/code-of-conduct/code_of_conduct_for_suppliers_and_third_party_intemediaries_en.pdf?la=en-bz&hash=D284F9974754A8848ABC85A15035AF0F1022B007

[70] See: Booklet for Code of Conduct for Suppliers and Third-Party Intermediaries. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/suppliers/sgre-conduct-suppliers-and-party-intermediaries.pdf?la=en-bz&hash=D17D5001EF6FD9744633CBC0FE133C20AC0104C0

[71] Notice: Purchase volume based on closed purchasing orders, not on accruals.

Table 61 - No. 1 tier suppliers [72]

	FY18	FY19	FY20
Europe, Middle East and Africa	10,162	11,340	11,481
Americas	3,506	3,542	4,042
Asia, Australia	3,383	3,571	4,014
No. tier-1 suppliers	**17,051**	**17,890**	**18,932**

The number of suppliers whose annual invoicing exceeded €10K at the end of the reporting cycle amounted to 9,449 (7,892 in FY19) what represents 50% of total tier-1 suppliers, giving indication of the balance between large and small suppliers. Additionally, we identified other categories of procurement spend and categories that are critical to our business operations in terms of little or no availability of alternative options and impact of supply chain disruption.

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

In fiscal year 2020, critical suppliers classified under these conditions accounted for 31% of the year's total purchasing volume (approximately €2.3 billion).

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

The suppliers identified as having high sustainability risk to Siemens Gamesa in fiscal year 2020 accounted for 16% of the year's total purchasing volume (approximately €1.2 billion).

Table 62 - Purchasing volume under sustainability focus

(€million)	FY18	FY19	FY20
Purchasing volume of Critical tier-1 Suppliers	**2,061**	**2,037**	**2,275**
Europe, Middle East and Africa	1,323	1,397	990
Americas	300	228	320
Asia, Australia	438	412	965
Purchasing volume of Sustainability High-risk suppliers	**724**	**1,089**	**1,168**
Europe, Middle East and Africa	262	503	348
Americas	83	179	244
Asia, Australia	278	407	576

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

Table 63 - No. of suppliers under sustainability focus [73]

	FY18	FY19	FY20
No. of Critical tier-1 Suppliers	**1,061**	**748**	**1,283**
Europe, Middle East and Africa	487	356	380
Americas	255	142	150
Asia, Australia	319	375	895
No. of Sustainability high-risk suppliers	**792**	**480**	**468**
Europe, Middle East and Africa	268	111	110
Americas	208	85	78
Asia, Australia	316	364	362

E3.6 Sustainability integration in the supply chain

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

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

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

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

E3.7 Commitment to the Code of Conduct

[L11-SO06] An integrated supplier management process is embedded company-wide in unified, mandatory procurement processes and a key part of this is ensuring that our suppliers agree contractually to abide by the Code of Conduct. We developed a system of contractual obligations to ensure that all our suppliers commit to its requirements:

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

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

Siemens Gamesa requires the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries or the Gamesa Code of Conduct for Suppliers to be respected by suppliers.

In fiscal year 2020, the total purchasing volume (PVO) of suppliers that have accepted the Code of Conduct was 85 % in comparison to 84% last fiscal year demonstrating the improvement in the integration of our controls.

Table 64 - Purchasing volume (PVO) covered by Supplier's Code of Conduct

	FY 18		FY 19		FY 20	
	PVO (€million)	% total PVO	PVO (€million)	% total PVO	PVO (€million)	% total PVO
Purchasing volume (PVO)	**3,949**	**65%**	**6,898**	**84%**	**6,269**	**85%**
Europe, Middle East and Africa	2,927	70%	4,880	86%	3,823	87%
Americas	650	66%	1,115	80%	1,488	83%
Asia, Australia	371	43%	903	79%	958	79%

E3.8 Detection Modules

[L11-SO07] Siemens Gamesa implemented a risk-based due diligence process to identify any areas of non-compliance of our Code of Conduct and highlight opportunities to promote improved performance. This includes systematic screening of new and existing suppliers through background checks and risk assessments associated with the sector and countries of operation. For example, reports from external providers provide us with information on geopolitical, commodity and financial risks. If relevant, suppliers are selected to go through one or more detection modules, as is the case for high sustainability risk suppliers.

- **Sustainability Self-Assessments (CRSA):** the supplier receives a Code of Conduct questionnaire and provides its own assessment of fulfilled requirements. The questionnaire is available on Siemens Gamesa's own platform or applied by a third party on behalf of Siemens Gamesa.
- **Supplier Evaluations**: to ensure that suppliers continuously comply with our performance requirements in the course of the supplier relationship, performance of existing Siemens Gamesa suppliers is evaluated regularly based on standardized criteria as stipulated by ISO standards. The supplier evaluation is performed at least once a year and has our most relevant and critical suppliers in scope. The evaluation is carried out by collaborative cross functional teams and results in a standardized classification which ranges from "Excellent" to "Phase out" status.
- **External Sustainability Audits:** Siemens Gamesa has appointed internationally recognized auditing companies to conduct on-site audits based on the universally valid principles of the Code of Conduct. The outcome is an in-depth assessment and report that enables Siemens Gamesa and its suppliers to identify and manage potential sustainability risks. External Sustainability Audits also play an important role in the supplier development scheme by improving the supplier's sustainability performance.
- **Supplier Quality Audits with Sustainability Scope**: as part of our internal Supplier Qualification and Audits processes, audit questionnaires have been devised to include the scope of the Code of Conduct and are applied to critical suppliers from quality perspective.

Table 65 - Supplier monitoring

(number)	FY18	FY19	FY20
Sustainability Self-Assessments (CRSA)	**1,104**	**1,132**	**783**
Europe, Middle East and Africa	706	764	411
Americas	179	224	169
Asia, Australia	219	281	270
External Sustainability Audits	**201**	**130**	**199**
Europe, Middle East and Africa	111	86	118
Americas	48	44	54
Asia, Australia	42	35	56
Quality audits with sustainability questions	**146**	**323**	**197**

Siemens Gamesa ensured that 77% of its purchasing volume (PVO) from sustainability high risk suppliers was covered by at least one of the above-mention detection modules in fiscal year 2020.

E3.9 Consequences of deviations

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

All measures put in place after inspections are incorporated into the company-wide supplier management process at Siemens Gamesa and are systematically selected and pursued. Implementation of the measures has, therefore, an influence on the supplier's annual performance rating and on the assessment of the supplier's future potential, as well as on the approval of the supplier within the regular supplier qualification process.

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

E3.10 Conflict minerals

We are committed to working toward avoiding the use, within our supply chain, of minerals from conflict affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance [74].

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

74 See OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.Link: https://www.oecd.org/daf/inv/mne/mining.htm

Already in fiscal year 2018 Siemens Gamesa harmonized its due diligence process for Conflict Minerals by taking part in the already established process in Siemens AG according to the requirements of Regulation (EU) 2017/821. Siemens AG has established a centralized approach for the due diligence process and follow up for mitigation with suppliers that are identified based on material groups that may potentially contain conflict minerals.

The advantageous position of Siemens AG as active member of the Responsible Mineral Initiative (RMI) gives Siemens Gamesa access to Reasonable Country of Origin Information (RCOI) on smelter level. We purchase 3TG from conformant smelters when these minerals are necessary for manufacturing of our products. In order to mitigate the risk of working with suppliers whose smelters have not been audited by RMI so far, Siemens Gamesa (through Siemens AG) actively engages within RMI's Responsible Minerals Assurance Process (formerly Conflict Free Smelter Program).

E3.11 Rare earths

Rare earths elements (REEs) are a group of 17 metals moderately abundant in the earth's crust - some even more abundant than copper, lead, gold, and platinum - that share certain unique properties including heat resistance and high electrical conductivity. These characteristics make REEs essential to many products, ranging from smartphones to more advanced technologies, particularly green technologies. The manufacturing of magnets represents the single largest and most important end use for REEs, accounting for 21% of total consumption. While REE reserves can be found worldwide, China supplies most of global REE demand.

The wind industry needs REEs for permanent-magnet synchronous generators (PMSGs) employed in some wind turbine models. In connection to this, Siemens Gamesa purchases magnets that contain REEs, but does not purchase directly any Rare Earth elements. Our suppliers of magnets that contain rare earth elements are relatively small and represent a 0.9 % of total purchasing volume in FY20 (0.8% in FY19). These suppliers are subject to the sustainability high-risk category and all related actions to enforce Code of Conduct adherence.

Siemens Gamesa is continuously working to improve the design of its direct drive generators in order to optimize the use of all materials, including rare earth permanent magnets. In particular, Siemens Gamesa aims to reduce and eliminate the use of heavy rare earth elements (Dysprosium and Terbium) in permanent magnets in order to strengthen the products' economic, environmental and social sustainability.

E4. Responsible tax

E4.1 Management approach

[L11-SO11] The responsible tax practices of all Siemens Gamesa Group companies form part of the global Corporate Social Responsibility Policy, which contains the basic principles of action that must be observed. The taxes paid by the group in the countries and territories where it operates constitute the main contribution made by group companies to support public obligations and are therefore one of the group's contributions to society.

The aim of Siemens Gamesa's tax strategy is to ensure compliance with the tax provisions applicable in all territories where it operates, in accordance with the activities undertaken. This fundamental objective to respect and to comply with tax rules is properly combined with pursing the corporate interest and generating shareholder value sustainably over time whilst avoiding tax risks and inefficiencies in the implementation of business decisions.

E4.2 Policy framework

Siemens Gamesa aims to fulfill its tax obligation in all territories in which it does business, and to maintain an appropriate relationship with the relevant Tax Authorities. In order to include that commitment to fulfill, develop and implement good tax practices within the Corporate Governance Rules of Siemens Gamesa, the company corporate tax policy[75] postulates the following practices:

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

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

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

- Cooperate with the competent Tax Authorities in detecting and seeking solutions regarding fraudulent tax practices that may occur in the markets in which the Siemens Gamesa group has a presence, to eradicate those already existing and prevent the expansion thereof.
- Provide tax-related information and documentation requested by the competent Tax Authorities as quickly and completely as possible.

[75] Siemens Gamesa Corporate Tax policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/corporate-tax-policy.pdf

- Use all powers given by the adversarial nature of the audit procedure, strengthening agreements with and approvals of the competent Tax Authorities, to the extent possible.

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

- Prior to the preparation of the annual accounts and the submission of the Corporate Income Tax Return, inform the Board of Directors of the tax standards applied by Siemens Gamesa during the financial year, and particularly the level of compliance with this policy.
- Based on the information received from the tax director, inform the Board of Directors of the tax policies applied by the company and, in the case of transactions or issues that must be submitted for the approval of the Board of Directors, of the tax consequences thereof if they constitute a significant risk factor.

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

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

Siemens Gamesa has voluntarily adhered to the Code of Good Tax Practices of July 20, 2020 since March 2017, which sets a framework of mutually cooperative relationship between the Spanish Tax Agency *(Agencia Estatal de Administración Tributaria)* and the companies that have subscribed it based on mutual trust and transparency.

Furthermore, in compliance with the provisions of the Annex to the Code of Good Tax Practices and with the aim of reinforcing its commitment to tax transparency, Siemens Gamesa submits an "Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code" to the Spanish Tax Agency on an annual basis, the first report of which referred to fiscal year 2018 (filed on July 22, 2019). The report on fiscal year 2019 was filed on July 9, 2020.

E4.3 Tax strategy

Siemens Gamesa's tax policy is approved by the Board of Directors on a yearly basis. The tax strategy focuses on compliance and efficiency. Siemens Gamesa conducts tax planning to the extent required to secure efficient handling of taxes within the constraints of tax law. Our company does not conduct any aggressive tax planning activities and aims for an open and transparent relationship with the tax authorities and to be transparent towards other external stakeholders.

The presence of Siemens Gamesa in countries considered as tax havens is solely and exclusively due to ordinary business activities. In fiscal year 2020, the only two subsidiaries established in tax havens in accordance with the Spanish regulations were Siemens Gamesa Renewable Energy, Ltd. (Mauritius) -100% owned and incorporated on May 2, 2015- and the branch Siemens Gamesa Renewable Energy Eólica S.L., branch in Jordan (Jordan) established on January 1, 2016. Both entities are involved in wind turbine maintenance activities for customers who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of Siemens Gamesa group is not significant (EUR 0.3 million -Mauritius- and EUR 0.7 million -Jordan-).

The income obtained by such entities is subject to Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 30% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a tax haven, the profits are also included in the tax base in Spain. The ownership of these entities does not therefore provide any tax advantage.

Table 66 - Breakdown by country of profit (loss) and taxes paid (million euro)

Country	FY18 (*)	FY18 Income tax paid	FY19 (*)	FY19 Income tax paid	FY20 (*)	FY20 Income tax paid
Argentina	-3	0	0	0	-4	0
Australia	15	-6	0	-6	-11	-1
Austria	0	0	1	0	0	0
Belgium	16	-5	18	-4	1	-3
Brazil	-24	-8	-11	-6	-81	-3
Bulgaria			1	0	1	0
Canada	27	-7	16	-4	6	-1
Chile	4	5	-1	-3	-4	0
China P.R.	30	-13	14	-18	18	-5
Colombia					0	0
Costa Rica	2	-1	3	0	-4	-1
Croatia	5	-2	1	-1	2	0
Cyprus			0		0	0
Denmark	302	-17	388	-81	-172	-29
Djibouti					0	0
Dominican Rep	2	0	-5	0	-2	-2
Egypt	5	0	3	-1	-3	-2
Finland			0		-1	0
France	-16	-2	-11	-2	-15	-1
Germany	-3	-17	51	-13	272	-26
Greece	0	0	0	0	-1	0
Guatemala	-4		4	0	0	0
Honduras			-5	0	-5	0
Hungary	0	-1	1	0	1	0
India	-46	-14	-111	-3	-531	-19
Indonesia	3	0	0	0	1	0
Iran	2		4	-1	2	0
Ireland	7	0	6	-1	12	-1
Italy	1	0	-2	0	-6	0
Jamaica	0				0	0
Jordan	2	-1	3	-1	0	0
Kenya			0		0	0
Korea	1	0	0	0	3	0
Mauritania			-1		0	0
Mauritius			0	0	0	0
Mexico	-34	-7	-25	-5	-54	-2
Morocco	-3	-3	-3	-3	-9	-2
Netherlands	7	-3	7	-2	5	-3
New Caledonia			-1		0	0
New Zealand				0		
Nicaragua		-1	-5	0	-1	0
Norway	1	-1	0		-2	0
Pakistan			0	0	1	0
Peru	2	0	2	-1	0	0

Philippines	2	-1	4	-1	2	-1
Poland	3	1	5	0	3	0
Portugal	0	0	1	0	-7	1
Romania	1	0	2	0	1	0
Russia	-1		-3		-13	0
Serbia					0	0
Singapore				0		
South Africa	8	-6	4	-5	4	-3
Spain	-174	-2	-288	-6	-407	-5
Sri Lanka			0	0	0	0
Sweden	7	-2	5	-3	-8	-2
Taiwan			4		-14	0
Thailand	2	0	3	0	3	-1
Tunisia	6	0	-2	0	1	0
Turkey	-4	-2	1	-3	-20	-1
Ukraine			0			
United Kingdom	74	-4	108	-8	100	-55
United States	-75	21	7	2	-61	-1
Uruguay	14	-1	4	-5	-3	2
Venezuela			0			
Vietnam	0		0	0	-4	0
Other IFRS result	4		-9		-12	0
SGRE Group	**168**	**-103**	**190**	**-191**	**-1,019**	**-172**

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

[L11-SO11] [L11-SO12] In fiscal year 2020, 84% (73% in 2019 and 60% in 2018) of the group's taxes were paid by entities located in the nine most relevant countries: Denmark, Spain, China, Great Britain, Brazil, Germany, Mexico, India and the United States.

Additionally, in this fiscal year, AENOR certified Siemens Gamesa's tax management system, policies and risk management framework in accordance with the requirements set forth in the UNE 19602 standard[76]. The standard is intended to help organizations implement policies and procedures that minimize the risk of tax non-compliance. It also serves as proof to the Spanish Tax Agency and the courts of the absence of willingness to defraud in the event of a disagreement. We become pioneers in the renewable energy sector in obtaining this certificate. The standard is an ideal mechanism for listed companies to comply with the tax management obligations contained in the tax regulations and the Code of Good Tax Practices.

From an ESG perspective, there is growing concern among certain stakeholders about social tax contributions. Listed companies must prove to investors that they are properly contributing to society by also paying taxes. This certification is of utmost importance to prove to these stakeholders that SGRE is continuing to fulfill its tax obligations properly.

Regarding the "Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code" filed by Siemens Gamesa before the Spanish Tax Agency on July 22, 2019, the company met Spanish Tax Authority representatives on October 16, 2019 in order to analyze its content and in February 2020 the company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity.

[76] See link at: https://www.en.aenor.com/certificacion/certificado/?codigo=197479

E4.5 Public subsidies received

[L11-SO13] [201-4] Accepted accounting principles are applied to the monetary value of financial assistance received from the government.

Siemens Gamesa was granted publicly funded aid for its R&D activity in fiscal year 2020 totaling €15.24 million (€8.36 million in fiscal year 2019). This public funding includes both non-refundable grants and refundable loans.

Table 67 - Financial subsidies granted

(€million)	FY18	FY19	FY20
European Comission	6.08	1.37	2.02
Grants	6.08	1.37	2.02
Loans	0	0	0
Spain	2.36	5.29	10.15
Grants	0.53	1.07	2.48
Loans	1.82	4.22	7.67
Germany	0.12	0	2.89
Grants	0.12	0	2.89
Loans	0	0	0
Denmark	0.29	0.99	0.18
Grants	0.29	0.99	0.18
Loans	0	0	0
Rest of countries	0	0	0.00
Grants	0	0.690	0
Loans	0	0	0
SGRE Group	**8.86**	**8.36**	**15.24**
Grants	**7.03**	**4.14**	**7.57**
Loans	**1.82**	**4.22**	**7.67**

The company's main R&D funding programs and bodies In fiscal year 2020 included: H2020 (European Commission), the Centre for the Development of Industrial Technology (Spain), the Government of the Basque Country (Spain), the Government of Cantabria (Spain), NBank from Lower Saxony (Germany) and the Danish Innovation Fund (Denmark).

F. About this report

F1. Statement

[L11-G05] [102-50] On April 3, 2017, the merger of Siemens Wind Power with GAMESA was formalized, qualifying for accounting purposes as a reverse acquisition, in which the wind power business of Siemens AG was the acquirer and GAMESA the acquired, respectively.

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

Continuing this commitment, Siemens Gamesa releases the **Consolidated Non-Financial Statement 2020 - CNFS** (former Sustainability Report) again this year, which is approved by the Board of Directors, after report from the Audit, Compliance and Related Party Transactions Committee of said Board of Directors.

F2. Reporting scene

Law 11/2018 of 28 December on non-financial and diversity reporting was enacted in Spain in 2018. The act transposes into Spanish law Directive 2014/95/EU of the Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

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

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

The report is a method of satisfying the growing demands made by society in general, shareholders and investors for companies to explain their performance in non-financial aspects, which is also known as environmental, social and corporate governance (ESG) given that good performance in these areas is directly linked to business excellence.

F3. Reporting period

Information contained in this Consolidated Non-Financial Statement (CNFS) reflects the situation included in the period between October 1, 2019 and September 30, 2020 (“the reporting period”). This period is referred also as “fiscal year 2020” (FY20).

F4. Reporting framework

[102-54] The report is referenced to the reporting framework and reporting elements included in the Law 11/2018 of 28 December on non-financial information and diversity. This Law stems from Royal Decree-Law 18/2017 of November 24, with important new additions, and brings into Spanish law Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information.

The report includes all material indicators for the Siemens Gamesa group requested in Law 11/2018, relating to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as information relating to Group employees. Where any indicator is not material for the Group, this will be expressly mentioned.

Siemens Gamesa Renewable Energy also followed the recommendations of the Global Reporting Initiative (GRI reporting standards). Siemens Gamesa has referred to selected GRI Reporting criteria for defining report content, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. They have equally guided the quality of information, enabling stakeholders to make sound and reasonable assessments of our organization. Additionally, the report takes into consideration the non-binding Guidelines on non-financial reporting of the European Commission (2017/C 215/01).

This report is subject to external independent review by EY and approval by Siemens Gamesa Renewable Energy S. A.'s Board of Directors.

Notice that EY verification report cannot be an integral part of this Consolidated Non-Financial Statement (CNFS) and cannot be attached to the CNFS document. This verification document is independent and is generated after audit closing. Rationale is the same as in financial audit, the audit report is not part of the financial statements.

F5. Collection of information

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

Rounding: Certain figures included in this statement have been rounded up or down to the nearest decimal. The figures included throughout this document may therefore not add up precisely to the totals provided and the percentages might not accurately reflect absolute figures due to said rounding.

F6. Observations

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

Year-on-year comparative information is provided along the report. Scope and period comparable to the subject matter of sustainability in 2017 are not the same as in 2018, 2019 and 2020. Siemens Gamesa excluded the data from year 2017 to conduct a reliable year-on-year analysis. To analyze trends and data to compare the organization's sustainability performance over time, considers FY18 period to be the baseline.

F7. Reference

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

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

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

F8. Calculations

This document refers to CO_2 emission savings that Siemens Gamesa products bring to customers.

It is correctly interpreted as total CO_2 emissions that would be generated annually with conventional fossil fuels to produce the equivalent amount of electricity (kWh) produced by Siemens Gamesa turbines on an annual basis.

Calculation of these annual CO_2 emission savings is based on the wind turbines total installed capacity - both on Onshore and at Offshore. The following conversion factors are applied:

- Emission factor world fossil ($grCO_2$/KWh): 849
- Offshore wind turbines average capacity factor: 42%
- Onshore wind turbines average capacity factor: 35%
- Average hours equivalent a year (h)= [Average Wind Turbine Generator (WTG) Capacity factor] * 365*24

G. Annexes

Annex I - Materiality analysis

[102-44] Siemens Gamesa's Materiality Analysis is a continuation of the global analysis carried out in the first half of fiscal year 2018. From our perspective, the evolution of material issues does not require an annual update, but rather we propose a review through 3-5-year cycles, depending on the particularities of the business and the trends in stakeholders' needs.

Identification of material aspects

The information sources which enable us to identify more and new relevant matters for the company's stakeholders include: i) Criteria for Environment, Social and Governance (ESG) used by institutional investors and asset managers to select their investment portfolios; ii) ESG requirements used by specialized indexes and rating agencies to analyze the company; iii) reference publications issued by international organizations that are influential in the scope covered by the ESG topic; and iv) ESG requirements expressed by clients in the framework of the daily business relations of the company.

At a global level, we also take into consideration the analyses made by four international standards that currently shape the broader international agreement on responsible behavior of multinational companies: i) the Principles of the United Nations Global Compact; ii) the United Nations Guiding Principles on Business and Human Rights; iii) the OECD Guidelines for Multinational Enterprises and iv) the Global Reporting Initiative Guidelines (GRI) with representation from the business environment, trade unions, civil society, financial markets, auditors and specialists in several disciplines in the business area, regulators and several countries' governing bodies.

All these sources allow us to identify details and particularities, obtaining different lists of issues that affect the group. A single list of issues linked to their corresponding chapter in this report is set out below.

Prioritization of material aspects

The importance of each specific aspect for Siemens Gamesa's top management and regional managers (internal diagnosis) was analyzed and opinion makers' demands in these areas were also identified, as were the best practices implemented by Siemens Gamesa's peers (external diagnosis). The results of the internal and external diagnoses have been deployed in the aggregated materiality analysis as:

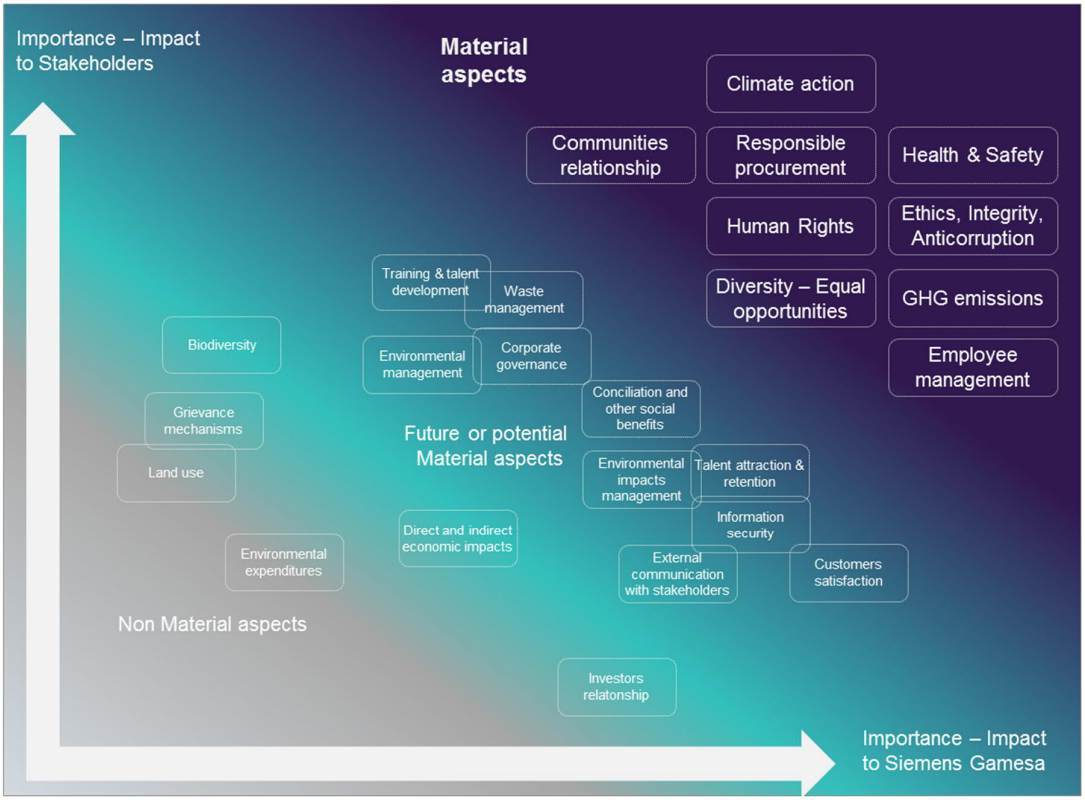
- internal relevance of sustainability aspect (importance for SGRE – materiality matrix's X axis) including an in-depth analysis of the sustainability policies applicable to the group's companies, together with consultations with the business' senior executives, including the Chief Executive Officer and members of the executive committee, who provided their views on the relevance of the issues identified.
- external relevance of sustainability aspect (importance for stakeholders – materiality matrix's Y axis), with a weighting of i) benchmark with industry peers: 60%; ii) sector prescribers: 5% including AEE, WindEurope, IEA, …etc. iii) sustainability opinion makers: 30%; including DJSI, CDP, FTSE4Good, OECD, ILO, GRI…etc.; iv) media: 5%

Validation of material aspects

The assessment and validation of the material aspects was included in the sustainability strategy and actions for the period 2018-2020, which was submitted to the criteria and subsequent validation by the Audit, Compliance and Related Party Transactions Committee at its session held on 16 May 2018.

In the second half of fiscal year 2020 we have seen the outbreak of the COVID-19 pandemic in a broad sense. This effect has not been included in the materiality analysis, pending verification of whether it should be considered a permanent impact or an acute impact, to the extent that this effect may be reflected in the Group's corporate policies. In the current situation it looks like this impact should be regularly evaluated in future materiality analyses and therefore its inclusion should be assessed. However, and for the purpose of this exercise, the non-financial information statement already incorporates several references regarding how this impact has been managed from a business and management systems perspective.

Figure 36 – Materiality matrix



Understanding material aspects

Material aspect: Ethics, Integrity, anti-corruption

Relevance of the material aspect: As part of a company's good governance, it is considered necessary to establish an anti-corruption policy and guidelines for ethical company conduct, in addition to promoting legal compliance and integrity in tenders and bids. A high degree of transparency, efficiency and accuracy in the functioning of the governing bodies is critical to the generation of trust and long-term commitment to stakeholders. It is also a trend for large listed companies to provide more and more information regarding transparency and tax contribution. Section in this report: See Chapter "Ethics, Integrity and Anticorruption"

Material aspect: Health & safety

Relevance of the material aspect: Managing the safety, health and well-being of workers requires a process of awareness and training, along with risk identification and mitigation measures. In addition to achieving a reduction in accidents at work, it is important to transfer the importance of occupational safety and health management to the supply chain. Section in this report: See Chapter “Health and Safety”

Material aspect: Climate change action

Relevance of the material aspect: Measures taken by the company to contribute to climate change mitigation: establish a climate change policy, invest in renewable energy, promote energy efficiency, reduce greenhouse gas emissions, use a carbon or emissions offsetting; adapting projects or assets to extreme weather events; and managing risks and opportunities from climate change. Today, the energy transition and its regulatory mechanisms. The associated impacts on companies are significant. Section in this report: See Chapter “Climate Change”

Material aspect: Responsible procurement

Relevance of the material aspect: Environmental, social and ethical criteria must also be applied in supplier management. This includes the establishment of supplier policies and codes of conduct, as well as the implementation of due diligence mechanisms to ensure compliance. Work must also be done to identify the carbon footprint of suppliers. Section in this report: See Chapter “Responsible Supply chain”

Material aspect: Diversity and equal opportunities

Relevance of the material aspect: Measures that guarantee diversity and equal opportunities in the workplace must be incorporated, from the incorporation of people at risk of social exclusion to training and the promotion of multiculturalism. In addition, policies and actions aimed at promoting work-life balance and reducing the salary gap should be incorporated. Section in this report: See Chapter “Diversity and Equal opportunities”

Material aspect: Human Rights

Relevance of the material aspect: Measures in place to respect the human rights of stakeholders and mechanisms to address possible violations. In addition to the definition of a policy in this respect, it is considered relevant to establish due diligence mechanisms as well as training and awareness on the subject or the assessment of human rights risks in projects and investments, as well as in the supply chain. Section in this report: See Chapter “Human Rights”

Material aspect: Greenhouse Gas emissions (GHG)

Relevance of the material aspect: Global warming and climate change have come to the fore as a key sustainable development issue. Many governments are taking steps to reduce GHG emissions through national policies that include the introduction of emissions trading programs, voluntary programs, carbon or energy taxes, and regulations and standards on energy efficiency and emissions. As a result, we must be able to understand and manage our GHG risks if we are to ensure long-term success in a competitive business environment, and to be prepared for future national or regional climate policies. Section in this report: See Chapter “Sustainable use of resources”

Material aspect: Employee management

Relevance of the material aspect: Strategy and plans to attract and retain talent, as well as to reduce employee turnover: performance evaluation processes, employee satisfaction surveys and investment in training and other instruments to motivate commitment such as grants, or incentives linked to objectives. In addition, measures to promote training on key sustainability issues and to link employee remuneration to the company's sustainability performance are also assessed. Section in this report: See Chapter “Working at SGRE”

Material aspect: Communities relationship

Relevance of the material aspect: Any negative impact of the company's activity on local communities should be managed, starting with appropriate dialogue with them. The effects should consider aspects such as population displacement, noise or dust generated or visual impact. Likewise, the company's activity has a positive impact, such as the generation of wealth and the creation of local employment or the hiring of local suppliers. Furthermore, a positive impact must be added to all social actions of a local and global nature outside the regular business channels. Section in this report: See Chapter “Social commitment”

Annex II- Additional tables

Table 68 - Headcount in fiscal year 2020: Employees by region, gender, age group and level

	Male	Female	Total
Europe, Middle East & Africa	**14,065**	**3,680**	**17,745**
<35	4.320	1.049	5.369
Executive level	0	1	1
Management level	264	67	331
Non-Management level	4.056	981	5.037
35-44	5.404	1.556	6.960
Executive level	62	11	73
Management level	886	282	1,168
Non-Management level	4.456	1.263	5.719
45-54	3.186	843	4.029
Executive level	92	8	100
Management level	635	155	790
Non-Management level	2.459	680	3.139
55-60	779	165	944
Executive level	31	4	35
Management level	110	10	120
Non-Management level	638	151	789
>60	376	67	443
Executive level	2	0	2
Management level	53	6	59
Non-Management level	321	61	382
Americas	**2,740**	**693**	**3,433**
<35	1.106	251	1.357
Executive level	0	0	0
Management level	66	18	84
Non-Management level	1.040	233	1.273
35-44	918	219	1.137
Executive level	9	2	11
Management level	188	38	226
Non-Management level	721	179	900
45-54	431	131	562
Executive level	7	1	8
Management level	98	22	120
Non-Management level	326	109	435
55-60	172	57	229
Executive level	2	0	2
Management level	35	4	39
Non-Management level	135	53	188
>60	113	35	148
Executive level	2	0	2
Management level	12	2	14
Non-Management level	99	33	132
Asia, Australia	**4,410**	**526**	**4,936**
<35	2.610	250	2.860
Executive level	0	0	0
Management level	59	8	67
Non-Management level	2.551	242	2.793
35-44	1.439	234	1.673
Executive level	2	0	2
Management level	205	47	252
Non-Management level	1.232	187	1.419
45-54	319	40	359
Executive level	7	3	10
Management level	154	18	172
Non-Management level	158	19	177
55-60	39	1	40
Executive level	3	0	3
Management level	25	0	25
Non-Management level	11	1	12
>60	3	1	4
Executive level	0	0	0
Management level	1	0	1
Non-Management level	2	1	3
Headcount Total	**21,215**	**4,899**	**26,114**

Table 69 - Hiring in fiscal year 2020: Hiring by region, gender, age group and level

	Male	Female	Total
Europe, Middle East & Africa	**2.873**	**627**	**3,500**
<35	1.346	298	1.644
Executive level	0	0	0
Management level	34	11	45
Non-Management level	1.312	287	1.599
35-44	950	200	1.150
Executive level	7	1	8
Management level	91	23	114
Non-Management level	852	176	1.028
45-54	450	106	556
Executive level	5	0	5
Management level	48	12	60
Non-Management level	397	94	491
55-60	83	16	99
Executive level	2	1	3
Management level	10	0	10
Non-Management level	71	15	86
>60	44	7	51
Executive level	1	0	1
Management level	6	1	7
Non-Management level	37	6	43
Americas	**563**	**107**	**670**
<35	322	64	386
Executive level	0	1	1
Management level	16	0	16
Non-Management level	306	63	369
35-44	173	28	201
Executive level	1	0	1
Management level	35	7	42
Non-Management level	137	21	158
45-54	59	12	71
Executive level	0	0	0
Management level	12	3	15
Non-Management level	47	9	56
55-60	9	2	11
Executive level	0	0	0
Management level	1	1	2
Non-Management level	8	1	9
>60	0	1	1
Executive level	0	0	0
Management level	0	0	0
Non-Management level	0	1	1
Asia, Australia	**617**	**145**	**762**
<35	464	92	556
Executive level	0	0	0
Management level	13	7	20
Non-Management level	451	85	536
35-44	105	44	149
Executive level	0	0	0
Management level	12	4	16
Non-Management level	93	40	133
45-54	37	9	46
Executive level	3	0	3
Management level	11	4	15
Non-Management level	23	5	28
55-60	8	0	8
Executive level	2	0	2
Management level	2	0	2
Non-Management level	4	0	4
>60	3	0	3
Executive level	0	0	0
Management level	1	0	1
Non-Management level	2	0	2
Hiring Total	**4,053**	**879**	**4,932**

Table 70 - Exits in fiscal year 2020. Terminations by gender and type of exit, region, age group and level

	Male Voluntary	Male Non-voluntary	Male sub-total	Female voluntary	Female Non-voluntary	Female sub-total	Total
Europe, Middle East & Africa	**807**	**910**	**1,717**	**191**	**192**	**383**	**2,100**
<35	323	287	610	78	62	140	750
Executive level	0	0	0	0	0	0	0
Management level	15	3	18	4	1	5	23
Non-Management level	308	284	592	74	61	135	727
35-44	267	276	543	65	67	132	675
Executive level	5	1	6	1	0	1	7
Management level	42	20	62	12	4	16	78
Non-Management level	220	255	475	52	63	115	590
45-54	146	211	357	34	45	79	436
Executive level	1	4	5	0	1	1	6
Management level	31	23	54	6	3	9	63
Non-Management level	114	184	298	28	41	69	367
55-60	32	87	119	6	13	19	138
Executive level	3	2	5	0	0	0	5
Management level	5	12	17	0	0	0	17
Non-Management level	24	73	97	6	13	19	116
>60	39	49	88	8	5	13	101
Executive level	0	1	1	0	0	0	1
Management level	4	3	7	2	1	3	10
Non-Management level	35	45	80	6	4	10	90
Americas	**259**	**218**	**477**	**59**	**43**	**102**	**579**
<35	120	95	215	24	26	50	265
Executive level	0	0	0	0	0	0	0
Management level	5	5	10	1	2	3	13
Non-Management level	115	90	205	23	24	47	252
35-44	82	83	165	19	11	30	195
Executive level	0	0	0	0	0	0	0
Management level	18	12	30	3	2	5	35
Non-Management level	64	71	135	16	9	25	160
45-54	40	30	70	9	4	13	83
Executive level	1	1	2	0	0	0	2
Management level	9	3	12	4	1	5	17
Non-Management level	30	26	56	5	3	8	64
55-60	8	8	16	2	2	4	20
Executive level	1	0	1	0	0	0	1
Management level	0	1	1	0	0	0	1
Non-Management level	7	7	14	2	2	4	18
>60	9	2	11	5	0	5	16
Executive level	0	0	0	0	0	0	0
Management level	1	0	1	1	0	1	2
Non-Management level	8	2	10	4	0	4	14
Asia, Australia	**376**	**123**	**499**	**67**	**30**	**97**	**596**
<35	223	64	287	34	10	44	331
Executive level	0	0	0	0	0	0	0
Management level	4	1	5	1	0	1	6
Non-Management level	219	63	282	33	10	43	325
35-44	121	48	169	24	18	42	211
Executive level	0	0	0	0	0	0	0
Management level	24	5	29	4	1	5	34
Non-Management level	97	43	140	20	17	37	177
45-54	25	8	33	9	1	10	43
Executive level	3	0	3	0	0	0	3
Management level	12	2	14	3	0	3	17
Non-Management level	10	6	16	6	1	7	23
55-60	4	2	6	0	0	0	6
Executive level	1	1	2	0	0	0	2
Management level	3	1	4	0	0	0	4
Non-Management level	0	0	0	0	0	0	0
>60	3	1	4	0	1	1	5
Executive level	1	1	2	0	0	0	2
Management level	2	0	2	0	0	0	2
Non-Management level	0	0	0	0	1	1	1
Exits Total	1,442	1,251	2,693	317	265	582	3,275

Annex III - Law 11/2018 content index

Index of contents required by Law 11/2018, of December 28, which modifies the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Audit of Accounts, regarding non-financial information and diversity.

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
General topics					
Business Model					
Brief description of the Group's business model	Our Company	L11G01	GRI 102-1 GRI 102-2 GRI 102-3 GRI 102-5 GRI 102-7 GRI 102-10 GRI 102-18	6	
Markets where it operates	Our Company	L11G02	GRI 102-4 GRI 102-6	6	
Organizational objectives and strategies	Strategy	L11G03	GRI 102-14 GRI 102-40 GRI 102-44	27	
Key factors and trends that could affect the future outlook	Strategy	L11G04	GRI 102-14 GRI 102-15	29	
General					
Reporting framework	About this report	L11G05	GRI 102-45 GRI 102-46 GRI 102-47 GRI 102-50 GRI 102-51 GRI 102-52 GRI 102-53 GRI 102-56	161	
Management approach					
Description of applied policies	Sustainability approach	L11G06	GRI 103-1 GRI 103-2	34	
Results of these policies	Sustainability approach	L11G07	GRI 103-3	39	
Risks related to the aspects linked to the Group's activities	Risk Management	L11G08	GRI 102-15	43	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Environmental matters

Environmental management

Current and foreseeable impact of the company's activities on the environment	Environmental management	L11M01	GRI 102-15	98	
Environmental assessment and certification procedures	Environmental management	L11M02	GRI 103-2 Management approach to environment	99	
Resources devoted to environmental risk prevention	Environmental management	L11M03	GRI 103-2 Management approach to environment	99	
Implementation of the precautionary principle	Environmental management	L11M04	GRI 102-11	99	
Amount of provisions and warranties for environmental risks	Environmental management	L11M05	GRI 103-2 Management approach to environment	98	

Pollution

Measures to prevent, reduce or repair carbon emissions (includes noise and light pollution)	Sustainable use of resources	L11M06 L11M08	Internal operating framework	115 117	Note 1

Circular economy and waste prevention and management

Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	Sustainable use of resources	L11M07	GRI 103-2 Management approach to waste Internal operating framework	121	
Actions to avoid food waste	Sustainable use of resources	L11M09	-	-	Note 2

Sustainable use of resources

Water consumption and water supply in accordance with local limitations	Sustainable use of resources	L11M10	GRI 303-1	119	
Consumption of raw materials and measures to improve the efficiency in use	Sustainable use of resources	L11M11	GRI 103-2 Management approach of materials Internal operating framework	113	
Consumption, direct and indirect, of energy measures taken to improve energy efficiency and the use of renewable energies	Sustainable use of resources	L11M12	GRI 103: Management approach to energy GRI 302-1 GRI 305-4	114	
Use of renewable energies	Sustainable use of resources	L11M13	GRI 302-1	114	

Climate change

Important elements of greenhouse gas emissions generated as a result of the activities of the company	Climate change	L11M14	GRI 103-2 Management approach to emissions GRI 305-1 GRI 305-2 GRI 305-5	106	
Measures to adapt to climate change	Climate change	L11M15	GRI 103-2 Management approach to emissions	109	
Voluntary medium and long-term targets set to reduce greenhouse gas emissions and the measures implemented to that end	Climate change	L11M16	GRI 103-2 Management approach to emissions Internal operating framework	111	

Protection of biodiversity

Measures to preserve or restore biodiversity	Sustainable use of resources	L11M17	GRI 103-2 Management approach to biodiversity Internal operating framework	124	
Significant impacts of activities, products, and services on biodiversity	Sustainable use of resources	L11M18	Internal operating framework	124	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Social and Human Resources related matters

Employment

Total number of employees and distribution by country, gender, age and occupational classification	Working at SGRE	L11HR01	GRI 103-2 Management approach to employment GRI 102-8 GRI 405-1	56	
Total number and distribution of the conditions of the work contract	Working at SGRE	L11HR02	GRI 102-8 Internal data linked to Workday- SAP system procedure	58	
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Working at SGRE	L11HR03	GRI 102-8 GRI 405-1	58	
Number of dismissals by sex, age and professional category	Working at SGRE	L11HR04	GRI 401-1	59	
Average remuneration by sex, age and professional category	Compensation & Benefits	L11HR05	GRI 405-2	96	
Gender pay gap, the remuneration of equal or average jobs in society	Compensation & Benefits	L11HR06	GRI 103-2 Management approach of employment GRI 405-2	96	
Average remuneration of counselors and managers by sex	Our Company	L11HR07	Internal operating framework	16	
Implementation of policies to allow employees to disconnect from work	Diversity &Equal Opportunity	L11HR08	Internal operating framework	77	
Number of employees with disabilities	Diversity & Equal Opportunity	L11HR09	Internal operating framework	77	

Work organization

Working hours organization	Working at SGRE	L11HR10	Internal operating framework	53	
Number of hours of absenteeism	Occupational Health & Safety	L11HR11	Internal operating framework	69	
Measures to promote work-life balance and co-parenting responsibilities	Diversity &Equal Opportunity	L11HR12	GRI 103-2 Management approach of employment	77	

Health & Safety

Health & safety conditions in the workplace	Occupational Health & Safety	L11HR13	GRI 103-2 Management approach of Health & Safety	61	
Number of work accidents and occupational diseases by sex, frequency and severity rate by gender	Occupational Health & Safety	L11HR14	Internal operating framework	67	Note 3

Labour relations

Social dialogue organization	Labor Relations	L11HR15	GRI 103-2 Management approach to labour relations	80	
Percentage of employees covered by collective agreements, by country	Labor Relations	L11HR16	GRI 102-41	80	
Results of collective agreements, especially in the field of health and safety	Labor Relations	L11HR17	Internal operating framework	81	

Training

Training policies implemented	Learning and training	L11HR18	GRI 103-2 Management approach to training and education	88	
Number of hours of training by professional category	Learning and training	L11HR19	GRI 404-1	92	Note 4

Accesibility

Universal accessibility of people with disabilities	Diversity &Equal Opportunity	L11HR20	GRI 103-2 Management approach of diversity, equality and no discrimination	77	

Equality

Measures taken to promote equal treatment and equal opportunities for women and men	Diversity &Equal Opportunity	L11HR21	GRI 103-2 Management approach of diversity, equality and no discrimination	72	
Equality plans measures adopted to promote employment, protocols against sexual and gender-based harassment	Diversity &Equal Opportunity	L11HR22	GRI 103-2 Management approach of diversity, equality and no discrimination	74	
Integration and universal accessibility for people with disabilities	Diversity &Equal Opportunity	L11HR23	GRI 103-2 Management approach of diversity, equality and no discrimination	77	
Policy against all types of discrimination and, where appropriate, management of diversity	Diversity &Equal Opportunity	L11HR24	GRI 103-2 Management approach of diversity, equality and no discrimination	72	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Information on respect for Human Rights

Human Rights

Application of due diligence procedures in the field of human rights, preventing the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	Human Rights	L11H01	- GRI 103: Management approach to human rights GRI 102-17	134	
Complaints about cases of violation of human rights	Human Rights	L11H02	Internal operating framework	132	
Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization regarding freedom of association and the right to collective bargaining, the elimination of job discrimination, the elimination of forced labour and the effective abolition of child labour.	Human Rights	L11H03	GRI 103-2 Management approach to human rights GRI 407-1	134	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Disclosures on the fight against corruption and bribery

Corruption and bribery

Measures taken to prevent corruption and bribery	Ethics, Integrity and anti-corruption	L11C01	GRI 103-2 Management approach to compliance GRI 102-17 Internal operating framework	129	
Measures to combat money laundering	Ethics, Integrity and anti-corruption	L11C02	Internal operating framework GRI 206-1	130	
Contributions to non-for-profit organizations	Ethics, Integrity and anti-corruption	L11C03	Internal operating framework GRI 102-13	142	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Information about society

Commitment to sustainable development

Impact of the company's activity on employment and local development	Strategy	L11SO01	GRI 103-2 Management approach to local communities	31	
Impact of the company's activity on local populations and territories	Social Commitment	L11SO02	Internal operating framework	137	
Company's relations with local communities´ agents and dialogue channels	Social Commitment	L11SO03	GRI 102-12 GRI 102-13	138	
Partnerships and sponsorship actions	Memberships and associations	L11SO04	GRI 102-13	143	

Sustainable supply chain

Inclusion of social, gender equality and environmental matters in the company's purchasing policy	Responsible Supply chain	L11SO05	GRI 103-2 Management approach to responsible supply chain	148	
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	Responsible Supply chain	L11SO06	GRI 102-9 GRI 308-1	151	
Monitoring and supervision systems and related results	Responsible Supply chain	L11SO07	GRI 102-9 Internal operating framewrok	152	

Consumer relationship

Measures to protect consumers´ health and safety	Occupational Health & Safety	L11SO08	GRI 103-2 Management approach	70	
Claims systems	Our Company	L11SO09	Internal reporting framewrok	22	
Complaints received and resolution of them	Ethics, Integrity and anti-corruption	L11SO10	Internal reporting framewrok	133	

Tax information

Profits obtained per country	Responsible Tax	L11SO11	Internal data linked to SAP system	158	
Taxes paid on profits	Responsible Tax	L11SO12	Internal data linked to SAP system	158	
Public subsidies received	Responsible Tax	L11SO13	GRI 201-4 Internal data linked to SAP system	159	

Notes included into the Law 11/2018 content index:

Note 1: Light pollution is not considered a material aspect for Siemens Gamesa.

Note 2: Due to the nature of Siemens Gamesa's business and based on the materiality assessment, the required information on "food waste" is not considered relevant to be reported.

Note 3: Our occupational safety and health data recording protocols do not allow for the inclusion of gender in our accident and incident records. This information is considered to compromise the privacy of the employee's identity, even if the employee's name has not been entered. However, the company is committed to processing this data in FY21 and onwards, ensuring employee privacy is protected, with the aim of breaking down the number work accidents and occupational diseases including a gender perspective.

Note 4: This fiscal year, the Group's training hours and trained employees are provided, audited data, but it does not include an additional breakdown by professional category. The reason for this is the existence of a data platform reconciliation problem, which the company is committed to solve along 2020-21. Full breakdown will be provided at the end of fiscal year 2021.

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The report is available in English and Spanish. Both versions can be downloaded from Siemens Gamesa's corporate website:

www.siemensgamesa.com

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Independent Assurance Report on the Consolidated Non-Financial Report
for the year ended September 30, 2020

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES

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Building a better working world

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORT 2020

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Siemens Gamesa Renewable Energy, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended September 30, 2020 of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the Annex III "Law 11/2018 content index" included in the accompanying Consolidated Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of Siemens Gamesa Renewable Energy, S.A. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the Annex III "Law 11/2018 content index", of said report.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of Siemens Gamesa Renewable Energy, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence as well as confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFR, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the NFR based on the materiality analysis made by the Group and described in the Annex I "Materiality analysis", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2020 NFS.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFS and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the NFS of the Group for the year ended September 30, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) as well as other criteria described in accordance with that indicated for each subject in the Annex III: "Table of contents required under "Law 11/2018 content index", included in the aforementioned Statement.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Alberto Castilla Vida

November 27, 2020

Annual Corporate Governance Report

of Listed Companies

2020

SIEMENS Gamesa
RENEWABLE ENERGY

ISSUER IDENTIFICATION

YEAR-END DATE: 09-30-2020

Tax Identification No. A01011253

Company Name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered Office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (BIZKAIA)

NOTICE:

i)The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.

ii) Due to rounding, numbers presented throughout this Annual Corporate Governance Report may not adjust precisely to the numbers or total amounts, or to those provided in other related documents and percentages may not precisely reflect absolute figures.

A. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
04-03-2017	115,794,374.94	681,143,382	681,143,382

Please state whether there are different classes of shares with different associated rights:

Yes ☐ **No X**

Class	Number of shares	Par value	Number of votes	Associated rights

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
SIEMENS ENERGY AKTIENGESELLSCHAFT	0.00	67.071	0.00	0.00	67.071

Breakdown of the indirect holding

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named Siemens Gas & Power GmbH & Co. KG)	67.071	0.00	67.071

State the most significant shareholder structure changes during the year:

Most significant movements

On January 1, 2020, Siemens Aktiengesellschaft ("Siemens AG" or "SAG"), as communicated to the Spanish Stock Market Commission ("CNMV") on January 2, 2020, transferred its 30.123% Siemens Gamesa Renewable Energy, S.A. (hereinafter "SIEMENS GAMESA" or the "Company") direct stake to Siemens Gas and Power GmbH & Co. KG ("Siemens KG") (fully owned by SAG) and communicated that the management body of Siemens KG, the entity Siemens Gas and Power Management GmbH ("SKG Manco"), which represents Siemens KG and therefore has the discretion to exercise the voting rights of Siemens KG, is fully owned and under the control of SAG.

On January 31, 2020, SAG, as communicated to the CNMV on February 3, 2020, transferred its 28.877% SIEMENS GAMESA indirect stake owned by Siemens Beteiligungen Inland GmbH ("SBI") (fully owned by SAG) to Kyros 63 GmbH (fully owned by SBI). SAG also communicated that its stake in Siemens KG and SKG Manco was contributed to SBI. After these contributions SAG still remained as indirect owner of 59% of SIEMENS GAMESA share capital.

On February 5, 2020, Iberdrola Participaciones, S.A.U., (fully owned by Iberdrola, S.A.) transferred its 8.071% stake in SIEMENS GAMESA to SAG, as communicated by Iberdrola, S.A. to the CNMV through significant events number 286473 and 286526, and SAG became owner of 67.071% SIEMENS GAMESA stake, holding 59% indirectly and 8.071% directly, as communicated by Siemens AG to the CNMV on February 6, 2020.

On March 31, 2020, as communicated by SAG to the CNMV on April 1, 2020, SAG and Kyros 63 GmbH transferred, respectively, their 8.071% and 28.877% SIEMENS GAMESA direct stake to Siemens KG, becoming therefore Siemens KG the direct owner of the 67.071% stake in SIEMENS GAMESA. The communication also informs of the change of ownership in Siemens KG, formerly wholly owned by SBI, with the result that now SAG owns 87.98% and SBI owns 12.02%.

On September 25, 2020, SAG, as communicated to the CNMV on September 28, 2020, completed an internal reorganization within the group resulting on no longer owning SIEMENS GAMESA's shares. As communicated by Siemens Energy Aktiengesellschaft ("Siemens Energy AG" or "SEAG") to the CNMV on September 28, 2020, SEAG indirectly holds 67.071% of the voting rights in SIEMENS GAMESA as follows: (i) SEAG wholly owns and control SKG Manco; (ii) SKG Manco is the sole general partner and management company of Siemens KG; (iii) as general partner, SKG Manco represents Siemens KG and therefore has the discretion to exercise the voting rights owned by Siemens KG; and (iv) Siemens KG owns directly 67.071% of the voting rights in SIEMENS GAMESA.

Siemens KG changed its corporate name to "Siemens Energy Global GmbH & Co. KG" with effects October 15, 2020.

Finally, on November 12, 2020, BlackRock Inc., as communicated to the CNMV on November 13, 2020, crossed the 3% threshold of voting rights attached to shares or through financial instruments in the share capital of SIEMENS GAMESA. Therefore, BlackRock Inc. became a significant shareholder of SIEMENS GAMESA as it was, as of November 12, 2020, the indirect owner of 3.001% of the voting rights of the share capital of SIEMENS GAMESA, divided in two direct stakes one of 2.836% in shares and another stake of 0.165% through financial instruments. As stated in the communication sent to the CNMV, the shares and financial instruments referred in the disclosure correspond to funds, accounts and portfolios managed by investment managers under the control of BlackRock Inc.

A.3. In the following tables, list the members of the Board of Directors (hereinafter "directors") with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Total percentage of voting rights held by the Board of Directors						0.000	

Remarks
Mr. Andoni Cendoya Aranzamendi, former director of the Company, was the direct holder of 1,000 shares of SIEMENS GAMESA, representing 0.0001% of the share capital, at the time of his resignation as a director, which took place with effects on February 23, 2020. Mr. Carlos Rodríguez-Quiroga Menéndez, former director of the Company, was the direct holder of 315 shares of SIEMENS GAMESA, representing 0.0000% of the share capital, at the time of his voluntary ceasing as a director, which took place with effects on February 23, 2020. Mr. Markus Tacke, former CEO of the Company, was the direct holder of 5,000 shares of SIEMENS GAMESA, representing 0.0007% of the share capital, at the time of his resignation as director, which took place on June 17, 2020. The shareholders acting at the General Meeting of Shareholders of SIEMENS GAMESA held on March 23, 2018 approved a "Long-Term Incentive Plan" (hereinafter, LTI) for the 2018-2020 period, which was amended by resolution of the shareholders at the Company's General Meeting of Shareholders held on March 27, 2019, which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO, among others. In relation to the aforementioned LTI, the Board of Directors assigned to the CEO Mr. Andreas Nauen (new CEO since June 17, 2020 replacing former CEO Mr. Markus Tacke), 28,856 stock awards for the FY2018 cycle (see section C.1.13), 67,380 stock awards for the FY2019 cycle, and 79,164 stock awards for the FY2020 cycle (once updated the assignment of stock awards for FY2020 after his appointment as CEO), resulting in a total of 175,400 stock awards (the former CEO, Mr. Markus Tacke was assigned by the Board of Directors with a total of 112,746 stock awards for the three cycles (see section C.1.13) once amended the initial assignments of each cycle after his resignation). The amount of *stock awards* just means the potential maximum number of shares to be awarded to the CEO in case of maximum achievement of all objectives established for such cycles, but it does not imply in any case that all or part of them will be awarded. The number of shares which, if that is the case, are finally awarded, will be calculated over the basis of the level of effective achievement of the objectives to which it is subject to. No share has been awarded to the current or former CEO, under any of the cycles of the LTI, by the date of issuance of this report, as explained in more detail in section C.1.13 of this report.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

Remarks

The contractual relationships that exist between the significant shareholder and SIEMENS GAMESA and/or its group (understood as the group of companies where SIEMENS GAMESA is the mother company, the "SIEMENS GAMESA Group" or the "Group") arise in the ordinary course of business and are not included in this section A.5. View section D.2. for more detail.

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties.

Shareholders with significant interests are represented on the Board of Directors through proprietary non-executive Directors. According to article 11.1 and 11.2 of the current Regulations of the Board of Directors of SIEMENS GAMESA approved by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Board of Directors") the categories of directors are "(…) *(a) Executive Directors; and (b) Non-executive Directors. Non-executive Directors may also be Independent, Proprietary or other External Directors.*

The status of each Director will be determined in accordance with legal provisions and must be explained by the Board of Directors before the General Shareholders' Meeting that will carry out or approve their appointment and confirm or, where applicable, revise it annually in the Annual Corporate Governance Report after being verified by the Appointments and Remunerations Committee."

It should also be noted that article 9.4 of said Regulations of the Board of Directors states that "*The Board of Directors shall attempt to include Proprietary and Independent Directors in the majority group of Non-executive Directors, maintaining a balance regarding the complexity of the Group, the ownership structure of the Company, the absolute and relative importance of significant shares, as well as the degree of continuity, commitment and strategic links with the owners of these stocks with the Company.*"

And then article 13.4 of said Regulations provides that "*The provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors*."

The Board of Directors of SIEMENS GAMESA is currently made up of the following proprietary directors:

- Mr. Tim Dawidowsky, appointed on an interim basis (co-option) by the Board of Directors on September 28, 2020 at the proposal of Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) to replace Dr. Andreas C. Hoffmann. The appointment will be submitted for ratification at the next General Meeting of Shareholders. Mr. Tim Dawidowsky is Senior Vice President Project Excellence of Siemens Energy Global GmbH & Co and member of the Board of Directors of Siemens Pakistan.

- Mr. Tim Oliver Holt, appointed on an interim basis (co-option) by the Board of Directors on February 10, 2020 at the proposal of Siemens AG to replace Ms. Lisa Davis, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Mr. Tim Oliver is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Maria Ferraro, appointed on an interim basis (co-option) by the Board of Directors on May 5, 2020 at the proposal of Siemens AG to replace Mr. Michael Sen, her appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Ms. Maria Ferraro is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Mariel von Schumann, appointed at the Extraordinary General Meeting of Shareholders held on October 25, 2016 at the proposal of Siemens AG, her appointment becoming effective on April 3, 2017. Siemens Gas and Power

GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Ms. Mariel von Schumann, originally proposed by Siemens AG, will maintain her condition as proprietary director.

- Mr. Miguel Angel López Borrego, appointed on an interim basis (co-option) by the Board of Directors on 16 October 2018 effective December 1, 2018 at the proposal of Siemens AG to replace Ms. Rosa María García García, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on March 27, 2019. Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Mr. Miguel Angel López Borrego, originally proposed by Siemens AG, will maintain his condition as proprietary director.

In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Holt, Tim Oliver	SIEMENS ENERGY AG		Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Labor Director
Holt, Tim Oliver	SIEMENS ENERGY AG	Ethos Energy Group Ltd.	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens W.L.L. Qatar	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Ltd. Saudi Arabia	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Foundation US	Member of the Board of Trustees
Ferraro, Maria	SIEMENS ENERGY AG		Member of the Managing Board
Ferraro, Maria	SIEMENS ENERGY AG		Chief Financial Officer
Ferraro, Maria	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Energy Global GmbH & Co. KG	Senior Vice President Project Excellence
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Pakistan	Member of the Board of Directors

Remarks

As of September 25, 2020, date when Siemens AG ceased to be significant shareholder of SIEMENS GAMESA, the following proprietary directors appointed at the proposal of Siemens AG, hold the following posts or relationship with Siemens AG or companies of its group:

- Mr. Miguel Angel López Borrego holds, as of September 25, 2020, the post of Chairman and CEO of Siemens, S.A., Chairman of Siemens Holding, S.L.U, member of the Board of Directors of Siemens Rail Automation, S.A.U., member of the Board of Directors of Siemens S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U.

- Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until September 28, 2020, holds, as of September 25, 2020, the post as member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Gas and Power Management GmbH (Dr. Hoffmann resigned from this post on September 25, 2020), member of the Supervisory Board of Siemens Healthcare GbmH, member of the Board of Directors of Siemens Ltd., China, General Counsel and Head of Legal and Compliance of Siemens AG and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).

- Mr. Tim Oliver Holt holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, member of the Board of Directors of Siemens Ltd. India, member of the Board of Directors of Siemens W.L.L. Qatar, member of the Board of Directors of Siemens Ltd. Saudi Arabia, member of the Board of Directors of Ethos Energy Group Ltd. and member of the Board of Trustees of Siemens Foundation US.

- Ms. Mariel von Schumann holds, as of September 25, 2020, the post of member of the Board of Directors of Siemens Ltd. India and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).

- Ms. Maria Ferraro holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board of Siemens Gas and Power Management GmbH; Vice President of the Board of Directors of Siemens S.p.A., Italy; member of the Board of Directors of Siemens Ltd. Seoul, Korea; member of the Board of Directors of Siemens S.A. Spain; Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu; Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd.; Supervisor in the Supervisory Board of IBS Industrial Business Software (Shanghai) Ltd.; Supervisor in the Supervisory Board of TASS International Co. Ltd.; Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou; Supervisor in the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd.; Company Supervisor in Siemens Numerical Control Ltd., Nanjing; Supervisor in the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited; member of the Governing Board of Siemens AB, Sweden; Chief Financial Officer of Siemens AG Digital Industries Division, until April 2020; and Chief Diversity Officer of Siemens AG Digital Industries Division, until April 2020.

The following proprietary directors appointed at the proposal of Siemens AG, as SIEMENS GAMESA's significant shareholder until September 25, 2020, who resigned before such date, held the following posts or relationship with Siemens AG or companies of its group as of their resignation date:

- Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until November 27, 2019, holds, as of his resignation date, the post as member of the Managing Board and Chief Financial Officer of Siemens AG; member of the Supervisory Board and Chairman of the Audit Committee of Siemens Aktiengesellschaft Österreich; and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.

- Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until February 10, 2020, holds, as of her resignation date, the posts of member of the Managing Board of Siemens AG; and Chairwoman of the Board of Directors of Siemens Proprietary Ltd., South Africa.

- Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until March 31, 2020, holds, as of his resignation date, the posts as member of the Managing Board of Siemens AG (until March 2020); Chairman of the Supervisory Board, Chairman of the Chairman's Committee, member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019) .

Mr. Pedro Azagra Blázquez, proprietary director appointed at the proposal of Iberdrola Participaciones, S.A.U. and member of the Board of Directors of SIEMENS GAMESA until February 5, 2020, date when Iberdrola S.A. ceased to be significant shareholder of SIEMENS GAMESA, held, as of his resignation date, the posts as member of the Executive Committee at Iberdrola, S.A.; Corporate Development Director of the Iberdrola Group, and member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

Finally, after fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes ☐ **No X**

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ **No X**

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

As a consequence of the transfer of the stake in SIEMENS GAMESA owned by Iberdrola Participaciones, S.A.U. to Siemens AG effective on February 5, 2020 and considering that Iberdrola Participaciones, S.A.U. would no longer be a shareholder of SIEMENS GAMESA, both parties, Iberdrola Participaciones, S.A.U. and Siemens AG agreed to terminate the shareholders agreement entered into by them on 17 June 2016. Termination of this agreement was communicated to the Spanish Stock Market Commission by Iberdrola, S.A. on February 4, 2020 (significant event number 286473).

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

Yes X **No ☐**

Name of individual or company
SIEMENS ENERGY AG

Remarks
The significant shareholder SIEMENS ENERGY AG owns indirectly 67.071% of the share capital of SIEMENS GAMESA and therefore can exercise control over it according to article 42 of the Commerce Code. The Company has five external proprietary directors in the Board of Directors.

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,625,869	0	0.239

Remarks
SIEMENS GAMESA signed on July 10, 2017 a liquidity contract with Santander Investment Bolsa, which was reported to the CNMV through Significant Event (number 254428) and entered into force on July 11, 2017. This liquidity contract was terminated on January 31, 2020 and this circumstance was reported to the CNMV on the same date through Significant Event number 286394. Likewise, during 2020 fiscal year the CNMV has been notified of transactions carried out within the scope of the referred liquidity contract during the first quarter of 2020 fiscal year and also during the period of time from the start of the second quarter of 2020 fiscal year until its termination date, via Significant Events number 285644 and 286490.

(*) through:

Name of direct shareholder	Number of direct shares
N/A	N/A
Total:	

Explain any significant changes during the year:

Explain significant changes
Pursuant to article 40 of Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union (the "Royal Decree 1362/2007"), these issuers must inform the CNMV of the proportion of voting rights held when, from the last treasury stock acquisition announcement, they acquire their own shares amounting to at least 1% of the voting rights via either a single or successive transactions. In this regard, during the 2020 fiscal year SIEMENS GAMESA made one announcement of direct acquisitions of treasury stock for reaching or exceeding the 1% threshold of the voting rights since the previous similar announcement. The referred announcement was made on December 27, 2019, including a total number of directly acquired shares of 6,816,872 representing a capital share of 1.001%.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

As at the date of approval of this report, the approval by the shareholders at the Company's Annual General Meeting of Shareholders held on July 22, 2020 under item thirteen on the agenda, pursuant to which the Board of Directors was authorized to acquire treasury shares of the Company, is in effect. The text of the resolution adopted by the shareholders at said Meeting in item thirteen on the Agenda is set forth verbatim below:

"Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:

(a) *Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.*

(b) *Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.*

(c) *Acquisitions may be made at any time up to the maximum amount allowed by law.*

(d) *Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.*

(e) *This authorisation is granted for a period of five years from the adoption of this resolution.*

(f) *The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below*

the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015."

A.11. Estimated free float

	%
Estimated free float	32.690

Remarks

The free float is calculated by deducting the capital belonging to significant shareholders, directors and treasury stock by the total amount of share capital as of September 30, 2020.

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No X**

Description of restrictions

Do not exist.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes ☐ **No X**

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

No resolution has been adopted.

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes ☐ **No X**

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share
All the shares in SIEMENS GAMESA's share capital are of the same class and series and confer the same political and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital. The Company's shares are admitted to trade on the stock exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System (Continuous Market).

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

Yes ☐ **No X**

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1st call	N/A	N/A
Quorum required at 2nd call	N/A	N/A

Description of differences
Do not exist.

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes ☐ **No X**

Describe how it is different from that contained in the LSC.

	Qualified majority different from that established in Article 201.2 LSC for Article 194.1 LSC matters	Other matters requiring a qualified majority
% established by the company for adoption of resolutions	N/A	N/A

Describe the differences
Do not exist.

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the By-Laws of SIEMENS GAMESA is governed by the provisions of: (i) Sections 285 to 290 of the Corporate Enterprises Act, (ii) its By-Laws y (iii) its Regulations for the General Meeting of Shareholders.

Articles 14.h) of the By-Laws and 6.1 i) of the Regulations for the General Meeting of Shareholders provide that said amendment is within the purview of the shareholders acting at a General Meeting of Shareholders of SIEMENS GAMESA.

Furthermore, articles 18 of the By-Laws and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements and articles 26 of the By-Laws and 32 of the Regulations for the General Meeting of Shareholders provide for the majorities required to adopt resolutions at the General Meeting of Shareholders. All of said articles refer to the legal provisions on these matters.

Additionally, article 31.4 of the Regulations for the General Meeting of Shareholders provides that the Board of Directors, in accordance with the provisions of law, shall formulate different proposed resolutions relating to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately. Within the context of amending the By-Laws, this rule means that each article or group of articles that is substantially independent shall constitute a separate proposal and shall be subject to individual approval.

Finally, pursuant to Section 518 of the Corporate Enterprises Act, for purposes of the call of a General Meeting of Shareholders at which an amendment of the By-Laws is proposed, the Company's website shall include the full text of the proposed resolutions regarding the items on the agenda in which said amendment is proposed, as well as the reports of the competent bodies in relation to these items.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

	Attendance data				
Date of General Meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
07-22-2020	0.63	86.92	0.00	0.00	87.55
Of which, free float:	0.63	19,85	0.00	0.00	20,48
03-27-2019	9.47	74.42	0.00	0.00	83.89
Of which, free float:	1.40	15.42	0.00	0.00	16.82
03-23-2018	9.01	72.39	0.00	0.00	81.40
Of which, free float:	0.93	13.39	0.00	0.00	14.32

Remarks

The free-float percentages have been calculated by dividing the shares present in person and by proxy less those belonging to significant shareholders and directors participating at each General Meeting of Shareholders, according to the information available on the attendance roll, by the total number of shares outstanding on the date the Meeting is held. For these purposes, significant equity interests deposited into omnibus accounts (that are not in the name of the holders of said equity interests) have been subtracted from the shares present in person and by proxy, as the Company was aware of the participation of said significant shareholder at the Company's General Meeting of Shareholders.

At the General Meeting of Shareholders held on July 22, 2020, seven shareholders, holding a total of seven thousand eight hundred sixty-three (7,863) shares, used the electronic absentee voting platform.

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

Yes ☐ **No X**

Points on agenda not approved	% votes against (*)

(*) If the non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes ☐ **No X**

Number of shares required to attend General Meetings	
Number of shares required for distance voting	

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes ☐ **No X**

Explain the decisions that must be subject to the General Shareholders' Meeting, other than those established by law

Do not exist.

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Article 48 of the By-Laws of SIEMENS GAMESA governs the activation of the Company's website pursuant to applicable law.

At its meeting of September 13, 2017, the Board of Directors of SIEMENS GAMESA approved the change of the corporate website from www.gamesacorp.com to www.siemensgamesa.com. The change was registered with the Commercial Registry of Biscay on October 24 2017 and was published in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) (BORME) on November 2, 2017, all for purposes of the full effectiveness thereof pursuant to Section 11 bis of the Corporate Enterprises Act.

General shareholders' meeting

The corporate website includes all information and content that must be published (directly accessible at https://www.siemensgamesa.com/en-int/investors-and-shareholders) pursuant to the Restated Text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October (the "Securities Market Act"), the Corporate Enterprises Act, Order ECC/461/2013 of 20 March Determining the Content and Structure of the Annual Corporate Governance Report, the Annual Remuneration Report and Other Information Instruments of Listed Companies, Savings Banks and Other Entities that Issue Securities Admitted to Trading on Official Securities Markets, and CNMV Circular 3/2015 of 23 June on Technical and Legal Specifications and Information that must be Contained in Websites of Listed Companies and Savings Banks that Issue Securities Admitted to Trading on Official Secondary Securities Markets.

As to mandatory content, the Company seeks to continously improve accessibility for users, particularly shareholders and investors, and this content is kept permanently updated pursuant to applicable law.

As regards accessibility of the mandatory content, it should be noted that access is provided on the home page of the corporate website. This access is located in the upper part of the page under the title "Investors and shareholders" (accessible at https://www.siemensgamesa.com/en-int/investors-and-shareholders), where there is a drop-down list of sections with all of the content that must be included on the websites of listed companies pursuant to the legal provisions mentioned above. These sections can also be accessed directly at their respective addresses:

- https://www.siemensgamesa.com/en-int/investors-and-shareholders/share-and-dividend
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/financial-information
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/communications-to-the-cnmv

It should also be noted that this access to section "Investors and shareholders" is also available at the bottom of the website's home page.

The corporate website also contains other information of interest for shareholders and investors and news relating to the Company's activities.

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	10

Remarks

The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 agreed, under item number eleven of the agenda, to set the number of members of the Board of Directors at ten, under article 30.2 of the By-laws and article 9.2 of the Regulations of the Board of Directors.

C.1.2. Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
López Borrego, Miguel Angel		External Proprietary	Chairman	12-01-2018	03-27-2019	General Meeting
Nauen, Andreas		Executive	Chief Executive Officer	06-17-2020	07-22-2020	General Meeting
Dawidowsky, Tim		External Proprietary	Director	09-28-2020	09-28-2020	Board of Directors Co-option
Ferraro, Maria		External Proprietary	Director	05-05-2020	07-22-2020	General Meeting
Hernández García, Gloria		Independent	Director	05-12-2015	03-27-2019	General Meeting
von Heynitz, Harald		Independent	Director	02-10-2020	07-22-2020	General Meeting

Holt, Tim Oliver	External Proprietary	Director	02-10-2020	07-22-2020	General Meeting
Krämmer, Rudolf	Independent	Director	02-20-2019	03-27-2019	General Meeting
Rosenfeld, Klaus	Independent	Director	04-03-2017	04-03-2017	General Meeting
von Schumann, Mariel	External Proprietary	Director	04-03-2017	04-03-2017	General Meeting

Total number of directors	10

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
Thomas, Ralf	External Proprietary	04-03-2017	11-27-2019	None	Yes
Azagra Blázquez, Pedro	External Proprietary	03-27-2019	02-05-2020	Appointments and Remunerations Committee	Yes
Davis, Lisa	External Proprietary	04-03-2017	02-10-2020	None	Yes
Cendoya Aranzamendi, Andoni	Independent	03-27-2019	02-23-2020	Appointments and Remunerations Committee	Yes
Alonso Ureba, Alberto	Independent	03-23-2018	02-23-2020	Audit, Compliance and Related Party Transactions Committee	Yes
Rodriguez-Quiroga Menéndez, Carlos	Executive	06-20-2017	02-23-2020	None	Yes
Sen, Michael	External Proprietary	06-20-2017	03-31-2020	None	Yes
Tacke, Markus	Executive	06-20-2017	06-17-2020	None	Yes
Hoffmann, Andreas C.	External Proprietary	07-22-2020	09-28-2020	None	Yes

Reason for leaving and other remarks

Nine members of the Board of Directors stepped down during fiscal year 2020.

Mr Pedro Azagra Blázquez, in his condition as proprietary Director, resigned on the grounds of the sale by Iberdrola Participaciones, S.A.U. of its entire shareholding in SIEMENS GAMESA, as explained in his resignation letter.

Mr Andoni Cendoya Aranzamendi explained in his letter of resignation that, after a long and rewarding collaboration, during which great efforts and dedication have been required to adapt the Company to the changes resulting from its merger, he considered his time in the Company fulfilled and that with his resignation he wanted to facilitate the

adaptation of the Company to the challenges of the new phase resulting after the significant changes in its shareholding structure with the best composition and structure of its Board of Directors.

Mr Alberto Alonso Ureba explained in his letter of resignation that it was grounded only on the relevant changes in the shareholding structure of SIEMENS GAMESA, resulting from the restructuring initiated by Siemens AG in May 2019 and the agreement in February 2020 between Siemens AG and Iberdrola group that lead to a new phase for the Company. In this letter, he considered his duty as Director to facilitate with his resignation that the Board of Directors and the General Meeting of Shareholders might adopt the resolutions they deemed more convenient in relation to the Board of Director's composition and structure, in light of the new circumstances of the Company.

Mr Carlos Rodríguez-Quiroga Menéndez explained in his letter of resignation that, after 18 years of service to SIEMENS GAMESA since he was appointed as Director in 2001, having participated in the important successes of the Company during this year, he thought it was moment to pursue new professional opportunities and dedicate more time to his profession as a lawyer, referring also the important structural changes occurred in the Company in the last few years and, in particular, the merger with the wind business of the Siemens group.

Mr Andreas C. Hoffman, in his condition as proprietary Director, resigned on the ground of the spin-off by Siemens AG of its energy business resulting on no longer holding shares in SIEMENS GAMESA as explained in his resignation letter.

Mr Michael Sen, in his condition as proprietary Director, resigned on the grounds that he would be leaving the Siemens group at the end of March 2020.

Mr Markus Tacke resigned in accordance with art. 16.2.b) of the Regulations of the Board of Directors in force, on the grounds of his termination as Chief Executive Officer of SIEMENS GAMESA.

Dr Ralf Thomas and Ms Lisa Davis, proprietary Directors, resigned for personal reasons.

To supplement the chart of the members of the Board of Directors, it should be noted that Mr. Juan Antonio García Fuente, former Deputy Secretary non-member of the Board of Directors, holds the position of Secretary non-member of the Board of Directors and Legal Counsel (*Letrado Asesor*) of the Company since his appointment on March 18, 2020.

C.1.3. Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organizational chart of the company	Profile
Nauen, Andreas	Chief Executive Officer	Born in Krefeld (Germany). He is currently Chief Executive Officer and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Mechanical Engineering Degree from the University of Duisburg (Germany) and a Commercial Degree from the University of Hagan. He served as CEO of the Offshore Business Unit of Siemens Gamesa Renewable Energy, S.A. since November 2017 until June 2020. Mr. Andreas Nauen has a large experience in the renewable energy sector, which he started in the Siemens group, where over the course of a decade he operated in branches worldwide in diverse and key roles. He was appointed and held the position as CEO of the global wind turbines business of Siemens from 2004 to 2010, leading the integration of the newly acquired company Bonus Energy A/S. Subsequently he was appointed CEO for the global wind turbines business at REpower/Senvion (2010-2015). Lastly, for a year he was Managing Director at KTR Systems GmbH in Rheine (Germany). Mr. Andreas Nauen is currently on the supervisory board of NKT A/S.

Total number of executive directors	1
Percentage of Board	10.00

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented	Profile
López Borrego, Miguel Angel	SIEMENS ENERGY AG	Born in Frankfurt am Main (Germany) but of Spanish nationality, he holds the position of Chairman of the Board of Directors and Chairman of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada). He currently holds the position as Chairman and Chief Executive Officer of Siemens, S.A. (Spain) as well as Chairman of the Board of Directors of Siemens Holding S.L.U., member of the Board of Siemens Rail Automation S.A.U., member of the Board of Directors of Siemens, S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U. In addition to this, he is also member of the Managing Board of the Deutsche Handelskammer für Spanien (German Chamber of Commerce for Spain), member of the Managing Board of Innobasque (Basque Innovation Agency) and member of the Business Advisory Council of CEOE (Confederation of employers and industries of Spain). His professional career started as plant controller in VDO AG. Afterwards he was appointed Chief Financial Officer of VDO Instrumentos in Spain and of VDO's global Instruments Division. Within the Siemens Group he held the position as Chief Financial Officer of the Interior & Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls & Distribution Business Unit in the Siemens Automation & Drives group, of the Industry Automation Division, of Siemens' Industry Sector, until in 2014 he was appointed CFO of Siemens Digital Factory Division. In 2017 he held the position of CFO of Siemens Gamesa Renewable Energy. Throughout his entire professional career, he held different positions on various boards of directors around the world. As an example, he has served on Primetals Technologies' Board of Directors in Austria and Great Britain; Valeo Siemens eAutomotive or several positions in China and in other countries such as France and Portugal.
Dawidowsky, Tim	SIEMENS ENERGY AG	Born in Husum (Germany), he currently holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Degree in Industrial Engineering and Business Administration by the Technical University of Berlin (Germany). Currently he holds the position as Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG. Mr. Dawidowsky has developed his professional career in the Siemens AG group since 1993 where he held several positions as, among others, Data Management Director (1998-2000) and Supply Management Director (2000-2003) both in the Power Generation unit, and Procurement Vice President (2000-2006) in Industrial Solutions & Services. From 2006 until 2009 he was CEO of Industrial Solution for North East Asia and afterwards, from 2009 until 2012, he held the position as Senior Vice President for Casting and Rolling in Siemens VAI Metals Technologies.

		More recently, Mr. Dawidowsky has held the position as CEO for business unit EPC (2019-2020), CEO for business unit Large Drives (2015-2019) and CEO for business unit Transmission Solution (2012-2015) in Siemens AG and member of the Board of Directors of Siemens Pakistan.
Ferraro, Maria	SIEMENS ENERGY AG	Born in Hamilton (Canada), she currently holds the position of Member of the Board of Directors and Member of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She holds a degree in Accounting from Brock University (Canada), and she is also a certified accountant by the Canadian Institute of Chartered Accountants. Ms. Ferraro currently holds the position of Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH. She previously held the post as CFO of Siemens Digital Industries and CDO (Chief Diversity Officer) of Siemens AG. Throughout her professional career she also held various positions within the Siemens group related to the accounting, controlling or finance departments, including CFO of Siemens UK or CFO of Siemens Canada. Ms. Maria Ferraro is member of the Advisory Board of the Technical University of Munich.
Holt, Tim Oliver	SIEMENS ENERGY AG	Born in Bremerhaven (Germany), he currently holds the position of Member of the Board of Directors and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a degree in Aerospace Engineering from the Technical University in Berlin (Germany), and MBA from Northwestern University's Kellogg School of Management in Evanston, Illinois (U.S.). Mr. Holt is member of the Managing Board of Siemens Energy AG and member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, and he is also Board member of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi Arabia and the Siemens Foundation US. He previously served as Chief Operating Officer (COO) of Siemens Gas & Power from 2019 to 2020 and as the CEO of the Siemens Power Generation Services Division from 2016 to 2019. He has also held other roles within Siemens Group including CEO of Wind & Renewable Energy Services, Vice President of Business Development for the Power Generation Services Division, as well as other roles in sales, engineering, and strategy.
von Schumann, Mariel	SIEMENS ENERGY AG	Ms. von Schumann holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Born in Brussels (Belgium), she graduated from ICHEC University of Brussels (Bachelor in Economics and Business Administration and Management), and from EAP-ESCP Europe with a master's in International Business Administration and Management. She completed a number of postgraduate programs, among others at INSEAD and LBS. Throughout her professional career, she has held various management posts in Product Management, Mergers and Acquisitions, Strategy and Investor Relations. At Siemens AG, she served as Head of Investor Relations until October 2013 and held the posts as Chief of Staff and Head of Governance & Markets until July 2019. Currently, she is also on the Board of Directors for Siemens India and for the Siemens Foundation (*Siemens Stiftung*).

Total number of proprietary directors	5
Percentage of the Board	50.00

INDEPENDENT DIRECTORS

Name of director	Profile
Hernández García, Gloria	Born in Madrid, she holds the position of Member of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory. Currently she is non-executive Director in the Board of Directors of NORTEGAS. Until January 2019 she held the post as General Director of Finance and Capital Markets of Bankinter, S.A., manager of the treasury of the company, of balance sheet risk management, of solvency and calculation, and of the management of the resources of the Bankinter Group, as well as responsible for the budget control and the efficiency, the investors relations, accountancy policies and the financial control, the accounts and the financial information of the Bankinter group and the coordination of the relationship of the entity with the ECB. She was member of the Management Committee of Bankinter, S.A., Director as representative of Bankinter in Linea Directa Aseguradora, S.A., Bankinter Consumer Finance and Bankinter Global Services. Before joining Bankinter, S.A., she served for over seven years as the Financial Director of Banco Pastor, S.A. Ms. Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of General Manager of the Treasury. She also was nata Director of the CNMV and the Bank of Spain. At last, she has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.
von Heynitz, Harald	Born in Munich (Germany), he holds the position of Member of the Board of Directors, Chairman of the Audit, Compliance and Related Party Transactions Committee and Member of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. He is also a certified public accountant in the U.S. as a member of the AICPA since 22 years. Mr. von Heynitz is registered in own practice since January 2020. In March 2020 he started as a member of management of FAS Steuerberatungsgesellschaft mbH, Munich. He has extensive experience in accounting, auditing, financial and business advisory and worked for 33 years for KPMG in Munich and New York. In 1999 he became partner and throughout his career he served large publicly listed companies in Germany including Siemens, Airbus Group, and Linde, as Audit Lead Partner and/or Global client Lead Partner. During the last 15 years he held different leadership positions within KPMG, among others, he was the Lead Audit Partner for Siemens from 2001 to 2004, Partner in charge of the Audit function for Southern Germany from 2004 to 2007 and member of the KPMG Europe LLP Board from 2007 until 2012.
Krämmer, Rudolf	Born in Rosenheim (Germany), he holds the position of Member of the Board of Directors, Member of the Delegated Executive Committee, Member of the Audit, Compliance and Related Party Transactions Committee and Chairman of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. Mr. Krämmer has extensive experience in accounting, auditing, financial and business

	advisory. He worked for almost 15 years for Arthur Andersen and Andersen Consulting in Munich, Chicago, Moscow and St. Petersburg, the last six years as partner in different leadership positions. In 2002 he joined EY Germany as partner and was lead audit partner on significant publicly listed companies in Germany including Siemens AG. Overall, he served EY for 14 years thereof almost 10 years as member of the managing board. Currently he is registered in own practice and engaged in voluntary social work in his community. He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.
Rosenfeld, Klaus	Born in Bonn (Germany), he holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany). Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014. He started his professional career in 1993 holding several positions in the Investment Banking Division in Dresdner Bank AG. In 2002 he became member of the Board of Directors, being responsible for Finance and Controlling, Compliance and Corporate investments Dresdner Bank AG. He joined the Schaeffler AG in March 2009 as Chief Financial Officer. During this period he led the corporate and financial restructuring of the group, after the takeover bid for Continental AG, and led, in 2012, Schaeffler AG's access to the debt markets and its IPO in October 2015. He is also a member of the management and supervisory bodies of various industrial companies. In particular, he is a member of the Supervisory Board and the Audit Committee of Continental AG, in Hanover (Germany), and the Board of Directors of Schaeffler India Ltd., in Mumbai (India). He is also a member of the Executive Committee of the Federation of German Industries (BDI) in Berlin.

Number of independent directors	4
Percentage of the Board	40.00

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Statement of the Board
N/A	N/A	N/A

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
N/A	N/A	N/A	N/A

Total number of other external directors	0
Percentage of the Board	0.00

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
N/A	N/A	N/A	N/A

C.1.4. Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	4	4	40.00%	33.33%	66.67%	66.67%
Independent	1	1	2	2	25.00%	20.00%	40.00%	50.00%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	3	6	6	30.00%	23.08%	46.15%	50.00%

C.1.5. State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes X **No ☐** **Partial policies ☐**

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

The composition of the Board of Directors is a key element of SIEMENS GAMESA's Corporate Governance system. As such, it must help the governance bodies to adequately perform their management and oversight functions, providing different viewpoints and opinions, fostering debate, analysis and critical review of the proposals submitted for its consideration. Thus, the Board of Directors currently consists of a combination of people with wide experience and knowledge of the energy sector and expertise on different fields of interest to SIEMENS GAMESA (such as auditing, finance, controlling, M&A and restructuring or multinational businesses), overall achieving adequate balance and diversity in its composition, allowing for a better operation.

SIEMENS GAMESA is aware of the significance of the principle of diversity both in the composition of the Board of Directors and in the processes of selection and re-election of candidates for director, and this is set forth in its current Regulations of the Appointments and Remunerations Committee (art. 7.4) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Appointments and Remunerations Committee"), the current Regulations of the Audit, Compliance and Related Party Transactions Committee (art. 15.2) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Audit, Compliance, and Related Party Transactions Committee"), and in the "Director Selection Policy" the last version of which was approved under the name of "Board of Directors Diversity and Director Selection Policy" by resolution of the Board of Directors after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020. By way of example, the function to oversee compliance with this principle is given to the Appointments and Remunerations Committee, which supports it in processes within its purview, like searching for candidates for Director of the Company, preparing reports and procedures for appointment or re-election of directors.

Specifically, the "Board of Directors Diversity and Director Selection Policy" of SIEMENS GAMESA, includes among its objectives the search for persons whose appointment favours diversity of gender, knowledge and experience within the Board of Directors. Furthermore, the Company must take into account the principle of diversity, among other principles, in the formulation of proposals or reports issued in relation to candidates for director of the Company, as provided in section 4.c) of said Policy: "*The selection of directors may not suffer from implied bias that might entail discrimination of any kind, and particularly that might hinder the selection of female directors.*"

Moreover, the new section 5 of said Policy states that *"The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period."*

Likewise, the Audit, Compliance and Related Party Transactions Committee according to article 15 of its Regulations shall seek diversity in the composition thereof, particularly as regards gender, career experience, skills, sector-specific knowledge and geographical origin.

In line with the foregoing, during fiscal year 2020 the Company changed six directors making up its Board of Directors, which has allowed the inclusion of new skills and experiences. Regarding the number of members of the Board of Directors, the General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved, in item eleven on the agenda, its reduction from thirteen to ten. The aforementioned appointments are described below:

- Dr. Andreas C. Hoffmann was appointed as a director by the Board of Directors on November 27, 2019 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Dr. Andreas C. Hoffmann resigned on September 28, 2020.

- Mr. Tim Oliver Holt was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Holt was appointed as a member of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020. Mr. Holt resigned from his position on the referred Committee on May 5, 2020, being replaced by Ms. Maria Ferraro, and continuing as

member of the Board of Directors of the Company. Mr. Holt was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Harald von Heynitz was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of independent non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. von Heynitz was appointed as a member of the Appointments and Remunerations Committee and of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020 and was appointed as Chair of the latter committee on February 12, 2020.

- Ms. Maria Ferraro was appointed as a director by the Board of Directors on May 5, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and she was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Ms. Ferraro was appointed as member of the Audit, Compliance and Related Party Transactions Committee on May 5, 2020.

- Mr. Andreas Nauen was appointed as a director by the Board of Directors on June 17, 2020 through the interim appointment (co-option) procedure, with the classification of executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Nauen was appointed as Chief Executive Officer by the Board of Directors on June 17, 2020 and said delegation of powers was ratified after his re-election as executive director as described in Section C.1.9 of this report. Mr. Nauen was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Tim Dawidowsky was appointed as a director by the Board of Directors on September 28, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment will be submitted for ratification at the next General Meeting of Shareholders.

SIEMENS GAMESA publishes on its corporate website (www.siemensgamesa.com) the internal rules mentioned at the beginning, as well as the Activities Report of the Board of Directors and of its consultative Committees, in which one can analyze in greater detail the objectives and duties of the internal bodies, the procedures, and the profiles of the directors.

Board of Directors skills and diversity matrix

Our Board of Directors' composition provides the balance of knowledge, capabilities, qualifications, diversity and experience required to execute our strategy. This balance is reflected in the Board´s skills and diversity matrix that was approved in 2019 and updated in 2020.

The SIEMENS GAMESA's skills and diversity matrix included here below, separates the skills in two groups, general and specific, with reference to the degree of coverage of each of them by each Director, and by the Board of Directors as a whole.

Together with the section related to skills, there is another section related to diversity in relation to geographical origin or international studies, women, and independence of the members of the Board of Directors.

Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10
A. General										
Administration, senior management and experience in boards of directors (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sectorial experience and expertise in **energy or business related engineering or industry (50%)**	✓	✓		✓					✓	✓
International capacity or experience **(100%)**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience and expertise in **strategy (50%)**		✓	✓	✓	✓					✓
Accounting and financial knowledge **(70%)**	✓		✓		✓	✓	✓	✓		✓
Audit, internal control and risk management knowledge and experience **(60%)**	✓		✓			✓	✓	✓		✓
Institutional, regulatory and legal/corporate governance (20%)					✓	✓				
B. Specific										
Digitization and Information Technologies (50%)	✓			✓	✓			✓	✓	
Human resources, culture, talent and remuneration systems (40%)		✓		✓	✓			✓		
Corporate social responsibility and sustainable development (40%)			✓	✓	✓			✓		

Geographical origin or international studies:

The Board of Directors is composed of 90% of Directors with geographical origin or international education in Europe, 40% in North America or the United Kingdom and 10% with international education in APAC.

Women:

Currently, the Board has 3 women, that make up 30% of members of the Board.

Independence:

When it comes to tenure, 90% of Board Directors have been in office between 0 and 4 years and 10% have been between 5 and 8 years.

C.1.6. Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women.

Explanation of means

By application of article 14 of the Regulations of the Board of Directors, the Appointments and Remunerations Committee has established standards for selecting Directors of renowned reputation, credibility, solvency, competence and experience, endeavoring to ensure that female candidates meeting this profile are included in the selection process.

Likewise, the consolidated text of article 7.4 of the Regulations of the Appointments and Remunerations Committee provides that the Committee will "*ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, age, competencies, personal skills and sector knowledge, international experience or geographical origin.*" Furthermore, article 7.5 of the Regulations of the Appointments and Remunerations Committee provides that one of its tasks is to *"set a representation target for the gender that is least represented on the Board of Directors and prepare guidelines on how to achieve it."*

For the same purpose as above, the Board of Directors has amended the "Director Selection Policy" after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020, in order to give further relevance to diversity, resulting on an amendment of the Policy title to "Board of Directors Diversity and Director Selection Policy" which refers expressly to diversity on the Board of Directors, and by adding a new Section 5 incorporating the amended recommendation of the Good Governance Code for Listed Companies in terms of presence of female directors in the Boards of Directors, and which reads as follows: "*The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period".*

Finally, the Company is compliant with 30% of female members in the Board of Directors. As of September 30, 2020, the Board of Directors of SIEMENS GAMESA has three women among its ten members representing 30% of the total members of the Board of Directors.

Moreover, the Diversity & Inclusion Strategy for FY20-FY22 was approved by the Executive Committee in February 25, 2020 and is driven by four Long Term Goals in the aim of cultivating diversity and equal opportunities as impactful and competitive advantages, being one of them to increase the female representation in the Company's Board of Directors, in the overall workforce and in senior management position. The objective of this plan is to design and share a new and common concept of diversity, to truly embrace it through different specific and global initiatives focused especially on gender equality, culture, inclusion, and work-life balance.

Likewise, SIEMENS GAMESA is part of the Programme "*Más mujeres, mejores empresas*" ("More women, better companies") of the Spanish Ministry of Equality for increasing the number of women in management positions and executive committees and for a balanced composition of Board of Directors between men and women within four years.

During 2020 fiscal year SIEMENS GAMESA has increased the proportion of women holding senior and middle management positions and proportions are expected to grow in accordance with the application of best working practices.

Finally, it should be highlighted that Ms. Beatriz Puente, will join SIEMENS GAMESA on December 1, 2020, as Chief Financial Officer becoming part of the senior management staff.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

N/A

C.1.7. Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020

The conclusions of the verification of compliance with the "Director Selection Policy" during 2020 fiscal year carried out by the Appointments and Remunerations Committee are the following:

- The Appointments and Remunerations Committee confirms that the Company's processes for the selection, appointment and re-election of directors complied during financial year 2020 with the requirements imposed by law and the Corporate Governance Rules of Siemens Gamesa, as well as the recommendations of the Good Governance Code.

- The Appointments and Remunerations Committee has expressly verified that the process of selecting candidates for director as well as their subsequent appointment as members of the Board of Directors during financial year 2020 complied with the "Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A." which last version was approved by the Board of Directors on November 4, 2020.

- The Board of Directors of Siemens Gamesa, as a company with a high level of internationalisation, has members with different geographical and national origins, who also have a wide variety of personal qualifications, knowledge and professional experience, which reflects the Company's clear commitment to diversity in the composition of its management decision-making body. The background and professional profile of the six directors appointed during 2020 is a good evidence of such commitment as different areas as technical, legal, financial, auditing and accountancy are covered.

- With respect to gender diversity in the composition of the Board of Directors, Siemens Gamesa complies with the aim of having the presence of at least 30% women in 2020, as established in the Policy, as the Company has, by the end of 2020 fiscal year, 3 women on its Board of Directors, representing 30% of its members since the Annual General Meeting of Shareholders held on July 22, 2020 set the number of its members at ten.

- This is without prejudice to the Company's continue commitment to improving the application of the good governance standards, principles and rules regarding the selection of directors and it will promote that such selection processes take into account the recommendations of the Good Governance Code regarding diversity. In this sense, the Company has set already the ambition that the presence of women in the Board of Directors increases to 40% by 2022 without falling below 30% during this period.

C.1.8. If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	N/A

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes ☐ **No X**

Name of shareholder	Explanation

C.1.9. State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
Nauen, Andreas	The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers to Mr. Andreas Nauen as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decide to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.
Delegated Executive Committee	The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee which has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the Bylaws and of the Regulations of the Board of Directors. See the Regulations of the Delegated Executive Committee for further detail on the specific functions delegated into this Committee.

C.1.10. Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Does the director have executive powers?
N/A	N/A	N/A	N/A

C.1.11. List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
Nauen, Andreas	NKT A/S	Member of the Supervisory Board
Rosenfeld, Klaus	Schaeffler AG	Chief Executive Officer
	Continental AG	Member of the Supervisory Board and Member of its Audit Committee
	Schaeffler India Ltd.	Member of the Board of Directors
Dawidowsky, Tim	Siemens Pakistan	Member of the Board of Directors
Holt, Tim Oliver	Siemens Energy AG	Member of the Managing Board

	Siemens Ltd. India	Member of the Board of Directors
von Schumann, Mariel	Siemens Ltd. India	Member of the Board of Directors
Ferraro, Maria	Siemens Energy AG	Member of the Managing Board

Remarks

Mr. Andreas Nauen, Chief Executive Officer of SIEMENS GAMESA, was a member of the Supervisory Board of Semco Maritime A/S until July 2020.

Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on November 27, 2019, was a member of the Managing Board of Siemens AG and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.

Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until the date of her resignation on February 10, 2020, was a member of the Managing Board of Siemens AG, member of the Board of Directors of Penske Automotive Group Inc, USA, and member of the Board of Directors of Kosmos Energy Ltd.

Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on March 31, 2020, was a member of the Managing Board of Siemens AG.

Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on September 28, 2020, was a member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG.

Mr. Pedro Azagra Blázquez, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on February 5, 2020, was member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

After fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

C.1.12. State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes X **No ☐**

Explanation of the rules and identification of the document where this is regulated

Article 10 of the Regulations of the Board of Directors of SIEMENS GAMESA establishes rules on the maximum number of companies' boards its directors may be a part of:

"*Article 10. Incompatibilities for becoming a Director*

The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:
(…)

b) Any individual acting in the position of Director of more than three companies whose shares are traded in domestic or foreign securities markets.
(…)"

C.1.13. State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	5,869
Amount of vested pension interests for current members (thousand euros)	548
Amount of vested pension interests for former members (thousand euros)	0

Remarks

In addition to the information provided above it shall be mentioned that:

a) Pursuant to articles 45.3 and 45.6 of the Bylaws of SIEMENS GAMESA and as agreed by virtue of the fifteenth resolution of the agenda of the 2015 General Meeting of Shareholders, the remuneration of the Company to all directors as fixed annual remuneration and allowances for their dedication and attendance does not exceed the maximum amount of three million euro (€3,000,000) as established by the cited General Meeting of Shareholders, as such consideration is compatible with and independent from the remuneration received by executive directors.

b) The remuneration of the Board of Directors includes, according to the 2020 Annual Report on Remunerations of the members of the Board, the amounts of, among others, the following recognized concepts to the previous CEO, Mr. Markus Tacke, during the fiscal year 2020: severance pay, no advance notice, and the non-competition clause, implemented at his departure from the Company. Further detail on remuneration of members of the Board of Directors can be found in the referred 2020 Annual Report on Remunerations available on the corporate website (www.siemensgamesa.com).

c) The information included in this section C.1.13 regarding the total remuneration received by the Board of Directors differs from Note 19 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to the CEO Mr Andreas Nauen (15,871 shares valued 375 thousand Euro) and to the former CEO Mr Markus Tacke (25,814 shares valued 609 thousand Euro) under the Cycle FY2018 of the Long Term Incentive Plan whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

   As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

   In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.

C.1.14. Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
Bartl, Jürgen	General Secretary
Bauer, Pierre	CEO Offshore Business Unit (interim)
Gutiérrez, Juan	CEO Service Business Unit

Immink, Marc	Internal Audit Director
Nauen, Andreas	CEO Onshore Business Unit (interim)
Spannring, Thomas	Chief Financial Officer (interim)
Wollny, Christoph	Chief Operations Officer

Total senior management remuneration (thousand euros)	7,901

Remarks

The list above refers to those people who are qualified as senior managers according to SIEMENS GAMESA'S Corporate Governance framework, which does not necessarily imply a special labour relationship under Spanish Labor Law (RD 1382/1985).

The remuneration of the Top Management includes (i) the remuneration corresponding to those who have been part of the Senior Management during part or the whole fiscal year (including those in acting role, Mr. Spannring as acting CFO and Mr. Bauer as acting CEO Offshore). This includes the remuneration accrued by the current CEO, Mr. Andreas Nauen, in his role as CEO Offshore until June 16, 2020, and (ii) the amount of a severance pay and the amount due to a non-competition clause accrued by two senior managers due to termination of their labor relationship.

During fiscal year 2020 four senior managers left SIEMENS GAMESA and one left his senior manager position.

Mr. David Mesonero Molina, former Chief Financial Officer, stepped down from his role on April 1, 2020. Since such date Mr. Thomas Spannring is acting as interim CFO until the appointment of the new CFO, Ms. Beatriz Puente is effective as of December 1, 2020.

Mr. Andreas Nauen, former CEO of Offshore Business Unit, was appointed as CEO of Siemens Gamesa on June 17, 2020. Since such date Mr. Pierre Bauer has been acting as interim CEO Offshore until the appointment of the new CEO of Offshore Business Unit, Mr. Marc Becker is effective as of February 1, 2021.

Mr. Mark Albenze, former CEO of Services Business Unit, retired stepping down from his role on August 18, 2020, being replaced by Mr. Juan Gutierrez.

Mr. Alfonso Faubel, former CEO of Onshore Business Unit, stepped down from his role on August 15, 2020. Since such date Mr. Andreas Nauen is acting as interim CEO Onshore until the appointment of the new CEO Onshore, Mr. Lars Bondo Krogsgaard is effective as of November 1, 2020.

Mr. Felix Zarza, former Internal Audit Director retired and stepped down from his role on April 1, 2020, being replaced by Mr. Marc Immink.

The information included in this section C.1.14 regarding the total remuneration received by the senior management differs from Note 20 of the Individual Report and Note 32 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to senior management under the Cycle FY2018 of the Long Term Incentive Plan valued 1,387 thousand Euro in total, whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.

C.1.15. State whether the Board rules were amended during the year:

Yes X **No ☐**

Description of amendment
The Board of Directors approved on August 5, 2020 the amendment of its Regulations. The main purpose of this amendment to the Regulations of the Board of Directors was to adapt some of its paragraphs dealing with the Delegated Executive Committee to the Recommendations of the Good Governance Code of Listed Companies (the "Code"), in accordance with the revision approved by the National Securities Market Commission in June 2020. Likewise, the Board of Directors approved after 2020 fiscal year closing (November 27, 2020) further amendments of its Regulations to: (i) reflect the modifications on the recommendations of the Code as reviewed in June 2020; and (ii) include certain other changes of a technical nature. The rationale behind the changes to the Regulations approved was to ensure that the Company keeps strengthening its Corporate Governance framework. Among the amendments approved are a more detailed regulation of the cases when Directors must resign or the explanations they must provide when they leave the Board of Directors ahead of the end of their term.

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Selection and appointment procedure:

As provided by article 30 of the By-Laws of SIEMENS GAMESA, the members of the Board of Directors are "*appointed or approved by the General Shareholders' Meeting"* with the provision that *"if there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held*", always in accordance with the applicable provisions of the Corporate Enterprises Act and the By-Laws.

Furthermore, pursuant to article 13.2 of the Regulations of the Board of Directors "*the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remunerations Committee; and (b) in other cases, a report from the aforementioned committee."* In this regard, article 13.3 of said Regulations provides that *"when the Board of Directors declines the proposal or the report from the Appointments and Remunerations Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes."*

Article 13.4 of said Regulations then provides that *"the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors."*

Finally, article 14 of said Regulations provides that *"the Board of Directors and the Appointments and Remunerations Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience"* and adds that *"concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."*

New Directors joining the Board of Directors receive an appropriate introduction designed to provide an overview of the business and the Company (Directors' Information Manual) which covers:

- The internal corporate rules and corporate policies in force, as well as financial and business information regarding SIEMENS GAMESA and compliance with the recommendations of the Good Governance Code for Listed Companies.

- A Corporate Governance overview, with content covering the corporate governance organization, with references to the General Meeting of Shareholders (regulation, duties, details from last General Meeting of Shareholders held); Board of Directors (regulation, duties, composition, organization of its meetings and duties of its Chairman and CEO); Committees of the Board of Directors (duties and composition of each of them); and a section which analyzes in deeper detail two topics concerning the Directors which are the remuneration and the duties, with specific references to the duties of care, loyalty and avoidance of conflicts of interest.

- Corporate Social Responsibility

New Directors are also offered an informative session about the Duties of a Director, and the Internal Regulations for Conduct in a Securities Market, as derived from being a listed company and so ruled by the Spanish Stock Market Law.

Directors who are appointed members of a Committee receive a specific introduction to their role as such, by describing the duties/responsibilities attributed to each Committee, the recommendations of the Good Governance Code for Listed Companies, the internal regulations applicable, and how each Committee complies with them.

Re-election procedure:

Article 15 of the Regulations of the Board of Directors provides that *"proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remunerations Committee, while the re-election of other Directors must have a prior favorable report from this committee."*

In this regard, section 2 of said article adds that *"directors that are part of the Appointments and Remunerations Committee must abstain from taking part in the deliberations and votes that affect them."*

Finally, section 3 of said article states that "*the re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors."*

Evaluation procedure:

Article 25.8 of said Regulations of the Board of Directors governs the procedure for evaluation of directors, and provides that *"the Board of Directors shall evaluate at least once a year: (a) the quality and effectiveness of its operation; (b) the performance of duties of the Chairman of the Board of Directors, and if applicable, of the CEO and Coordinating Director, based on the report submitted to the Appointments and Remunerations Committee; and (c) the operation of the committees based on the reports they submit to the Board of Directors."*

In this regard, article 8 of the Regulations of the Appointments and Remunerations Committee provides that said committee shall have the following main functions regarding the evaluation of the Board:

"1. To promote and coordinate the annual assessment of the performance of the Chairman of the Board of Directors and, where appropriate; the CEO; Board of Directors; Delegated Executive Committee; Audit, Compliance and Related Party Transactions Committee; Appointments and Remunerations Committee; Coordinating Director and any other advisory committee constituted in accordance with the provisions of the Corporate Governance Standards.

2. To submit to the Board of Directors the results of said evaluation together with a draft action plan and with recommendations to correct any deficiencies identified or to improve the functioning of the Board of Directors or its committees.

3. As part of the evaluation, the Committee shall also monitor the attendance of the directors at meetings.

4. To perform the evaluations, the Committee shall have the internal means it deems appropriate in each case, and the support of independent external consultants at least every three years. Consultants supporting the Committee in the exercise of its powers of evaluation provided for in the Corporate Governance Rules shall be different from any that advise the Company in the process of selecting directors or members of Top Management or in relation to the remuneration thereof."

Removal procedure:

Pursuant to the By-Laws, directors will hold their position for four years, for so long as they are not removed by resolution of the General Meeting of Shareholders or they do not resign from their position.

Article 16 of the referred Regulations of the Board of Directors provides that *"Directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."*

The processes and standards to follow for removal will be those provided for in the Corporate Enterprises Act and in Royal Decree 1784/1996 of 19 July approving the Regulations of the Commercial Registry.

Finally, section 2 of article 16 of said Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit, subject to a report from the Appointments and Remunerations Committee.

C.1.17. Explain how the annual evaluation of the Board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

Description of changes

The governance bodies of SIEMENS GAMESA are continuously improving their corporate governance systems, identifying key actions that contribute to the improvement of the operation and effectiveness of the Board of Directors and its committees.

The most important advances that the Company has achieved during fiscal year 2020 are the following:

- The Delegated Executive Committee has been activated to increase the agility of the governance bodies and to help the Board of Directors channel its relationship with top management.
- The achievement of a 30% female representation by year 2020 as recommended in the Good Governance Code.
- As to composition, the incorporation of new directors' profiles has helped to add new capabilities and strengthen the existing ones.
- The Audit, Compliance and Related Party Transactions Committee has increased the number of members.
- Succession planning continues being a priority and the Board of Directors has reviewed the Company's succession plan for top managerial roles and has reviewed and updated the succession protocol for the Chairman and the Chief Executive Officer.
- As to operation, the implementation of flexibility measures for remote connections has allowed the Company to adapt to the restrictions caused by the global COVID-19 pandemic.
- As to skills development, the training sessions have improved both in the content and in the duration.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors of SIEMENS GAMESA evaluates its performance on an annual basis. Thus, on July 29, 2020 the Board of Directors approved the commencement of the process of evaluation of the Board of Directors itself, of the Audit, Compliance and Related Party Transactions Committee, of the Appointments and Remuneration Committee and of the chair of the Board of Directors. This fiscal year it was decided not to assess the Chief Executive Officer due to his recent appointment on June 17, 2020.

For this process, it was determined to hire PricewaterhouseCoopers Asesores de Negocios, S.L. ("PwC") as an external adviser.

The evaluation process, which has included the analysis of more than 160 indicators, has covered the following areas: (i) composition of the bodies, (ii) operation thereof, (iii) development of skills and performance of duties, and (iv) relations with other bodies. These areas have been analyzed from 3 perspectives: (i) compliance with internal rules and with applicable regulations; (ii) analysis of future trends in corporate governance; and finally, (iii) level of compliance with the improvement areas identified in the previous year's assessment processes. During this

assessment, individual interviews were held with all directors and with the Secretary of the Board of Directors and of the Audit, Compliance and Related Party Transitions Committee.

The process concluded at the meeting of the Board of Directors held on November 4, 2020, with the approval of the results of the evaluation and the Action Plan for fiscal year 2021.

The conclusions of the evaluation process show a high degree of compliance with the indicators reviewed and that the operation of the Company's governance bodies continued to improve during the fiscal year. These results should also be viewed within the context of significant events affecting the shareholder composition and a global COVID-19 pandemic. Both of these topics have required to convene various extraordinary meetings to further analyze the situation of the Company and to strengthen procedures to be able to comply with the duties of the Board (e.g. use of videoconference, etc.).

The Action Plan 2021 deriving from the evaluation process focuses on continuing to advance in the operation of the governance bodies and to keep aligning with best practices in the corporate governance. For this reason, among other areas for advancement, work will continue devoting even more time to analyze the Company's strategy through specific off-site meeting, continuing to incorporate more women to the Board and improving the Company's training sessions.

C.1.18. Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

The business relations of the consultant and the companies of its group with SIEMENS GAMESA during the last fiscal year amounted to 2.1 million euros (representing less than 0.5% of PwC España's billing and less than 0.001% of PwC's billing worldwide).

C.1.19. State the situations in which directors are required to resign.

As established in Article 16.2 of the Regulations of the Board of Directors, *"directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remunerations Committee in the following cases:*

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.

b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.

c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.

d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.

e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.

f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.

g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.

i) When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group."

C.1.20. Are qualified majorities other than those established by law required for any specific decision?

Yes X **No ☐**

If so, please describe any differences.

Description of differences
The Regulations of the Board of Directors (article 4.4) requires at least a two-third majority of the Directors attending the meeting to pass amendment thereof (save for modifications imposed by mandatory standards, in which case a simple majority of the votes present or represented at the meeting will be required to adopt the resolution). Article 18.3 of said Regulations of the Board of Directors stipulates that in case the position of Chairman of the Board of Directors is held by an Executive Director, "removal from the position of this Director will require the absolute majority of the members of the Board of Directors."

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes ☐ **No X**

Description of requirements
Do not exist.

C.1.22. State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes ☐ **No X**

	Age limit
Chairman	N/A
CEO	N/A
Directors	N/A

C.1.23. State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes ☐ **No X**

Additional requirements and/or maximum number of term limits	N/A

C.1.24. State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 25.3 of the Regulations of the Board of Directors states that *"the Directors must attend the meetings that are held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive Directors may only delegate representation to another Non-executive Director."*

For the purposes of delegating votes, each time a meeting of the Board of Directors is convened, the specific proxy award model for that meeting is made available to the directors so that they can confer their representation and, where applicable, voting instructions if deemed necessary by the represented director are included. All aforementioned is in

compliance with article 32.2 of the By-laws of SIEMENS GAMESA which states that *"any Director may cast his/her vote in writing or confer his/her representation to another Director, specifically for each meeting. Non-executive Directors may only do so to another Non-executive Director."*

C.1.25. State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	25
Number of Board meetings without the chairman	0

Remarks

One of the twenty-five meetings held by the Board of Directors during the 2020 fiscal year was in writing and without a meeting, according to Article 25.5 of the Regulations of the Board of Directors.

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Executive Committee	1
Number of meetings held by the Audit Compliance and Related Party Transactions Committee	24
Number of Meetings held by the Appointments and Remunerations Committee	12

C.1.26. State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance:

Number of meetings where at least 80% of the directors attended	20
% of attendance over total votes during the year	88.73%
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	92.00%

Remarks

Pursuant to the provisions of article 25.5 of the Regulations of the Board of Directors, during fiscal year 2020 the Board of Directors met once in writing and without a meeting, which, due to the nature of such procedure, has not been considered for this section C.1.26. Leaving said meeting in writing and without a meeting aside, the personal attendance of at least 80% of the Directors occurred in 20 out of the 24 remaining Board of Directors meetings considered in this section.

During fiscal year 2020, there were four Directors who missed one meeting, three Directors who missed two meetings, one Director who missed three meetings, one Director who missed eight meetings, and one Director who missed eleven meetings. In all cases but one, they delegated their proxy to another Director of the same category and in eight occasions the proxy was granted with specific instructions.

C.1.27. State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes X **No ☐**

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position
Nauen, Andreas	CEO
Spannring, Thomas	Chief Financial Officer (interim) and Accounting, Reporting and Controlling Director
Wollny, Christoph	Chief Operation Officer

Remarks

The SIEMENS GAMESA's Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union .

To ensure the external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance, an accounting-related internal control system called Internal Controls over Financial Reporting (ICFR) is established, which is based on the internationally recognized "Internal Control-Integrated Framework" developed by COSO.

According to SIEMENS GAMESA's internal processes the Managing Directors and Heads of Accounting of fully consolidated companies sign a Quarterly Internal Certification for their area of responsibility, providing confirmation among others for the following topics: i) confirmation of the representations in the Representation Letter to the auditor, ii) correctness and completeness of financial reporting and related disclosures, iii) Quarterly bank account attestation, iv) Compliance with internal regulations, v) Completeness of internal certifications, vi) Independence of external auditor and vii) Adherence to the Business Conduct Guidelines. These Quarterly Internal Certifications are the basis for SIEMENS GAMESA´s Group CEO, COO, CFO and Head of Accounting to confirm the Group Consolidated Financial Statements.

C.1.28. Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Board of Directors, through the Audit, Compliance and Related Party Transactions Committee, has a crucial role in the supervision of the process of preparing the financial information of the Company.

Therefore, the work of the Audit, Compliance and Related Party Transactions Committee deals with the following main topics:

A) Audit of accounts

Article 6 of the Regulations of the Audit, Compliance and Related Party Transactions Committee gives the Audit, Compliance and Related Party Transactions Committee the following powers, among others, in relation to the audit of accounts:

"e) Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks.

f) Request from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

g) Assess the results of each audit and the management team's response to its recommendations.

(…)

i) Oversee the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, trying that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders. In this sense, the Committee shall oversee the main findings of the audit work in conjunction with the auditor and, if necessary, propose adequate measures to the Board of Directors in order to remove the impairments found by the auditor."

B) Supervision of the process of preparation and presentation of the mandatory financial information

It should also be noted that article 8 of said Regulations of the Audit, Compliance and Related Party Transactions Committee describes the following principal functions of said Committee regarding the process for preparing economic/financial information:

"a) Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

b) Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

c) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

d) Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

e) Be informed of the significant adjustments identified by the auditor or arising from the Internal Audit Department's reviews, and management's position on such adjustments.

f) Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

g) Oversee on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the oversight, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary."

C) Supervision of the efficiency of the internal control of the Company

Article 10 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee includes the key functions of the aforementioned Committee regarding the internal control and risk management systems:

"a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this oversight the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies on the control and management of risks identify or determine at least:

i. The different types of financial and non-financial risks (financial, operational, strategic and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks

ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

d) Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks."

g) Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management, reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements."

D) Internal Audit Supervision and, in particular, according to Article 7 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee:

a) Oversee the activities of the Internal Audit Department, which shall report functionally to the Committee.

b) Ensure the independence and effectiveness of the Internal Audit Department of the Company and its Group.

c) Approve the direction and annual plan of the Internal Audit Department, ensuring that it exercises its powers proactively and that its activities are mainly focused on significant risks to the Company and its Group (including reputational risks), as well as receive periodic information regarding the activities carried out by the Internal Audit Department.

d) Propose to the Board of Directors the budget for the Internal Audit Department, overseeing that both the Internal Audit Department and its personnel have sufficient resources, encompassing (internal and external) human resources and financial and technological resources, to carry out its work.

e) Approve the objectives of the Internal Audit Director and assess the performance of the Internal Audit Department, for which the Committee shall seek the opinion of the chief executive officer.

The conclusions of the assessment shall be notified to the Internal Audit Department and taken into account for the purpose of determining the variable components of the annual remuneration.

f) Receive regular information on the activities carried out by the Internal Audit Department of Siemens Gamesa and the companies of its Group and, particularly, on the implementation of the annual work plan, any issues found and an annual report, which shall include a summary of the activities carried out and reports issued over the year with the recommendations and action plans as well as the level of compliance with the recommendations made by the Internal Audit Department in its reports .

g) Oversee that Senior Management bears in mind the conclusions and recommendations of Internal Audit Department reports."

One of the main purposes of the reports prepared by the Audit, Compliance and Related Party Transactions Committee is to bring to light any aspects that might involve qualifications in the audit report of SIEMENS GAMESA

and its Group, making any appropriate recommendations in order to avoid them. Said reports are submitted to the full Board of Directors prior to the approval of the financial information.

It should also be noted that the External Auditor appeared before the Audit, Compliance and Related Party Transactions Committee on several occasions during the fiscal year ended on September 30, 2020:

- appearance on October 29, 2019 in connection with the monitoring of statutory audit work for fiscal year 2019.
- appearance on November 14, 2019 in connection with the fees approved for the audit of fiscal year 2019 and non-audit services provided by the auditor.
- appearance on November 18, 2019 in connection with the audit of the annual accounts for fiscal year 2019.
- appearance on January 29, 2020 in connection with the review of the financial information for the first quarter of fiscal year 2020.
- appearance on February 11, 2020 in connection with the presentation of its Management Letter Comments.
- appearance on May 4, 2020 in connection with the fees agreed for the FY20 audit limited review of the half-yearly financial statements at March 31, 2020 and Non-Audit Services provided by auditor during Q1 and Q2 of FY20
- appearance on May 4, 2020 in connection with the limited review of the half-yearly financial statements at March 31, 2020.
- appearance on June 9, 2020 in connection with Audit Plan and presentation of audit works.
- appearance on July 24, 2020 in connection with the limited review of the financial statements as of June 30, 2020, and presentation of audit works.

The audit reports on the individual and consolidated annual accounts formulated by the Board of Directors have historically been issued without qualifications, as set forth in the information contained in the corporate website and in the information on SIEMENS GAMESA contained in the website of the CNMV.

As included later in section F ("Internal Risk Management and Control Systems related to the process of publishing financial information (ICFR)") in this Annual Corporate Governance Report 2020, SIEMENS GAMESA has a proper Internal Risk Management and Control system related to the process of publishing financial information (ICFRS).

C.1.29. Is the secretary of the Board also a director?

Yes ☐ **No X**

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
Garcia Fuente, Juan Antonio	N/A

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

1. Mechanisms to preserve the independence of the auditor:

SIEMENS GAMESA has established a procedure for this purpose, called "Protection of auditor independence (Non-audit services)", which allows it to:

• Align the independence policies of SIEMENS GAMESA and Siemens AG (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards) about the External Auditor's services in accordance with the requirements defined by the European Union and endorsed by regulatory bodies in Spain and Germany.

- Ensure that the policy and the limits for accepting or not accepting non-audit services are aligned also at group level (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards).

- Provide a practical method of compliance with the requirements without needlessly asking SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee to approve non-audit services that are considered insignificant for SIEMENS GAMESA, by means of the establishment of a pre-approved list by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

- All requests for services included in the pre-approved list are subject to review and approval by SIEMENS GAMESA's Director of Internal Audit, who, prior to giving approval, must confirm that the services are acceptable and included in the pre-approved list after a statement by the external auditor to the effect that said services are permissible under all applicable independence rules and standards. These services must subsequently be approved by Siemens AG (by Siemens AG until September 25, 2020, and by Siemens Energy AG afterwards).

In this regard, different approval levels are classified, specified (if there is a list of services) and defined both by the Audit, Compliance and Related Party Transactions Committee and by other departments, for the services provided by the external auditor:

- Audit services.
- Non-audit services:
  - Other verification services:
    - Reasonably related to the audit (pre-approved list).
    - Not reasonably related to the audit (individualized approval).
  - Prohibited services:
    - Tax services.
    - Other services.

SIEMENS GAMESA's Internal Audit Department is responsible for maintaining an appropriate and continuous register of non-audit services provided to SIEMENS GAMESA by the External Auditor throughout the fiscal year, together with the amount thereof and the percentage they represent of the total fees received for audit services during such fiscal year and must periodically report thereon at the meetings held by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

For this reason, the internal auditor and the external auditor appear before the full Audit, Compliance and Related Party Transactions Committee on a half-yearly basis in order to present an itemized list of each and every service provided during the period in question and to state that they are included in the pre-approved list.

It should also be pointed out that the External Auditor's total fees for Non-audit Services provided to SIEMENS GAMESA may not exceed 30% of the External Auditor's total fees for all Audit Services provided to SIEMENS GAMESA on a worldwide basis during the applicable fiscal year. However, if there is a convincing reason to hire the External Auditor for the provision of non-audit services beyond the aforementioned limit, and so long as it falls within the applicable limit under the law, said provision will be possible following individual approval by the Audit, Compliance and Related Party Transactions Committee.

Article 34 of the Regulations of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA, and section 4 of the Statutory Auditor Hiring Policy govern the relations of said Committee with the External Auditor. The full texts are available at www.siemensgamesa.com.

2. Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

SIEMENS GAMESA regulates this matter in its "Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors", the current version of which was approved by resolution of the Board of Directors on November 4, 2020, which establishes that the general principles are those of transparency, accuracy, equal treatment, promotion of ongoing information, collaboration, taking advantage of new technologies, and compliance with the provisions of law and the Corporate Governance Rules, as well as with the principles of cooperation and transparency with competent authorities, regulatory bodies and government administrations.

By application of said principles, the provision of information to financial analysts and investment banks and the presentation of results and of other relevant documents issued by the Company are carried out simultaneously for all of them after submission thereof to the CNMV, always in the strictest compliance with securities market regulations.

Specifically, in compliance with the CNMV's Recommendations of December 22, 2005 on informational meetings with analysts, institutional investors and other securities market professionals, SIEMENS GAMESA announces the meetings with analysts and investors at least seven calendar days in advance, indicating the date and time at which

the meeting is scheduled to be held and any technical means (teleconference, webcast) which any interested party can use to follow the meeting in real time.

The documentation supporting the meeting is made available on the Company's website (www.siemensgamesa.com) before the beginning thereof. Finally, a recorded broadcast of the meeting is made available to investors for one month on the Company's website.

Spanish/English interpretation services are also made available to the participants.

Furthermore, road shows are periodically carried out in the most significant countries and financial markets, where individual meetings are held with all these market players. Their independence is protected by the existence of a contact person specifically assigned to them, who ensures objective, equal and non-discriminatory treatment.

Finally, the Company has various channels of communication and service to analysts and investors:

- E-mail on the corporate website (info_accionista@siemensgamesa.com for minority shareholders and irsg@siemensgamesa.com for institutional shareholders and financial analysts).
- Telephone line for shareholder information (+34 944 20 93 18).
- Periodic publications, information relating to quarterly results, corporate transactions, business prospects.
- In-person and recorded broadcasts of presentations.
- Mailing of releases and news.

C.1.31. State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes ☐ **No X**

Remarks

The General Meeting of Shareholders held on July 22, 2020, approved, under item twelve of the agenda to re-elect Ernst & Young, Sociedad Limitada as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group, providing audit services during the fiscal year running between 1 October 2019 and 30 September 2020.

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes ☐ **No ☐**

Explanation of disagreements

N/A

C.1.32. State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes X **No ☐**

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	370	156	526
Amount invoiced for non-audit services/Amount for audit work (in %)	8.32	3.51	11.82

Remarks
The audit related fees such as “other attest services” and “other audit related attest services” have been considered as non-audit fees.

C.1.33. State whether the auditors’ report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes ☐ **No X**

Explanation of reasons
N/A

C.1.34. State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	23.33%	23.33%

C.1.35. State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes X **No ☐**

Explanation of procedure
The Company’s internal regulations regulate the procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time. Thus, the Regulations of the Board of Directors provides on its article 26.3 when referring to the call that “*The call to convene shall be at least six business days in advance, will always include the meeting agenda and best efforts will be made so that the relevant information for the meeting is accompanied with the aforementioned advance of six business days. Exceptionally, information may be provided with a minimum period of at least three business days, the Board of Directors not being able to make a decision if such information has not been made available to the Directors with the aforementioned advance notice The Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no Director opposes it.”* On a similar sense, article 24.2 of the Regulations of the Audit, Compliance, and Related Party Transactions Committee states that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting”.* Also, article 18.2 of the Regulations of the Appointments and Remunerations Committee provides that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting”.*

SIEMENS GAMESA's internal regulations set also that directors can receive external experts' support for the developments of their functions.

In this sense, pursuant to the provisions of article 36 of said Regulations of the Board of Directors:

"1. The Board of Directors may request the aid of legal, accounting and financial experts, as well as the other external experts at the Company's expense, when it is deemed necessary or beneficial for the performance of its competencies.

2. Non-executive Directors, in order to be aided in the performance of their duties, may also request contracting external experts at the Company's expense.

3. The contracting request must be drawn up by the Chairman."

On similar terms, article 37 of the referred Regulations of the Audit, Compliance and Related Party Transactions Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal, accounting and financial consultants, as well as the aid of other experts at the Company's expense. The Committee shall provide an annual report to the Board of Directors on the expenses incurred."*

Article 27 of the referred Regulations of the Appointments and Remunerations Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal consultants or other experts. The Committee shall provide an annual report to the Board of Directors on the expenses incurred, subject, if the Board of Directors so deems appropriate, to a review of the Audit, Compliance and Related Party Transactions Committee with the support of the internal audit function, if any.*

2. The Committee shall ensure that potential conflicts of interest the of external professionals do not prejudice the independence of the outside advice received."

For supporting the procedures described above, the Directors access to the documentation through a secure and efficient software tool named *Diligent Boards* tool where they can review the information deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof in accordance with each agenda. Directors have access to the call to the meetings, documentation uploaded concerning the Items of the agenda, as well as the minutes of the proceeding session.

C.1.36. State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes X **No ☐**

Explain the rules

As stated in section C.1.19 above, article 16 of the Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit.

These include instances that might damage the credit or reputation of the Company.

Specifically, Directors must proceed in the manner indicated:

(i) "*When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards*." (article 16.2.d).

(ii) "*Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or* whenever *they are involved in a sanction for a serious or very serious offense brought by supervisory authorities."* (article 16.2.e).

(iii) "*Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company*." (article 16.2.f).

(iv) "*Whenever their continuity on the Board of Directors could put the Company's interests at risk (...).*" (article 16.2.g).

(v) "*When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company*." (article 16.2.h).

(vi) *"When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group." (article 16.2.i)*

For its part, article 35.2.d) of said Regulations of the Board of Directors provides that a Director must inform the Company of "*any legal, administrative or any other type of proceedings that are filed against the Director, and which, due to their significance or characteristics, may negatively affect the reputation of the Company. Particularly, Directors must promptly inform the Company, through the Chairman, if he/she is accused in any criminal proceeding and of the occurrence of any significant procedural steps in such proceedings.*

In this case, the Board of Directors, following the report by the Appointments and Remunerations Committee, will examine the case as soon as possible, and take the measures it considers the most appropriate regarding the interests of the Company, such as opening an internal investigation, requesting the resignation of the director or proposing the removal thereof.

The Company shall report the adoption of said measures in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes of the Board."

C.1.37. State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

Yes ☐ **No X**

Name of director	Criminal charge	Remarks
N/A	N/A	N/A

State whether the Board of Directors has examined the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes ☐ **No ☐**

Decision/Action taken	Explanation
N/A	N/A

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the "2017 Strategic Supply Agreement") by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS GAMESA group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, on May 20, 2020 entered into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens AG remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 3 months prior notice.

On May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG ("SEAG") signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that SEAG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as SEAG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "Siemens Gamesa" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SGRE" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if SEAG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Energy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes SEAG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

Finally, it shall be pointed out the as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

C.1.39. Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	88
Type of beneficiary	**Description of agreement**
CEO, Top Management, Managers, and Employees.	***CEO (1 agreement):*** The CEO, as executive director and in compliance with the "Policy of remuneration of directors" approved by the General

	Meeting of Shareholders held on 27 March 2019, as amended by the General Meeting of Shareholders held on July 22, 2020, has a one-year fixed salary severance pay. ***Top management (6 agreements)***: The policy currently applied by the Company to the Top Management recognizes the right to receive a severance pay equal to one year of fixed remuneration in case of termination of the relationship provided that it is not a result of a breach attributable thereto or solely to the desire thereof. ***Managers and Employees (81 agreements):*** The agreements with managers and employees of SIEMENS GAMESA do not contain, as a general rule, specific severance payment clauses, so in case of termination of the labor relationship the general rule established under labor law shall apply. However, the Company has specific severance payment clauses agreed with some managers and employees. The severance payment amount is generally fixed depending on seniority and the remuneration and professional conditions of each of them and the reason for the termination of the manager or employee. A lot of these agreements have been agreed in jurisdictions where this severance pay is a common labor market practice. The warranty clauses of these agreements are lower than one-year fixed salary in 77% of cases.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	**X**	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	**X**	

Remarks

In relation to the information provided regarding the CEO it shall be pointed out that his contract, and as included in the Annual Report about the Remunerations of the Members of the Board, provides for a post-contractual non-competition obligation for a term of 1 year, which is remunerated with the payment of one year of his fixed remuneration payable 50% upon termination and the other 50% after the passage of six months from termination. Therefore, the total severance pay is aligned with best practices and in fulfillment of Recommendation 64 of the Good Governance Code of Listed Companies.

It is also mentioned that the Board of Directors must authorize the clauses related to the CEO and Top Management but not those related to the rest of beneficiaries.

Finally, it is pointed out that the information about these clauses is notified to the General Meeting of Shareholders with the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors, and the Directors Selection Policy (amended as "Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.") available to the shareholders when the meeting is called.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

DELEGATED EXECUTIVE COMMITTEE

Name	Post	Category
López Borrego, Miguel Angel	Chairman	Proprietary
Nauen, Andreas	Member	Executive
Holt, Tim Oliver	Member	Proprietary
Krämmer, Rudolf	Member	Independent

% of executive directors	25%
% of proprietary directors	50%
% of independent directors	25%
% of external directors	0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Delegated Executive Committee.

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee, with its current composition as communicated as Other Relevant Information (*Otra Información Relevante*) (with registration number 4015) to the CNMV on August 6, 2020.

Duties:

The Delegated Executive Committee shall not be delegated with all the powers of the Board of Directors but only with the powers specifically delegated to it by the Board of Directors. In particular, the Committee will have the functions contemplated in Chapter II of the Regulations of the Delegated Executive Committee, approved by resolution of the Board of Directors dated November 4, 2020, except those which cannot be delegated by law or the bylaws at any given time.

Articles 5 to 7 of Chapter II of said Regulations of the Delegated Executive Committee establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The main duties of the Delegated Executive Committee relate to monitoring and supervision of budgetary matters, business performance, corporate transactions, strategic matters and capital and liquidity as well as to preliminary analyze the proposals to the Board of Directors regarding its reserved matters. Moreover, the Delegated Executive Committee has decision-making powers in relation to such matters and mandates delegated by the Board of Directors.

Composition:

a) The Committee shall comprise a minimum of four and a maximum of eight directors, at least two of whom must be non-executive and at least one independent.

b) The Board of Directors on its own initiative based on a report from the Appointments and Remunerations Committee or at the proposal thereof, shall establish the number of members.

c) The Chairman of the Board of Directors and the Chief Executive Officer of the Company shall form part of the Committee.

d) Members of the Committee shall be appointed and removed by the Board of Directors.

e) The members of the Committee shall be appointed for a maximum term of four years and can be re-elected one or more times for terms of equal duration.

f) The appointment of the Committee members and the permanent delegation of powers thereto shall be made by the Board of Directors with the favourable vote of at least two-thirds of its members. Their re-election shall be carried out at the time, in the form and with the number decided by the Board of Directors, in accordance with the rules envisaged in the Corporate Governance Standards.

g) The Committee shall be chaired by the Chairman of the Board of Directors.

h) In his absence, one of the vice chairmen of the Board of Directors member of the Committee (if any) shall act as the Chairman and, in their absence, the director that the Committee designates at the meeting in question from among the attending members shall act as the chair.

i) The Committee's secretary shall be the secretary of the Board of Directors and, failing this, one of its vice secretaries and, failing all of them, the director that the Committee designates at the meeting in question from among the attending members shall act as the secretary.

j) Members of the Committee shall no longer hold their office when they cease to be directors of the Company or by resolution of the Board of Directors.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at least once a month, after the Chairman convenes the meeting. Meetings shall also be held whenever at least two of the members so request.

b) The Chairman shall convene the Committee, in any case, whenever the Board of Directors so requests, and shall in any event ensure that the meetings are held sufficiently in advance of meetings of the Board of Directors, especially when matters to be decided by the Board of Directors are to be discussed.

c) The call to convene, except in the case of emergency meetings, shall be issued at least three business days in advance and include the agenda of the meeting.

d) It will not be necessary to convene the Committee when all members are present and unanimously agree to hold a meeting.

e) Resolutions shall be adopted by the absolute majority of members present at the meeting.

f) If there is an even number of Committee members and the outcome of the voting is a draw, the Chairman, or the person standing in for him at the meeting in question, shall have the casting vote.

Most important activities:

During fiscal year 2020, the Delegated Executive Committee has held only one meeting.

Company administrative structure

AUDIT, COMPLIANCE AND RELATED PARTY TRANSACTIONS COMMITTEE

Name	Post	Category
von Heynitz, Harald	Chairman	Independent
Ferraro, Maria	Member	Proprietary
Hernández García, Gloria	Member	Independent
Krämmer, Rudolf	Member	Independent

% of proprietary directors	25%
% of independent directors	75%
% of external directors	0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Audit, Compliance and Related Party Transactions Committee.

Furthermore, the changes occurring within the Audit, Compliance and Related Party Transactions Committee during the fiscal year are described below:

At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on 10 February 2020 the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Audit, Compliance and Related Party Transactions Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director. Mr. von Heynitz was appointed as chair of the Audit, Compliance and Related Party Transactions Committee on February 12, 2020 to replace Mr. Rudolf Krämmer, in accordance with Notice of Other Relevant Information (*Otra Información Relevante)* (with registration number 51) sent to the CNMV on February 12, 2020.

At the referred meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Mr. Tim Oliver Holt as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Mr. Tim Oliver Holt as a new member of the Audit, Compliance and Related Party Transactions Committee. The Board of Directors at its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1999) sent to the CNMV on May 5, 2020, approved that its Audit, Compliance and Related Party Transactions Committee would be composed of four members (until such date it was composed of five members) and also agreed the replacement as member of said committee of Mr. Tim Oliver Holt, after having presented his resignation, by Ms. Maria Ferraro. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Tim Oliver Holt and approved his re-election as a proprietary director.

On February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Alberto Alonso Ureba resigned as member of the Board of Directors, and as member of the Audit, Compliance and Related Party Transactions Committee.

At its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante)* (with registration number 1994) sent to the CNMV on May 5, 2020 the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Ms. Maria Ferraro as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Ms. Maria Ferraro as a new member of the Audit, Compliance and Related Party Transactions Committee in replacement of Mr. Tim Oliver Holt, as stated above. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Ms. Maria Ferraro and approved her re-election as a proprietary director.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Duties:

The Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 to 14 of Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee, establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The functions of the Audit, Compliance and Related Party Transactions Committee mainly relate to supervision of the Company's internal audit, review of the systems for internal control of the preparation of economic/financial and non-financial information, the audit of accounts, related party transactions and regulatory compliance upon the terms set forth in its regulations.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) non-executive Directors, a majority of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee and can be re-elected one or more times for terms of equal duration.

b) The Board shall encourage the diversity of composition, especially in relation to gender, career experience, skills, sector-specific knowledge and geographical origin, and that at least one of the independent directors is appointed taking into account his or her knowledge and experience in accounting, auditing and risk management.

   Without prejudice to the foregoing, the Board of Directors and the Appointments and Remunerations Committee shall endeavor to ensure that the members of the Committee as a whole, and especially its chair, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and risk management, both financial and non-financial.

c) The Committee shall choose its Chair from among the independent directors, for a maximum term of 4 years, at the end of which the director holding the position cannot be re-elected as Chair until the term of one year has elapsed from ceasing to hold this office; and a Secretary thereof, who need not be a Director.

d) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than the majority; and c) when agreed on by the Board of Directors.

e) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chair's behest and, in any case, the Committee shall have a minimum of four annual meetings. Meetings shall also be held whenever two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting. In the event of a tie, the Chairman will have the casting vote.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2020, the Audit, Compliance and Related Party Transactions Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Audit, Compliance and Related Party Transactions Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	von Heynitz, Harald
	Ferraro, Maria
	Hernández García, Gloria
	Krämmer, Rudolf
Date of appointment of the chairperson	February 12, 2020

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Category
Krämmer, Rudolf	Chairman	Independent
von Heynitz, Harald	Member	Independent
Rosenfeld, Klaus	Member	Independent
von Schumann, Mariel	Member	Proprietary

% of proprietary directors	25%
% of independent directors	75%
% of external directors	0%

Remarks

It should also be pointed out that Mr. Salvador Espinosa de los Monteros Garde holds the position of Secretary non-member of the Appointments and Remunerations Committee since his appointment dated July 15, 2020, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 3412) sent to the CNMV on July 15, 2020, and after the resignation, with effects on February 23, 2020, of Mr. Carlos Rodriguez-Quiroga Menéndez as Secretary member of the Board of Directors, and as Secretary non-member of the Appointments and Remunerations Committee, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 199) sent to the CNMV on February 24, 2020.

Furthermore, the changes occurring within the Appointments and Remunerations Committee during the fiscal year are described below:

On February 5, 2020, and in accordance with Notice of Significant Event (*Hecho Relevante*) (with registration number 286549) sent to the CNMV on February 5, 2020, Mr. Pedro Azagra Blázquez resigned as member of the Board of Directors, and as member of the Appointments and Remunerations Committee.

At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Appointments and Remunerations Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director.

With effects on February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Andoni Cendoya Aranzamendi resigned as member of the Board of Directors, and as member and Chairman of the Appointments and Remunerations Committee.

In addition, at its meeting of April 23, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1714) sent to the CNMV on April 23, 2020, Mr. Rudolf Krämmer was appointed as chair of the Appointments and Remunerations Committee to cover the vacancy after the resignation of Mr. Andoni Cendoya Aranzamendi referred above.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Functions:

This committee is a permanent internal body of the Board of Directors, without executive duties, for information and consultation, entrusted with informing, advising and making recommendations on matters within its purview.

Articles 5 to 9 of Chapter II of the Regulations of the Appointments and Remunerations Committee establish the functions of this Committee. In particular, this committee has the essential function of supervising the composition and functioning as well as the evaluation of the Board of Directors, its committees and its members, and the remuneration of the Board of Directors and of the Top Management of the Company.

The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, at least two of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee, and may be re-elected one or more times for terms of equal duration.

b) The Committee chooses its Chair from among the independent directors and a Secretary, who need not be a director.

c) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

d) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. Meetings shall also be held whenever at least two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2020, the Appointments and Remunerations Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Appointments and Remunerations Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	Number	%	Number	%	Number	%	Number	%
Delegated Executive Committee	0	0.00%	N/A		N/A		N/A	
Audit, Compliance and Related Party Transactions Committee	2	50.00%	1	33.33%	2	66.67%	2	100.00%
Appointments and Remunerations Committee	1	25.00%	1	20.00%	3	60.00%	3	60.00%

C.2.3. State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Delegated Executive Committee

The Delegated Executive Committee is governed by the By-Laws, the Regulations of the Board of Directors, and its own Regulations of the Delegated Executive Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Delegated Executive Committee were approved by resolution of the Company's Board of Directors dated November 4, 2020.

The current text of the Regulations of the Delegated Executive Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Audit, Compliance and Related Party Transactions Committee

The Audit, Compliance and Related Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Audit, Compliance and Related Party Transactions Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Audit and Compliance Committee were approved by the Company's Board of Directors on September 29, 2004 and were subsequently amended on October 21, 2008; April 15, 2011; January 20, 2012; March 24, 2015; and February 22, 2017.

On April 4, 2017 the Board of Directors approved a revised version of said Regulations and changed the name of the Committee to the Audit, Compliance and Related Party Transactions Committee.

The Company's Board of Directors approved an amendment of the restated text of said Regulations on March 23, 2018 and endorsed a restated text on July 26, 2018.

Moreover, the Company's Board of Directors endorsed new restated texts of the Regulations on February 19, 2020, and August 5, 2020. The first of the aforementioned two last amendments of the Regulations of the Audit, Compliance and Related Party Transactions Committee, carried out during 2020 fiscal year was executed in order to establish that the Chair of the Committee shall have the casting vote in the event of a tie; and the second was executed in order to eliminate the restriction which impeded the members of the Delegated Executive Committee to be on the Audit, Compliance and Related Party Transactions Committee.

Finally, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Audit, Compliance and Related Party Transactions Committee, by resolution dated November 27, 2020 amending the articles referred to its functions, composition and functioning, and relations with other bodies in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Audit, Compliance and Related Party Transactions Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Appointments and Remunerations Committee

The Appointments and Remunerations Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Appointments and Remunerations Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Appointments and Remunerations Committee were approved by the Company's Board of Directors on April 4, 2017 and subsequent amendments thereof were approved by the Board of Directors on July 26, 2018 and July 29, 2019.

Likewise, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Appointments and Remunerations Committee, by resolution dated November 27, 2020 amending the articles referred to its functions in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Appointments and Remunerations Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

Article 33 of the Regulations of the Board of Directors regulates the transactions of the Company and the Group with Directors, significant shareholders or their related persons establishing the procedure for the approval of such transactions.

Its two first paragraphs establish the requirement of the approval of said transactions by the Board of Directors, after receiving a report from the Audit, Compliance and Related Party Transactions Committee. The Board of Directors shall thereby endeavor to ensure that transactions with related parties are carried out in accordance with the corporate interest, on arms'-length terms, ensuring transparency in the process and observing the principle of equal treatment of shareholders in the same condition and according to applicable law.

Further to the above and according to paragraph 2 of article 33 of said Regulations of the Board of Directors, the Board of Directors approved on the meeting held on July 26, 2018, the "Policy regarding related party transactions with directors, significant shareholders and parties related thereto" (the "Policy"), which is included in the Corporate Governance Rules of SIEMENS GAMESA, and is available on the corporate website (www.siemensgamesa.com).

Further, in case of transactions which are qualified as material according the referred Policy, paragraph 3 sets forth the need of an independent expert report, which shall be at the disposal of the Board of Directors before approval of the relevant transaction. Paragraph 4 of article 33 deals with cases of transactions within the ordinary course of business that are customary and recurring and executed at market prices, as well as cases so determined by the Policy, for which a general prior framework approval by the Board of Directors, after receiving a favourable report from the Audit, Compliance and Related Party Transactions Committee, may be sufficient. As stipulated in paragraph 5 of article 33, the approval by the Board of Directors shall not be required if such transactions simultaneously meet all of the following three requirements: (i) they are conducted under contracts whose terms and conditions are standardized and apply on an across-the-board basis to a large number of customers; (ii) they are conducted at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed one per cent of the annual revenue of the Company based on the audited annual accounts for the last fiscal year ended on the date of the transaction in question. Finally, according to Paragraph 6 of article 33, the authorization of a related-party transaction will be necessarily agreed by the General Meeting of Shareholders when the value of a related party transaction exceeds 10% of the corporate assets appearing on the last approved and audited consolidated balance sheet.

The conclusion of a related-party transaction with a Director, or a related person to a Director, would put that Director in a conflict of interest situation, and consequently the article 31 of the Regulations of the Board of Directors will apply where appropriate.

It shall be also pointed out that paragraph b) of article 13 of the Regulations of the Audit, Compliance and Related Party Transactions Committee points out that the referred Committee shall have, among others, as main purpose: *"report, prior to their authorization by the Board of Directors or the General Shareholders' Meeting, as appropriate, any operations or transactions that could represent conflicts of interests:*

(i) *with the Company and companies of its Group;*

(ii) *with directors of the Company and the Group and their related parties;*

(iii) *with shareholders that have a significant holding or are represented on the Board of Directors and their related parties;*

(iv) *with senior management and other managers, except if those are part of any company of the Group that has created an audit committee, in which case that committee will be in charge of elaborating the corresponding report, having to inform the Committee; as well as*

(v) *any other relevant transaction related thereto, unless unnecessary in accordance with the law or the Corporate Governance Standards.*

The Committee shall be able to rely on the corresponding advice of the internal units or departments of the Company in order to issue said report, and may also request outside advice if it so deems necessary".

Finally, it shall be pointed out that additional information about related party transactions is included and available in the financial statements, this annual corporate governance report, annual activities report of the Audit, Compliance and Related Party Transactions Committee, and in the Report of the Audit, Compliance and Related Party Transactions Committee about its interventions regarding the related party transactions, all available in the corporate website (www.siemensgamesa.com).

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)

Remarks

The change of SIEMENS GAMESA's significant shareholder took place on September 25, 2020, as detailed in Section A.2 of this report, and therefore despite there are transactions with companies belonging to Siemens AG group until September 25, 2020, and belonging to Siemens Energy AG group as from such date, there are no cost positions assigned to Siemens Energy Group during fiscal year 2020. All transactions with related parties are consequently reported under D.5 in this Section.

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
N/A	N/A	N/A	N/A	0

D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
N/A	N/A	0

Remarks

SIEMENS GAMESA Group companies established in countries or territories considered to be tax havens for being included in the list of the Decree Law 1080/1991 of 5 July 1991, and which do not fulfill the requirements to be excluded of such qualification are classified as operating companies and all transactions carried out by them are exclusively ordinary business activities. The table below includes the list of such companies.

The company SIEMENS GAMESA has not concluded any transaction with its subsidiaries established in countries or territories that are considered a tax haven.

The transactions within the SIEMENS GAMESA Group carried out by subsidiaries of SIEMENS GAMESA, with entities established in countries or territories that are considered a tax haven are all transactions carried out in the ordinary course of business and are eliminated within the process of drawing up the consolidated financial statements, with the detail described below.

At the end of the fiscal year 2020, the only two entities of SIEMENS GAMESA Group resident in tax havens in accordance with Spanish regulations are Siemens Gamesa Renewable Energy, Ltd. (Mauritius) - 100% interest and incorporated on February 5, 2015 - and the branch Siemens Gamesa Renewable Energy Eólica SL, Jordan branch (Jordan) - incorporated on January 12, 2016 -. Both entities' main activity is the performance of wind turbine maintenance services for third-party clients who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of SIEMENS GAMESA Group is not significant (EUR 0.3 million -Mauritius- and EUR 0.7 million -Jordan- out of a total amount of EUR 9,483 million in the 2020 consolidated financial statements).

The income obtained by such entities is subject to the Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 30% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a tax haven, the profits are also included in the tax base in Spain. Therefore, the ownership of these entities does not provide any tax advantage to SIEMENS GAMESA Group.

Company name of the entity in its group	Brief description of the transaction	Report (thousands of euros)
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany financing interest	4
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany sales and services rendering	32
Siemens Gamesa Renewable Energy Eolica S.L. (Jordan)	Intercompany sales and services rendering	276

D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Iberdrola, S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,186
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Eólica S.L.	20,165
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Renewable Energy Eólica, S.L.	6,782
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Wind Farms, S.A.	9,459
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Energia Renovável Ltda.	6,402
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Deutschland GmbH	2,660
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	2,276
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Romania S.R.L.	1,003
VejaMate Offshore Project GmbH	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,917
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	22,454
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	5,695
Tromsoe Vind AS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy AS	1,567
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	31,866
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	5,289
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	2,666
ScottishPower Renewables (UK) Ltd	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	268,339
ScottishPower Renewables (UK) Ltd	Rendering of services by Siemens Gamesa Renewable Energy Limited	15,159
El Cabo Wind LLC	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Inc	2,135
Energías Renovables Venta III, S.A	Rendering of services by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,346
Parque Industrial de Energía	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	2,301

ZeeEnergie C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	14,162
Buitengaats C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	14,162
OWP Butendiek GmbH & Co. KG	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	16,869
Schaeffler Hong Kong Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	1,399
Schaeffler Danmark ApS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	1,383
Schaeffler Group USA INC	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc	1,755
Iberdrola Renovables Bajío S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,231
Schaeffler AG	Purchases of finished goods or not by Gamesa Energy Transmission, S.A. Unipersonal	15,453
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	37,005
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy SARL	4,077
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Power Private Limited	2,799
Raudfjell Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	43,161
Torres Eolicas do Brasil Ltda.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	3,311
Stavro Holding I AB, Stockholm	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	108,645
Siemens plc	Reception of services by Siemens Gamesa Renewable Energy Limited	6,695
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	70,294
Siemens AG	Licensing agreements by Siemens Gamesa Renewable Energy A/S	16,701
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy A/S	9,778
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy A/S	1,534
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GbmH & Co. KG	63,272
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	12,360

Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,161
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,213
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Limited	5,007
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy S.A.	3,586
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Pty Ltd	1,543
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,214
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,187
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,068
Siemens Ltd.	Reception of services by Siemens Gamesa Renewable Energy Pty Ltd	1,018
Siemens Corporation	Reception of services Siemens by Gamesa Renewable Energy, Inc	4,621
Siemens A/S	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	11,948
Siemens A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	3,034
Siemens A/S	Reception of services by Siemens Gamesa Renewable Energy A/S	1,422
Siemens Ltd., China	Reception of services by Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	1,274
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	5,828
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Egypt LLC	2,398
Siemens Nederland N.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	3,415
Siemens Nederland N.V.	Reception of services by Siemens Gamesa Renewable Energy B.V.	1,012
Siemens Industry Software A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	4,527
Siemens Industry, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	2,170
Siemens Financial Services, Inc.	Operating Lease contracts by Siemens Gamesa Renewable Energy, Inc.	1,048

Siemens Financial Services Ltd.	Operating Lease contracts by Siemens Gamesa Renewable Energy Limited	1,277
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,986
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	5,669
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,962
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	6,455
Flender Corporation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,176
Flender Corporation	Reception of services by Siemens Gamesa Renewable Energy, Inc.	2,675
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	41,207
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	12,114
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	53,060
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not Siemens Gamesa Renewable Energy A/S	17,641
Siemens Field Staffing, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,479
Siemens Field Staffing, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,630
Siemens Generation Services Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,067
SEG KG, Werk Erlangen	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	43,573
SEG KG, Werk Erlangen	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	3,156
Siemens Energy, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,235
Siemens Energy B.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	6,923
OOO Siemens Gas Turbine Technologies	Purchases of finished goods or not by Siemens Gamesa Renewable Energy LLC	2,590
Siemens Energy S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,377
Siemens Electrical Drives Ltd.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	10,053

Remarks

For the purposes of the present section D.5 only the transactions of an amount over 1,000 thousand euros are considered as significant.

Likewise, it shall be pointed out that such information matches with Note 30 of the Consolidated Report which is part of the financial statement of fiscal year 2020.

Regarding the amount attributed to "Purchases and services received" of other related parties, included in cited Note 30 of the Consolidated Report it shall be remarked that only those transactions for an amount over 1,000 thousand euro were included, for being considered as significant. The amount of the transactions included in "Purchases and services received" of other related parties. in the referred Note 30 but not included in section is 38,244 thousand euro.

Finally, according to the referred relevancy criteria the amount of the transactions included in "Sales and services rendered" to other related parties in the referred Note 30 but not included in section is 5,553 thousand euro.

D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

a) Possible conflicts of interest between the Company and/or its Group, and its directors:

Article 31 of the Regulations of the Board of Directors regulates the conflicts of interest between the Company or any other company within its group and its directors. In particular, paragraphs 1 and 2 define the situations in which a Director or manager has a conflict of interest and lists persons who, given that they are considered linked thereto, could generate situations of conflicts of interest.

Likewise, the following sections in this article regulate the mechanisms for resolving situations of conflict of interest. In particular, paragraphs 3 and 4 establish that any director who incur in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board through its Chairperson and refrain from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters affecting the said conflict. The votes of Directors affected by the conflict and who, therefore, had to abstain, will not be considered in order to calculate the required majority of votes to adopt the relevant resolution.

The following paragraph in article 31 of the Regulations of the Board clarifies that *"in unique cases, the Board of Directors or the General Shareholders' Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest".*

Paragraph 6 specifies that *"the waiver shall be preceded by the corresponding report of (a) the Audit, Compliance and Related Party Transactions Committee regarding the operation subject to a possible conflict of interest, in which it will propose the adoption of a related specific resolution, or (b) the Appointments and Remuneration Committee regarding the waiver of fulfillment of contract duties".*

Paragraph 7 of the cited article states that *"the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding Committee, deciding to approve or not the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."*

Finally, paragraphs 8 and 9 state that the Annual Corporate Governance Report shall include conflict-of-interest situations involving Directors or persons related thereto, and that the report of the annual financial Statements shall detail the transactions incurring in conflict of interest that have been authorized by the Board, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the fiscal year of the financial statements.

b) Possible conflicts of interest between the Company and/or its Group, and its managers:

The Senior Management of the Company and/or of the companies constituting the SIEMENS GAMESA Group, as well as any professional of the Company and/or of the companies constituting the referred Group who, by undertaking his/her activity in areas related to the securities markets or having regular, recurring access to Privileged Information, are classified as Affected Persons (as defined in article 6 of SIEMENS GAMESA's Internal Regulations for Conduct in the Securities Markets (RIC)) by the Ethics and Compliance Division, will be subject to the Internal Regulations for Conduct in the Securities Markets, which most recently revised version was approved on 25 September 2019.

In this regard, according to article 20 of the RIC managers and professionals considered to be Affected Persons must immediately inform either their supervisor or senior manager or the Ethics and Compliance Division of situations that

could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) Possible conflicts of interest derived from transactions between the Company and/or its Group with directors and significant shareholders:

Article 33 of the Regulations of the Board regulates the transactions of the Company and its Group with directors and significant shareholders or their respective related persons. Section D.1 above details the content of such article so we refer to the same. In any case, the full text of the Regulation of the Board of Directors is available on the corporate website (www.siemensgamesa.com).

d) Relationships of the directors and/or significant shareholders with companies of the Group:

Article 37 of the Regulations of the Board states that *"the obligations of the Directors of the Company and of the shareholders that own a significant stake which are referred to in this Chapter will be understood as applicable, analogically, regarding their possible relations with companies of the Group."*

The Business Conduct Guidelines of the Company approved by the Board on September 12, 2018, dedicate a paragraph to conflict of interest which is applicable to all Group professionals regardless of their hierarchical position.

D.7. Is there more than one company in the group listed in Spain?

Yes ☐ **No X**

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies
N/A

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group;

Yes ☐ **No ☐**

Describe the business relationship between the parent and subsidiary listed companies as well as between the subsidiary and other members of the group

Identify measures taken to resolve potential conflicts of interest between the listed subsidiary and the other group companies:

Measures taken to resolve potential conflicts of interest

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

SIEMENS GAMESA has certain **Risk Control and Management Systems** that are part of our internal framework that we call ERM (Enterprise Risk Management) and which is covered by the **Corporate Governance** rules. ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and also based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The **Risk Control and Management Systems within ERM** are promoted by the Board of Directors and Top Management and implemented throughout the organization. SIEMENS GAMESA has an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a "RIC" tool.

The **General Risk Control and Management Policy**, which establishes the foundations and general context for the key elements of ERM that are summarized below, is the foundation for these systems.

The general risk management process classifies risks in four categories:

- **Strategic**: Risks that are directly influenced by strategic decisions, arise from long-term strategies or relate to top-level objectives.
- **Operational**: Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and profitability targets.
- **Financial**: Risks resulting from financial transactions and from non-compliance with tax, accounting and/or reporting requirements.
- **Compliance**: Risks resulting from non-compliance with the Business Conduct Guidelines or legal, contractual or regulatory requirements.

The ERM process is a continuous cycle intended to proactively manage business risks. It is based on six phases:

- **Identify:** Aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the Company's strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on top-down and bottom-up approaches throughout the organization, represented by corporate, business-unit and regional R/O-maps supported by specific risk management systems and the necessary consistency between micro- and macro-risk.

- **Evaluate**: Evaluate and prioritize the identified R/Os in order to focus management attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and the probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control and mitigation measures.

- **Respond**: Focuses on the definition, approval and implementation of response plans to manage identified risks by selecting one of our general risk response strategies (avoid, transfer, accept and mitigate). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones.

- **Monitor**: Deals with appropriate controls and continuous supervision to permit timely notification of significant changes in the R/O situation, of progress on KRIs and of response plans.

• **Report and scale**: Focuses on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management.

• **Continuous improvement**: Risk management in SIEMENS GAMESA's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The **Board of Directors**, as Company's main decision, supervision and control body, authorizes and approves all relevant transactions. It is also responsible for establishing the general policies and strategies, included the General Risk Control and Management Policy and the tax strategy of the Company and for supervising the implementation thereof and the internal reporting and control systems.

The Company's Risk Control and Management Systems are applied by means of **an organization structured into four levels of defence**:

1. Ownership of risk control

As owner of the top risks, among other aspects, the Executive Committee (ExCo) is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire SIEMENS GAMESA Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group.

2. Monitoring and compliance

- **Risk Department (ERM**): Integrated within the Financial Department, it participates in defining the risk strategy and in the mitigation of risks, endeavouring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.

- **Governance and Internal Control Department (GOV/CON)**: Reporting to the Operations Directorate, has the governance role and is responsible for the process to test the effectiveness of the internal control systems.

- **Ethics and Compliance Directorate**: Reports directly to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, and is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3. Independent assurance

The Internal Audit Directorate reports to the Board of Directors' Audit, Compliance and Related Party Transactions Committee and to the CEO, and is responsible for informing, advising and directly reporting on the following matters, among others:

- The Company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.

- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.

- The Company's transactions with third parties if they involve a conflict of interest or are transactions with shareholders holding a significant stake in the Company.

- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.

- Adequacy and integration of internal control systems.

- Inform and advise the Committee on audit matters of a technical nature.

- Report on the incidents that occur in the development of its annual work plan and submit an activity report at the end of each year.

- Information within its purview to be included in the Annual Corporate Governance Report prior to approval by the Board of Directors.

4. Supervision

The Audit, Compliance and Related Party Transactions Committee supports the Board of Directors in the supervision of the system and reports thereto regarding the sufficiency thereof.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the auditor in the course of its statutory auditing work. As a result of this supervision, the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies related to the control and management of risks identify or determine at least:
   i. The different types of financial and non-financial risks (including operational, technological, financial, legal, fiscal, reputational, climatic, social, political, environmental or related to corruption) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
   ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Rules.
   iii. The planned measures to mitigate the impact of identified risks, should they materialize.
   iv. The information and internal control systems used to control and manage risks.

d) Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Oversee that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

g) Generally oversee that the internal control policies and systems are affectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management,

reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the SIEMENS GAMESA Group considers acceptable (risk tolerance criteria in accordance with ERM methodology), which are aimed at maximizing and protecting the economic value of SIEMENS GAMESA within controlled variability.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

In deploying its strategic and operational planning, SIEMENS GAMESA faces various risks inherent to the sector and the countries in which it operates. These risks can affect the achievement of business objectives.

Generally, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

We set out below a brief summary of the principal risks that could affect the achievement of business objectives and that have been monitored in 2020.

Strategic

• Industry and SIEMENS GAMESA operations that may be affected by **infectious diseases, health crises**, and particularly the recent **Covid-19** pandemic, both locally and globally.

• **Pressure on contribution margin and on MW volumes**, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.

• As a result of geographic diversification and the extensive base of customers and suppliers, SIEMENS GAMESA is exposed to "**country risk**", which is understood as the environment in which socio-political and security conditions may affect the local interests of SIEMENS GAMESA, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like Brexit in the UK, trade wars with the United States, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.

• **Climate change** might generate heavy rains and floods, which potentially could affect certain company´s assets.

• Significant changes in the share ownership of SIEMENS GAMESA that could give rise to **uncertainty in the securities market.**

Operational

• Operational risks relating to the launch of **new products**, the set-up of our supply chain including make or buy decisions and **the quality of our products and services.**

• Risks relating to the **commitments made** in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.

• Risk that the **cost reduction processes for some products do not occur as quickly as required** to offset the pressure on prices.

• Due to the complexity of the projects managed by SIEMENS GAMESA, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a **risk in project execution** that could lead to additional project cost and, hence, negative deviations in the project margins.

• **Cyberattack risks**: Like many other multinational companies, SIEMENS GAMESA is exposed to the growing threat of increasingly professionalised cybercrime, within an environment of continued improvement of information technology systems.

• **Supply chain risks**, due to the existence of critical components that could cause delays or cost increases in the production of SIEMENS GAMESA wind turbines or the execution of its construction projects.

• **Market price risks**: SIEMENS GAMESA is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of specific products in some countries that could affect supply chain costs.

Financial

• **Risks relating** to the needs of the wind market with respect to **third party guarantees**.

• **Risks that could affect the strength of the balance sheet**, the amount and structure of working capital, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.

• **Exchange rate risk**: SIEMENS GAMESA engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the euro and future cash flows of entities of the SIEMENS GAMESA Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.

• **Interest rate risk**: the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. SIEMENS GAMESA uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.

• **Tax risks** arising from local and/or global requirements and direct or indirect taxation.

Compliance

• **Risk of occurrence of severe and/or fatal accidents** with the additional effects of delays, damage to assets and reputational loss, caused by, among other things, the high risk profile of some works, potential failures in the processes of selection, monitoring and qualification of contractors, and work in emerging market environments with a less mature culture in relation to safety, health and environmental standards.

• **Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations**, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report for fiscal year 2020 includes additional details regarding some of the risks associated with the activities of SIEMENS GAMESA.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Top Management establishes and Board of Directors approves the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to assume to achieve its objectives.

SIEMENS GAMESA uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated, at least each time changes are made to the strategy and/or policies.

SIEMENS GAMESA essentially has 3 complementary ways of establishing risk tolerance levels:

1) By means of regularly reviewed specific policies and internal regulations, particularly including the following:
- General Risk Control and Management Policy
- Corporate Tax Policy
- Investment and Finance Policy (exchange rate, credit and interest rate risks)
- Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
- Business Conduct Guidelines
- Crime Prevention and Anti-Fraud Policy
- Cybersecurity Policy

2) The setting of objectives on an annual basis or based on strategic regularity, for indicators that are used to monitor certain risks. These indicators include:
- EBIT, cash conversion, net financial debt, CAPEX and working capital
- MW sold and new orders
- Sustainability
- Cyberattacks

- Frequency and severity index in relation to Health & Safety

3) A risk is considered to exceed tolerance and to require mitigation plans when it is rated as major or high. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a particular risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once the risks (including tax-related risks) threatening achievement of objectives have been identified, the risk owners or those delegated thereby, with the support of the ERM Department and other support functions, make an assessment thereof and manage the plans for their mitigation.

E.5. State which risks, including tax compliance risks, have materialized during the year.

The risk factors that have materialized during 2020 in the countries and markets in which SIEMENS GAMESA has done business have had an adverse impact on the Group's financial results, the most significant being project execution, **Covid-19**, price pressure and slowdown in the Indian market.

It is noteworthy that activities in 2021 will be subject to the continuation of these same risk factors in the development of the wind market. The Group also expects to face uncertainties arising from the process of negotiating the United Kingdom's exit from the European Union and the policies adopted by the United States government relating to its tariff policies and embargoes on various countries.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

Strategic

• Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk.

• Development of new business opportunities, entry into new countries, and cost reduction programmes at all units to mitigate the risk of pressure on the margin and on volumes.

• The possible effects of specific drops in business due to "country risk" are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.

• SIEMENS GAMESA is carbon neutral as of 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department

• Creation of a project team in charge of analysing the implications of a change in share ownership and of implementing the relevant mitigation measures.

Operational

• New products and production centres are regularly monitored to ensure that both cost and quality are fulfilled as expected.

• Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.

• There is an ongoing reduction in costs through specific goal-based programmes deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.

• A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project implementation. The Company also analyses its projects on a recurring basis and has defined controls within the ICFR system to monitor the management thereof.

• A multidisciplinary Security Committee leads and continuously improves our Information Security Model that is capable of preventing and mitigating the external threats of cyberattacks.

• We implemented a second source supply strategy to mitigate supply chain risks and signed long-term agreements with suppliers of critical components to ensure their availability.

• Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, a search for secondary sources of supply, and even the redesign of some components.

Financial

• Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.

• Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event occurred which requires a so-called impairment test that could result in an impairment.

• Various actions are taken to reduce exposure to foreign exchange rate risk, including: increase in local content, hedging through the use of derivative financial instruments, monitoring of exposure to fluctuations while ensuring compliance with the Group's hedging policy that requires a minimum level of hedging, including the analysis of currency sensitivity.

• The division of external financing between variable and fixed rates is constantly analysed in order to optimise exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.

• Tax risks are controlled with various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

Compliance

• The risk of serious and fatal accidents is mitigated through various actions, including: strengthening of the zero tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.

• SIEMENS GAMESA has a Handbook and Systems for monitoring regulatory changes and crime prevention in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business. This include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

Additional information regarding response plans and supervision is enclosed in the Management Report included in the Annual Report and in the Consolidated Financial Statements of 2020.

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

• Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.

• Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities.

- Insurance of operational third-party risks, with annual update and review of coverages.
- External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.
- Aenor certificate in UNE 19602 standard related to the tax compliance management system.
- Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being effectively managed.
- Evaluations, including independent evaluations, by Management, by the internal audit department and by external audit of the effectiveness of the risk management systems.
- Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.
- Internal audits of significant risks by the Internal Audit Department.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANICAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

According to section 4.b of Article 529.quaterdecies of the **Corporate Enterprise Act**, and without prejudice to the other duties stipulated in the by-laws or in compliance with them in addition to those set out in the board of directors' regulations, the **audit committee** shall have, as a minimum, the following duties: to supervise the efficiency of the company's internal controls, internal audit and risk management systems, in addition to discussing with the accounts auditor any significant weaknesses in the internal control system detected in the course of the audit, without compromising its independence. To this end, and where appropriate, recommendations or proposals may be submitted to the board of directors and the corresponding time frame for follow-up activities.

Internal risk management and control systems related to the process of publishing finanical information (ICFR)

According to Article 33.5.g of SIEMENS GAMESA's By-Laws, the **Board of Directors** has among its competencies "preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting". Likewise, as established by Article 7.3a) of the Regulations of the Board of Directors, the Board of Directors has, among others, the competency of supervising the internal information and control systems and the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly.

The **Regulations of the Audit, Compliance and Related Party Transactions Committee** establish that it is within the purview of said Committee to supervise the effectiveness of the Company's internal control system, the systems for the management of risks, including tax risks and oversight of the process of preparing and filing the regulated financial information.

In relation to the powers relating to the process of preparing the economic and financial information, the Audit, Compliance and Related Party Transactions Committee performs the following functions, among others, as defined in Article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

- Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

- Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

- Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

- Be informed of the significant adjustments identified by the auditor or arising from Internal Audit reviews, and management's position on such adjustments.

- Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

- Supervise on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the supervision, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.

In relation to the internal control and risk management systems, as defined in Article 10 of said Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.

- Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

- Oversee that policies on the control and management of risks identify or determine at least:

    i. The different types of financial and non-financial risks (financial, operational, strategic, and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

- Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Oversee that the Risk department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Management of SIEMENS GAMESA Group is responsible through its Internal Control department and Internal Control Over Financial Reporting (ICFR) team for the design, implementation and maintenance of ICFR. The Internal Control department is responsible for the overall Internal Control governance and reports to the Chief Operating Officer (COO). Furthermore, there is an Enterprise Risk Management (ERM)/ ICFR team reporting to the Chief Financial Officer (CFO). Both functions regularly report to the Audit, Compliance, Related Party Transaction Committee including on the overall status of the Internal Control system, non-ICFR and ICFR specific content. The Group's internal control system is managed through a company-wide platform called "RIC tool".

In support of the Audit, Compliance and Related Party Transactions Committee, the Company has an Internal Audit department, which functionally reports to the aforementioned Committee and by performing its annual work plan reinforces control relating to the reliability of the financial information.

SIEMENS GAMESA Group's internal control system considers the core elements of COSO 'Internal Control – Integrated Framework' (2013) – the most broadly accepted control framework. The framework defines the elements of a control system and sets the benchmark for evaluating the effectiveness of the internal control system.

F.1.2. State whether the following are present, especially if they relate to the creation of financial information:

- *Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity*

In relation to the definition of the organizational structure, the regulations of the **Board of Directors** establish that the **Appointments and Remuneration Committee** must inform the Board of Directors of the proposals for appointment and removal of Top Management and must also report on the remuneration conditions and terms and conditions of the employment contracts thereof prior to their approval by the Board of Directors.

SIEMENS GAMESA Group's **Executive Committee** is responsible for defining, designing and reviewing the organizational structure. It assigns functions and tasks, ensuring appropriate separation of functions and that the areas of the various departments are coordinated so as to achieve the Company's objectives.

SIEMENS GAMESA Group has clearly defined lines of authority and responsibility for purposes of preparing the financial information. The **CFO organization** has the main responsibility for preparing the financial information. The CFO organization is responsible for the existence and proper dissemination within SIEMENS GAMESA Group of the internal policies and procedures that are necessary to ensure reliability in the process of preparing the financial information. The CFO organization also plans the key dates and reviews to be carried out by each responsible area.

The Chief Operating Officer (COO) through his Internal Control department is responsible for the existence and proper dissemination within the Group of the Internal Control policies and procedures.

SIEMENS GAMESA Group has financial organizational structures that are adapted to the local needs of each region in which it operates, led by a **Managing Director Administration & Finance of the legal entities** whose duties include the following responsibilities:

- Compliance with local law & regulations
- Financial (IFRS & local GAAP) & local tax reporting: “Clean books & records”
- Internal Controls, including quarterly attestation of financials (certification letter)

Specifically, and as regards to ICFR, the existing organizational structure has resources for the proper functioning thereof, with centralised guidelines that are controlled and supervised at central SIEMENS GAMESA Group level and with local-level implementation in each region with the aim of providing detail on the processes considered key for the Company.

- *Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analyzing breaches and proposing corrective actions and sanctions.*

SIEMENS GAMESA Group has its own Business Conduct Guidelines, the current version of which was approved by its Board of Directors on 12 September 2018. The Business Conduct Guidelines define SIEMENS GAMESA Group´s attitude in relation to the conduct of a responsible business and describe how SIEMENS GAMESA Group fulfils its responsibilities as a company, i.e. as an employer, in its markets, in society and towards the environment. This Business Conduct Guidelines are available both on the corporate website and on the internal intranet after a specific Company-wide communication by the Chief Executive Officer.

Regarding its economic and financial information, SIEMENS GAMESA Group is committed to transparent, clear, truthful, complete and consistent reporting to investors, employees, customers, institutions and governmental agencies.

More specifically, the Business Conduct Guidelines state that as an international company, SIEMENS GAMESA Group is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and all government agencies. SIEMENS GAMESA Group follows all applicable laws, regulations, standards and practices.

SIEMENS GAMESA Group ensures that its books and records are kept completely, accurately and truthfully, they are prepared on time and in accordance with the applicable rules and standards (IFRS), that they comply with the Financial Reporting Guidelines and follow internal control processes.

SIEMENS GAMESA Group provides correct and complete information for financial reporting purposes.

Among other aspects and in relation to the Business Conduct Guidelines, the Compliance department, which reports functionally to the Audit, Compliance and Related Party Transactions Committee, is responsible for resolving doubts that may arise and for receiving any queries or complaints via the established channels that are referred to in the Business Conduct Guidelines for actions that are unethical, lack integrity or conflict with the principles included therein.

- *Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, reporting, as the case may be, if this is of a confidential nature*

In accordance with the provisions of the Business Conduct Guidelines and of Article 11.g of the Regulations of the Audit, Compliance and Related Party Transactions Committee with respect to the duties of the aforementioned Committee relating to the Corporate Governance function, SIEMENS GAMESA Group has developed a Compliance Integrity Hotline that allows its employees to report confidentially or anonymously any potentially significant irregularities with express reference to financial or accounting improprieties that they discover within the Company.

The Audit, Compliance and Related Party Transactions Committee is responsible for establishing and supervising the Compliance Integrity Hotline which SIEMENS GAMESA Group manages through its Compliance department according to the conditions and powers set forth in the Compliance Handbook, which form part of the internal regulations and which sets out its operation and conditions for use, access, scope and other aspects.

As established in Articles 12.b and 12.c of the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Compliance department has the duty of assessing and reporting on the level of compliance with the Business Conduct Guidelines; it will submit such reports to the Audit, Compliance and Related Party Transactions Committee with information on suggestions, concerns, proposals and breaches.

It is for the Compliance department, upon receipt of a complaint that satisfies a series of requirements and minimum content, to decide whether it is appropriate to process or file such complaint.

If there is evidence of an infringement of the Business Conduct Guidelines, a confidential case file will be opened, and such actions as deemed necessary may be commenced, particularly interviews with the parties involved, witnesses or third parties considered capable of providing useful information and collection of such paper or electronic documents as required. Assistance may also be obtained from other areas of the Company if deemed suitable, as well as from independent experts (establishing an investigative team).

Upon conclusion of the complaint procedure, the investigative team will prepare a report that will contain at least a description of the context of the investigation, its findings, the legal advice on such findings and the actions to rectify the problem.

The **Disciplinary Committee (**comprising the representatives of the Financial, Legal, Compliance and Human Resources departments) is responsible for establishing relevant disciplinary measures for cases of breach of the Business Conduct Guidelines which are proportionate to the severity of said breaches.

If the Compliance department finds evidence of unlawful conduct when processing the case and preparing the report, it will inform the Legal department to assess whether competent legal or administrative authorities must be informed.

- *Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.*

SIEMENS GAMESA Group has staff recruitment procedures and processes in place to identify and define selection and recruitment process milestones ensuring that new employees are qualified to perform the responsibilities associated with their position.

A main line of action for the SIEMENS GAMESA Group is managing employee knowhow through the identification, development and retention of the required talent and knowhow, in addition to ensuring the proper transfer thereof.

In this context, SIEMENS GAMESA Group has processes and tools to determine the level of performance and development needs for the people who make up its organization.

The staff directly and indirectly responsible for actions in the financial and accounting area have been subject to previously established selection and recruitment processes, and moreover, their training needs have been analyzed in internal development processes. They have the necessary professional qualifications and expertise to perform their duties, both in terms of applicable accounting standards and internal control-related principles. These staff are kept continuously up-to-date with applicable regulatory requirements.

Specifically, the Compliance department provides various training sessions on the Business Conduct Guidelines and the Whistle-blower channel.

F.2. Assessment of financial information risks

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including error and fraud risk, as regards:

- *Whether the process exists and is documented.*

The Company's Internal Control System including Internal Control Over Financial Reporting (ICFR) are based on the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

All entities are classified into 'High', 'Medium' or 'Low' importance entities which is based on the Entity Categories. The Entity Categories primarily reflect the financial importance of the entities to SIEMENS GAMESA Group based on previous and forecast entity revenue, income before taxes, total assets, but also take into account other qualitative aspects. The whole Internal Controls setup requires a related assessment process at each relevant affiliated entity based on the set of centrally defined Control Requirements.

As part of the account scoping, significant accounts and disclosures are defined based on quantitative and qualitative criteria including use of a COSO scoring model which uses five categories i.e. impact on financial statement, account characteristics, business process characteristics, fraud and entity-wide factors. Each significant account and disclosure are then linked to at least one applicable ICFR Control Requirement.

Central Governance Owners formulate “Control Requirements” as essentials of the Governance Framework (including Internal Controls over Financial Reporting (ICFR) and other High-risk areas). Those centrally defined Control Requirements form the basis for the annual assessments.

The overall set of Control Requirements is applicable to all entities (incl. affiliates) and subject to different levels of assessment (mainly on entity level) on a risk-based approach. To identify the minimum Assessment Approach required for each Control Requirement, Corporate Governance Owners take account of the classification of entities as well as use their judgment regarding the minimum level of assurance required.

There are three different Assessment Approaches:

- Detailed Assessment (DA): Detailed Assessment requires that Key Controls addressing Control Requirements are identified and documented. A Test of Design (ToD) and a Test of Operating Effectiveness (ToE) must be performed for each identified Key Control by SIEMENS GAMESA Group individuals who are independent from the control operation and who have no vested interest in the outcome of the assessment (i.e. independent Assessors). Control Requirements are rated as ‘achieved’ or ‘not achieved’ based on the outcome of the ToD and the ToE of the related Key Controls, ‘control gap deficiencies’ and ‘non-assessment driven deficiencies’, if any.

- Self Assessment (SA): Unlike a Detailed Assessment, a Self Assessment can be performed by SIEMENS GAMESA Group individuals who are responsible for or perform the activities addressing the Control Requirement. The Self Assessment Approach requires the Assessor to provide an assessment as to whether the Control Requirement is achieved, supported by a rationale describing the activities performed by the entity providing assurance that this is the case.

- No Specific Assessment Required (NSAR): No Specific Assessment Required releases an entity from the obligation to conduct, document and report a formal assessment. However, entity management ensures that these Control Requirements are complied with by executing adequate control activities and reporting any related deficiencies of which they are aware.

Each of the different Assessment Approaches provides varying levels of assurance and therefore requires a different level of effort. The minimum Assessment Approach stipulated by the Corporate Governance Owners reflects the level of assurance needed over each Control Requirement, taking into account the potential risk exposure and corresponding level of effort required to complete the assessment. The scope of activities to be performed by each entity is different, depending on the entity’s impact on the Consolidated Financial Statements of SIEMENS GAMESA Group, including the size and specific risks associated with an entity.

The Internal Control System is based on multiple sources, including three key processes facilitated by the SIEMENS GAMESA Group IC Departments which are explained in the following.

Policy & Control Masterbook (PCMB): The Policy & Control Masterbook (PCMB) provides a clear and consistent set of Control Requirements (CRs) which assist management and staff to appropriately control the areas for which they are responsible. The Policy & Control Masterbook has been developed as a single source and reference point for global Control Requirements resulting from relevant rules and regulations published on Corporate level, for example Policies, Financial Reporting Guidelines and other existing policies and guidance. Control Requirements are structured into four categories: Strategic, Operations, Financial and Compliance, on the basis of the established COSO 2017 framework. This allows the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives. Control Requirements included in the PCMB form the basis for the annual assessments.

Internal Control over Financial Reporting (ICFR): Internal Control over Financial Reporting (ICFR) is a subset of the overall internal control system as facilitated by the PCMB which considers controls over financial reporting in greater detail. The purpose of this accounting-related internal control system is to ensure that external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance. ICFR is based on the internationally recognized ‘Internal Control – Integrated Framework’ developed by COSO and because of its importance, it received a more detailed level of review by increasing the level of assessment required.

The key outputs of the SIEMENS GAMESA Group Internal Control System are:

- SIEMENS GAMESA Group´s ‘In Control’ Statement.

Internal risk management and control systems related to the process of publishing finanical information (ICFR)

The SIEMENS GAMESA Group 'In Control' Statement provides assurance, although not absolute assurance, that the organization's business objectives are being met and key risks are being adequately managed, for example that assets are safeguarded, financial reporting is reliable and laws and regulations are complied with. The SIEMENS GAMESA Group 'In Control' Statement is supported by 'In Control' Certifications from the entities reporting to the organizational level issuing the 'In Control' Statement of SIEMENS GAMESA Group.

- Quarterly Internal Certification

CEO, COO, CFO and Head of Accounting of SIEMENS GAMESA Group certify that the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and the Group Management Report includes a fair review of the development and performance of the business and the position of the group.

To support the CEO, COO, CFO and Head of Accounting's external certification, a Quarterly Internal Certification process has been implemented. The result of the Quarterly Internal Certification Process is reported to CEO, COO, CFO and Head of Accounting and, if necessary, the Audit Committee of SIEMENS GAMESA Group is informed of any irregularities in the Internal Certification process.

A fraud risk assessment is a principle stipulated by the COSO framework. Every SIEMENS GAMESA Group entity in ICFR scope must assess its susceptibility to fraud through a fraud risk assessment involving appropriate levels of management such as ICFR team and experienced Accounting Managers. While the extent of activities required for the evaluation of fraud risks depends on the size and complexity of a company's operations and financial reporting environment, management recognizes that the risk of material misstatement due to fraud exists in any organization, regardless of size or type.

The ICFR system of SIEMENS GAMESA Group includes programs and controls to prevent, deter and detect fraud. Therefore, the documentation and evaluation of an entity must cover activities specifically intended to address the risks of fraud that have at least a reasonably possible likelihood of having a material effect on the company's financial statements.

SIEMENS GAMESA Group has set up different activities to prevent, deter and detect fraud by addressing the following elements:

- Creating a culture of honesty and high ethics;
- Evaluating antifraud processes and controls; and
- Developing an appropriate oversight process.

- *If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.*

SIEMENS GAMESA Group is responsible for the fair presentation of the Consolidated Financial Statements that reflect the nature and operations of the entity. In representing that the Consolidated Financial Statements are fairly presented in conformity with generally accepted accounting principles, management implicitly or explicitly makes assertions regarding the recognition, measurement, presentation and disclosure of information in the Consolidated Financial Statements. Each Significant Account or Disclosure can be linked to one or more relevant assertions.

To be able to state the effectiveness of ICFR it is necessary that through a set of Key Controls all relevant financial statement assertions per Significant Account or Disclosure are covered. Assertions are classified according to the following categories:

- Existence or Occurrence (E/O) – assets, liabilities and ownership interests exist at a specific date and recorded transactions represent events that actually occurred during a certain period;
- Completeness (C) – all transactions and other events that occurred during a specific period and should have been recognized in that period have, in fact, been recorded. There are no unrecorded assets, liabilities, transactions or events or undisclosed items (applicable to balance sheet and revenue and expense accounts and possibly disclosures);
- Rights and Obligations (R&O) – the entity holds or controls the rights to assets, and liabilities are the obligations of the entity (applicable to balance sheet accounts);
- Valuation or Assignment (V/A) – asset, liability, equity, revenue and expense components are recorded by appropriate amounts in conformity with SIEMENS GAMESA Financial Reporting Guidelines (FRG) that

are in line with IFRS. Transactions are mathematically correct and appropriately summarized and recorded in the entity's books and records;

- Presentation and Disclosure (P&D) – financial information and disclosures in the statements are properly classified, described clearly and disclosed, in accordance with the SIEMENS GAMESA FRGs.

- *The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.*

  In accordance with the recommendations of the Good Governance Code for Listed Companies, Article 7.3.b.iv of the Regulations of the Board of Directors establishes the power to approve the creation or purchase of stocks in special-purpose entities or entities in countries or territories that are considered tax havens according to applicable law.

  Additionally, and in this context, the SIEMENS GAMESA Group's corporate tax policy states that in carrying out its activities, SIEMENS GAMESA Group shall follow the principles of an orderly and diligent tax policy that materialises in the commitment to:

  - Avoiding the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
  - Not organising or acquiring companies residing in tax havens in order to avoid tax obligations.

  The SIEMENS GAMESA Group also maintains a continuously updated record of all the legal entities that sets forth all the equity interests it directly or indirectly holds, whatever the nature thereof, including if applicable shell companies and special-purpose entities.

  For purposes of identifying the scope of consolidation, in accordance with the standards established in international accounting regulations, the Company maintains and regularly updates a database containing all the companies that make up the SIEMENS GAMESA Group.

  SIEMENS GAMESA Group has an established process within the Financial Controlling & Accounting department that ensures the necessary flow of approvals in relation to changes in the scope of consolidation and updates to the database of companies. The scope of consolidation is monitored as part of the consolidation process and within the established internal control over the financial reporting system.

- *If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements*

  The Policy and Control Masterbook (PCMB) is the central reference point for all Control Requirements resulting from published rules and regulations and forms the basis for the Internal Control process. At the highest level the PCMB is structured based on four categories of the COSO 2017 framework: Strategic, Operations, Financial and Compliance.

  Furthermore, there is an Enterprise Risk Management (ERM) which is further defined in Section E of this report.

- *The governing body within the company that supervises the process.*

  The process is ultimately supervised by the Audit, Compliance and Related Party Transactions Committee, which is supported by the Internal Audit department in the performance of its duties.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorization procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Board of Directors is the highest-level body responsible for supervising and approving the financial statements of the SIEMENS GAMESA Group.

SIEMENS GAMESA Group sends information to the securities market on a quarterly basis. The Financial Controlling & Accounting department prepares said information, carrying out a series of control activities during the accounting close in order to ensure the reliability of the financial information. These controls are included within the "Consolidation and Financial Close" process in SIEMENS GAMESA Group´s ICFR model.

On a monthly basis, Financial Controlling & Accounting department provides the various departments involved in the accounting closing process with plans and guidelines so that each department can prepare the financial information, as well as the date on which it must be reported.

SIEMENS GAMESA Group's financial statements are subject to the following review levels:

- Review by Financial Controlling & Accounting department
- Oversight by the Audit, Compliance and Related Party Transactions Committee
- Approval by the Board of Directors (half-yearly and annual)

The annual accounts and interim financial statements summarized on a half-yearly basis are also subject to audit and limited review, respectively, by the statutory auditor.

As mentioned previously, on a quarterly basis, there is an internal certification process throughout SIEMENS GAMESA´s Group. The Management of the different organizational levels and legal entities, backed by the confirmations from the business units' management as well as the management of the companies of the SIEMENS GAMESA Group, confirm a) the accuracy of the financial data disclosed to Corporate Management, b) regulatory and legal compliance, c) certification of the bank accounts and d) independence vis-à-vis the external auditor of SIEMENS GAMESA Group.

Also as mentioned previously, there is an assessment of the design and operational effectiveness of the implemented Internal Control System and the ICFR at the end of each fiscal year. The Management of the different organizational levels and legal entities, backed by the management of the companies of the SIEMENS GAMESA Group, confirms through signing the yearly 'In Control' Certification the fulfilment of its responsibility to establish and maintain an effective internal control system and ICFR. Reports are produced on the effectiveness of the internal control systems, including the shortfalls that could hinder the achievement or development of the key business objectives or those with a material impact on the financial statements.

The financial statements are prepared based on a reporting calendar and delivery dates that are known to all the participants in the process, taking into account the legally established deadlines.

Judgements, estimates, valuations and relevant forecasts are made at different levels of the organization, are escalated to a higher organization level as appropriate, and are part of the quarterly financial statements that are confirmed by the Managing Directors and Head of Accounting of the legal entities as well as by business responsibles.

F.3.2. Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

IT controls are processes and procedures that provide reasonable assurance that the information technology used by SIEMENS GAMESA Group operates as intended and that data are reliable. IT General Controls (ITGCs) provide the foundation for reliance on data, reports, automated controls, and other system functionality underlying business processes. The security, integrity, and reliability of financial information relies on proper security configuration, access controls, change management, and operational controls. ICFR IT General Controls (ITGC) are pervasive controls that predominantly serve as the foundation for related IT Application Controls (ITAC) or Manual IT Dependent Controls (MITDC).

SIEMENS GAMESA Group considers information technology to be one of its most important assets to properly and efficiently provide its services and to comply with corporate objectives and laws, thus establishing ITGCs as a fundamental objective to ensure that the information processed is accurate, is only available to those who need it and is not disclosed without authorization.

Specifically, and within the scope of the Internal Control System including Internal Controls Over Financial Reporting (ICFR), SIEMENS GAMESA Group has designed and implemented an ITGC framework that is comprised of the following control activities:

- Security configuration: The key attributes of the security configuration are appropriately implemented, following company security standards. Exceptions to the security configuration are approved by the system

owner and are documented. Password and authentication parameters have been set in accordance with company security standards.

- Access Control: A user access management process is documented, approved and implemented and covers the procedure for granting, changing and removing access to all users, including end-users, privileged users and system administrators. The use of users with administrative or privileged rights follows an authorization process and is appropriately restricted by limiting access to the minimum practical number of users.

- Segregation of Duties (SoD): An Authorization Concept has been defined, documented and implemented for all ICFR relevant applications, considering restriction on usage of system standard profiles, roles and users as well as privileged accounts, emergency users and shared/unpersonalized users. A Segregation of Duties (SoD) matrix has been defined for all relevant processes/roles, based on the Authorization Concept. SoD is monitored and conflicting access is dealt with. A review of all user authorizations to verify the adequacy of access rights based on job responsibilities is conducted and documented regularly.

- Change management: A defined and documented IT Change Management process has been formally approved and implemented. All changes impacting ICFR relevant applications are requested, authorized, tested, implemented, approved and documented following the change management process. Traceability of the whole change management process is ensured for all changes. The productive system is locked against direct modifications (when technically feasible) and access to the production environment is appropriately restricted.

- Back up: A Backup Concept has been defined, documented and implemented for all ICFR relevant applications, considering the data to be backed up, the frequency and retention period, responsibilities and authorizations, creation of logs, etc. A process is in place to monitor that data is regularly backed-up and failures/deviations are dealt with.

- Operational monitoring and scheduled processing: A guideline regarding system logging and monitoring (critical activities, including administrators and operators) has been defined for all ICFR relevant applications. Audit logs are produced and kept for an agreed period. Deviations from scheduled processing are monitored and followed up.

F.3.3. Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

SIEMENS GAMESA Group sub-contracts the performance of certain routine transaction processing activities with an impact on financial information (e.g. accounts payable, payroll, invoice records) to internal shared service centers or external/Group service providers. In the cases in which this sub-contracting occurs, it is backed by a services agreement on fully competitive terms that clearly indicates the service provided and the means that the provider, internal, external or Group will use to provide the services, reasonably guaranteeing the technical expertise, independence and competence of the sub-contracted party.

In any case, the outsourced activities are mainly different administrative processes in offices and subsidiary companies that are supported by a services agreement that clearly states the service provided and the means that the qualified external professional provider will use to provide the services, reasonably ensuring the technical qualifications, independence and competence of the sub-contracted party. SIEMENS GAMESA Group`s Internal Control System including Internal Control Over Financial Reporting (ICFR) defines control activities for activities outsourced to third parties.

There is also an internal procedure for the procurement of services that establishes the requirement for certain levels of approval depending on the transaction value.

Such services are procured by the Heads of the corresponding functions, reasonably ensuring the competence and technical and legal qualifications of the sub-contracted parties, with the evaluations, calculations or appraisals conducted by external parties being reviewed if applicable.

F.4. Information and communication

State whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

The Financial Controlling & Accounting department is responsible for identifying, defining, updating and communicating the accounting policies that affect SIEMENS GAMESA Group, as well as for responding to accounting queries that may be raised by subsidiaries or the various geographic areas and business units. In this context, it maintains a close relationship with management of the various geographical areas and business units.

The Financial Controlling and Accounting department is also responsible for reporting to the Audit, Compliance and Related Party Transactions Committee and/or to any other corresponding body on specific aspects of accounting standards, the results of the application thereof and their impact on the financial statements.

The Company has an accounting manual that determines and explains the rules for preparing the financial information and how said rules should be applied to the Company's specific operations. This document is regularly updated and significant potential changes or updates are communicated to the companies to which they are applicable.

In case the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the external auditors that are asked for their position with respect to the conclusion reached.

The accounting policies applied by the SIEMENS GAMESA Group are described in its annual accounts and are consistent with those applicable under current rules.

In the case of regulatory changes linked to financial reporting that have an impact on the Financial Statements, the Financial Controlling & Accounting department is responsible for reviewing, analyzing and updating the accounting rules as well as for supervising the adoption of new standards or revisions from the International Financial Reporting Standards (IFRS) and those standards, changes and interpretations that have yet to come into force. The Financial Controlling & Accounting department is also responsible for communicating changes or updates to the Company's departments and the subsidiaries.

F.4.2. Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

There is a centralized process for consolidating and preparing the financial information. The financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required both for the accounting harmonization process and for coverage of the established information needs, are used as "inputs".

The SIEMENS GAMESA Group uses a software tool that collects the individual financial statements and facilitates the process of consolidating and preparing the financial information. This tool allows the centralisation within a single system of all the information resulting from the accounting of the individual companies belonging to the Group.

In this context, the Consolidation and Reporting department establishes a centralized quarterly, half-yearly and annual close plan which distributes to each of the groups and sub-groups the appropriate instructions in relation to the scope of work required, key reporting dates, standard documentation to be sent and deadlines for receipt and communication. Among other aspects, the instructions include a reporting/ consolidation package, preliminary close, inter-company invoicing, physical inventories, inter-group balance confirmation and reconciliations, final close and pending items.

The content of the aforementioned reporting is regularly reviewed in order to respond to the appropriate breakdown requirements in the annual accounts.

ICFR is a subset of the overall internal control system and is managed through a company-wide platform called "RIC (Risk and Internal Control) tool.

F.5. Supervision of system performance

Describe at least the following:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

There is a regular communication between the Audit, Compliance and Related Party Transactions Committee, Top Management, the Head of the Internal Control department, the Head of the ERM/ ICFR team, the Head of Internal Audit and the Statutory Auditors, so that the Board of Directors' Audit, Compliance and Related Party Transactions Committee has the information necessary to perform its duties relating to the supervision of the Internal Control System including Internal Control over Financial Reporting (ICFR).

Specifically, the Audit, Compliance and Related Party Transactions Committee has performed the following Internal Control over Financial Reporting (ICFR) supervision activities, among others, during the fiscal year:

- Oversee the preparation of the Group's annual accounts and the periodic quarterly and half-yearly financial information that the Board of Directors must provide to the capital markets and to the related regulators. Further oversee the compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation of the financial statements.
- As part of its work supervising the Internal Audit department, it has approved the annual audit plan and the IA budget that underpins the internal and external human and material resources of the department.
- It has analyzed the External Auditors' audit plan, which includes the audit objectives based on the assessment of financial reporting risks, as well as the main areas of interest or significant transactions subject to the audit during the fiscal year.
- Together with the external auditors and Internal Audit, it has reviewed any internal control weaknesses identified in the course of the various audits and review tasks.

The Internal Control department and the ICFR team report on the overall Internal Control system and non-ICFR and ICFR specific content to the Audit, Compliance and Related Party Transactions Committee after completion of the Initial Assessment and Final Assessment.

SIEMENS GAMESA Group has an Internal Audit department whose powers include supporting the Audit, Compliance and Related Party Transaction Committee, among others, in its work of supervising the internal control system. The SIEMENS GAMESA Chief Audit Executive functionally reports to the Audit, Compliance and Related Party Transaction Committee and disciplinarily to the SIEMENS GAMESA Group CEO. This reporting relationship is intended to promote the independence needed to fulfill its responsibilities, comprehensive audit coverage and appropriate coordination with other activities of management and SIEMENS GAMESA Groups independent External Auditor.

In order to enable this supervision of the internal control system, the Internal Audit department responds to the requirements of the Audit, Compliance and Related Party Transaction Committee in the performance of its duties, participating regularly and whenever required in the meetings of the Board of Directors' Audit, Compliance and Related Party Transactions Committee.

The audit function provides assurance to the Audit, Compliance and Related Party Transactions Committee on the worldwide business operations and processes of SIEMENS GAMESA Group, by independently and objectively evaluating and reporting on SIEMENS GAMSEA Group's effectiveness of risk management and internal control systems, and the adherence to SIEMENS GAMSEA Group's compliance policies in a systematic and regular manner.

The annual internal audit plan presented and approved by the Audit, Compliance and Related Party Transaction Committee includes the performance of control reviews (including ICFRs) and establishing review priorities based on the identified risks.

The Internal Audit department has performed audits for certain significant risks in accordance with its Annual Audit Plan 2020 and has provided the corresponding reports where appropriate to the Executive Committee and to the Audit, Compliance and Related Party Transactions Committee.

F.5.2. If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit, Compliance and Related Party Transactions Committee holds regular meetings with the external auditors, the CFO, the Internal Control and ERM/ICFR departments in order to discuss any relevant aspect and, if applicable, examine significant internal control deficiencies that have been identified.

SIEMENS GAMESA Group's annual accounts and the periodic financial information that the Board of Directors must supply to the markets and to the supervisory bodies thereof are reviewed at the Audit, Compliance and Related Party Transaction Committee meetings with the statutory auditors, monitoring compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.

Remediation actions have been defined and are being implemented for Internal Control deficiencies identified during the year according to the mitigation plan.

F.6. Other relevant information

There is no other material and relevant information with respect to the Internal Control system including Internal Control over Financial Reporting (ICFR) that has not been included in this report.

F.7. External auditor´s report

Report from:

F.7.1. If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

SIEMENS GAMESA Group has requested the external auditor to issue a report reviewing the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for fiscal year 2020.

Extent of compliance with corporate governance recommendations

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company´s actions. General explanations are not acceptable.

Remarks

According to Circular 1/2020, SIEMENS GAMESA has no obligation to report under the amended Code of Good Governance for Listed Companies. However, faithful to its commitment with the continued improvement in corporate governance, the Company has already updated to a large extent its regulations and policies to adhere to the amended Recommendations.

In this regard, although not being obliged to do so as SIEMES GAMESA's fiscal year ended on September 30, 2020, the Recommendations included in this Section G are those incorporated by the CNMV in its revised version of the Good Governance Code published on June 26, 2020, as explained in deeper detail in Section H.2 of this report.

We are proud to be one of the first companies in Spain that reports under these standards. Having said this, the Company will continue implementing these Recommendations and expects, for example, to have in place a Policy for the communication of economic-financial, non-financial and corporate information before our General Meeting of Shareholders.

1. **The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies X Explanation ☐

2. **When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about:**

a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

b) The mechanisms established to resolve any conflicts of interest that may arise.

Complies X Complies partially ☐ Explanation ☐ Not Applicable ☐

3. **During the annual general shareholders' meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:**

   a) Changes taking place since the previous annual general shareholders' meeting.

   b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

   Complies X Complies partially ☐ Explanation ☐

4. **The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with the rules on market abuse and gives equal treatment to shareholders who are in the same position. The company should make said policy public through its website, including information regarding the way in which it has been implemented and the parties involved or those responsible its implementation.**

   Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies ☐ Complies partially X Explanation ☐

   Explanation:

   A General Policy for the Communication of Economic-financial, Non-financial and Corporate Information has not been approved yet by the time of approval of this Annual Corporate Governance Report. The Company expects to have this Policy in place by the time of our General Meeting of Shareholders.

5. **The board of directors should not make a proposal to the general shareholders' meeting for the delegation of powers to issue shares or convertible securities without preemptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.**

   When a board approves the issuance of shares or convertible securities without preemptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

   Complies X Complies partially ☐ Explanation ☐

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general shareholders' meeting, even if their distribution is not obligatory:**

   a) Report on auditor independence.

   b) Reports of the operation of the audit committee and the nomination and remuneration committee.

   c) Audit committee report on related transactions.

   Complies X Complies partially □ Explanation □

7. **The company should broadcast its general shareholders' meetings live on the corporate website.**

   The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.

   Complies X Explanation □

   Explanation:

   The Company amended its Regulations for the General Meeting of Shareholders to allow the shareholders to attend the Annual General Meeting of Shareholders remotely. Likewise, the Rules for conducting the General Meeting of Shareholders included the same provision. Moreover, the announcement to the call of the 2020 Annual General Meeting of Shareholders contained such prevision, however, it was not finally required, in compliance with the proportionality criteria as included in this Recommendation.

8. **The audit committee should strive to ensure that the financial statements that the board of directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditors includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.**

   Complies X Complies partially □ Explanation □

9. **The company should disclose its conditions and procedures for admitting share ownership, the right to attend general shareholders' meetings and the exercise or delegation of voting rights, and display them permanently on its website.**

   Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

   Complies X Complies partially □ Explanation □

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general shareholders' meeting, the company should:**

    a) Immediately disclose the supplementary items and new proposals.

    b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

    c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.

    d) After the general shareholders' meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

    Complies □ Complies partially X Explanation □ Not Applicable □

    Explanation:

    The Company's Internal Regulations complies with sections a), b) and d) of the Recommendation.

    Regarding section c), article 31.8 of the Regulations for the General Meeting of Shareholders of SIEMENS GAMESA, which states the system for determining the meaning of the votes establishes a different deduction

system for voting proposals from the Board of Directors regarding items included on the agenda than for voting on proposals for resolutions regarding matters not contemplated in the agenda or formulated by the Board of Directors.

11. In the event that a company plans to pay for attendance at the general shareholders' meeting, it should first establish a general, long-term policy in this respect.

Complies □ Complies partially □ Explanation □ Not Applicable X

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies X Complies partially □ Explanation □

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies X Explanation □

14. The board of directors should approve a policy aimed at promoting an appropriate composition of the board that:

a) is concrete and verifiable;

b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and

c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The results of the prior analysis of competences required by the board should be written up in the nomination committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies X Complies partially □ Explanation □

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.

Complies X Complies partially □ Explanation □

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion may be relaxed:

a) In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Extent of compliance with corporate governance recommendations

Complies X Explanation □

17. The number of independent directors should be at least half of the total number of directors.

However, when the company is not highly capitalised or is highly capitalised but has one or more shareholders acting in concert and controlling more than 30% of the share capital, the minimum number of independent directors should be at least one third of the total.

Complies X Explanation □

18. Companies should disclose the following director particulars on their web-sites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Date of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Complies X Complies partially □ Explanation □

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies □ Complies partially □ Explanation □ Not Applicable X

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter number should be reduced accordingly.

Complies X Complies partially □ Explanation □ Not Applicable □

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies X Explanation □

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice

to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.

Complies X Complies partially □ Explanation □

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Complies X Complies partially □ Explanation □ Not Applicable □

24. Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board.

This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.

Complies X Complies partially □ Explanation □ Not Applicable □

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies X Complies partially □ Explanation □

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies X Complies partially □ Explanation □

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies □ Complies partially X Explanation □

Explanation:

According to section C.1.26, the percentage of attendance over the total number of votes during the fiscal year 2020 amounted to 88.73% (244 attendances over a total possible of 275, in the 25 meetings of the Board held during the fiscal year). In fiscal year 2020 there were 32 absences of directors, being given proxy with instructions in eight of them.

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies X Complies partially □ Explanation □ Not Applicable □

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Extent of compliance with corporate governance recommendations

Complies X Complies partially □ Explanation □

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies X Explanation □ Not Applicable □

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Complies X Complies partially □ Explanation □

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies X Complies partially □ Explanation □

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies X Complies partially □ Explanation □

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Complies X Complies partially □ Explanation □ Not Applicable □

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies X Explanation □

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors,while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

Extent of compliance with corporate governance recommendations

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies □ Complies partially X Explanation □

Explanation:

The evaluation of the current CEO was excluded this year due to his recent appointment on June 17, 2020.

37. When there is an executive committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies X Complies partially □ Explanation □ Not Applicable □

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies X Complies partially □ Explanation □ Not Applicable □

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

Complies X Complies partially □ Explanation □

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of internal reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies X Complies partially □ Explanation □

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Complies X Complies partially □ Explanation □ Not Applicable □

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

d) In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies X Complies partially □ Explanation □

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer

Complies X Complies partially □ Explanation □

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies X Complies partially □ Explanation □ Not Applicable □

45. Risk control and management policy should identify or establish at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures in place to mitigate the impact of identified risk events should they occur.

e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies X Complies partially □ Explanation □

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that the risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Complies X Complies partially □ Explanation □

47. Appointees to the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies X Complies partially □ Explanation □

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies □ Explanation X Not Applicable □

Explanation:

The Board of Directors of SIEMENS GAMESA is composed of ten members, from which four are qualified as independent, following the recommendations of the Good Governance Code of Listed Companies. Most of the members of the Appointments and Remunerations Committee of SIEMENS GAMESA (composed of four members) hold the qualification as independent. Three of the four independent members of the Board of Directors belong to this Committee. In case it was decided to divide into two different committees the current Appointments and Remunerations Committee, the composition of both committees would be almost identical.

49. The nomination committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies X Complies partially □ Explanation □

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions of senior management contracts.

b) Monitor compliance with the remuneration policy established by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies X Complies partially □ Explanation □

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies X Complies partially □ Explanation □

52. The rules of performance and membership of supervision and control committees should be set out in the board of directors' regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The board should the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and

reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be minuted and a copy made available to all board members.

Complies X Complies partially □ Explanation □ Not Applicable □

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Complies X Complies partially □ Explanation □

54. The minimum functions referred to in the previous recommendation are as follows:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.

e) Monitor and evaluate the company's interaction with its stakeholder groups.

Complies X Complies partially □ Explanation □

55. Environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.

d) Channels for stakeholder communication, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity

Complies X Complies partially □ Explanation □

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies X Explanation □

Extent of compliance with corporate governance recommendations

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes and other savings schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies X Complies partially □ Explanation □

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

And, in particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value creation, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies X Complies partially □ Explanation □ Not Applicable □

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Complies X Complies partially □ Explanation □ Not Applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies □ Complies partially □ Explanation □ Not Applicable X

Explanation:

As informed in section C.1.33 the auditors' report on the financial statements for fiscal year 2020 did not contain a qualified opinion or reservations and therefore the present recommendation 60 is not applicable.

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies X Complies partially ☐ Explanation ☐ Not Applicable ☐

Extent of compliance with corporate governance recommendations

62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the nomination and remuneration committee to address an extraordinary situation.

Complies X Complies partially □ Explanation □ Not Applicable □

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies X Complies partially □ Explanation □ Not Applicable □

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously un-consolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Complies X Complies partially □ Explanation □ Not Applicable □

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

   Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

SIEMENS GAMESA is committed with the continued improvement and the maintenance of a state of the art Corporate Governance framework, and so we are proud to be one of the first companies in Spain that reports under the reviewed Recommendations of the Good Governance Code for Listed Companies which last revision was approved by the CNMV on June 26,2020.

Later, on October 6, 2020, the CNMV approved its Circular 1/2020 that amends the Circular 5/2013 of June 12, which establishes the templates for the Annual Corporate Governance Report for listed companies. This Circular, which is in force since October 13, 2020 (the following day of its publication on the Spanish Official Gazette), establishes that the new approved Annual Corporate Governance Report template shall apply, according to its final provision, to the Annual Corporate Governance Reports of listed companies corresponding to fiscal years ended as from December 31, 2020 (included), so not applicable to SIEMENS GAMESA which fiscal year finished on September 30.

Furthermore, it is highlighted that the referred Circular 1/2020 has a transitory provision according to which companies can consider the new Recommendations as “complies” if for the first six months of year 2020 they were fulfilled according to its previous version, and before the end of their fiscal year 2020 they have amended the Regulations and Policies as required in furtherance with the new Recommendations.

SIEMENS GAMESA’s fiscal year 2020 finished on September 30, so before the publication of the Circular 1/2020 and so being unable to apply the temporary provision as the companies which fiscal year is the calendar year will do, but as highlighted above, the Company is focused on establishing a Corporate Governance framework which is at the forefront of the Spanish listed companies and so SIEMENS GAMESA has already amended to a large extent its internal rules before the approval of this Annual Corporate Governance Report 2020 and such content is reported along the corresponding sections.

Finally it is stated that by the date of approval of this Annual Corporate Governance Report by the Board of Directors of SIEMENS GAMESA and its submission to the CNMV, the new official updated version, according to the aforementioned Circular 1/2020, of the statistics template, to be available at the CNMV’s virtual office on-line, is not published yet., Therefore, the statistic report to be submitted to the CNMV has been completed using the version available on its virtual office (according to Circular 2/2018), and so discrepancies with recommendations in Section G may arise.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010

SIEMENS GAMESA has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. SIEMENS GAMESA voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.

b) "Global Reporting Initiative (GRI)" which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. SIEMENS GAMESA acceded voluntarily as of December 14, 2005.

c) “Caring for Climate: The business leadership platform”, promoted as 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 as of June 18, 2007.

d) "Women empowerment principles", promoted by UN Women / UN Global Compact of the United Nations and aiming 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 as of December 22, 2010.

e) “European Diversity Charter”, is an initiative by the European Commission to foster diversity and inclusion as well as to develop and implement related policies. By signing a charter, SIEMENS GAMESA voluntarily commits to promote diversity and equal opportunities in the workplace, regardless of, for example, age, disability, gender, race or ethnic origin, religion or sexual orientation, pledges to respect the current equality and anti-discrimination legislation, and assumes the basic guideline principles established in the declaration. SIEMENS GAMESA acceded voluntarily to the “Diversity Charter” in Spain - one of 24 country charters in Europe - as of November 3, 2014.

f) “Paris Pledge for Action”, an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. SIEMENS GAMESA voluntarily adhered to this initiative on December 4, 2015.

g) “Science Based Targets” (SBTi), a joint international initiative of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition, with the aim of reducing carbon emissions in a measurable manner and to a sufficient level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. SIEMENS GAMESA voluntarily joined this initiative on September 12, 2018. In August 2020, the Science Based Targets initiative verified that SIEMENS GAMESA’s emission reduction strategy is aligned with what climate science says is required to meet the 1.5°C trajectory.

h) “Global Framework Agreement on Social Responsibility”, driven by the global union federation IndustriAll, promotes best labor, social and environmental practices. By signing, Siemens Gamesa pledged to adhere to the United Nation’s core human rights as well as fundamental labor conventions concerning freedom of association and collective bargaining, forced labor, child labor and exploitation and discrimination, treat unions positively and commit to constructively cooperate with workers and their representatives, as well as to promote the implementation of this agreement among its suppliers, subcontractors and business partners. The first Global Framework Agreement was signed by former Gamesa in 2015. The new agreement was signed by IndustriAll, Spanish trade unions and Siemens Gamesa representatives on November 26, 2019, and remains the only one of its kind in the renewable energy industry.

i) “Business Ambition for 1.5C – Our Only Future”, a campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition, calling on companies to commit to ambitious emissions reduction targets through the Science Based Targets initiative (SBTi) to hold off some of the worst climate impacts, and avoid irreversible damage to our societies, economies and the natural world. SIEMENS GAMESA reaffirmed its commitment to meet the United Nation’s climate targets by signing the pledge during COP25 in Madrid on December 11, 2019.

j) “Target Gender Equality” is a gender equality accelerator program for participating companies of the UN Global Compact. The program is to help companies setting and reaching ambitious corporate targets for women’s representation and leadership, starting with Board and Executive Management levels. Companies participating in Target Gender Equality can deepen the implementation of the UN’s Women’s Empowerment Principles and strengthen their contribution to Sustainable Development Goal 5.5, which calls for equal women representation, participation and leadership in business globally. SIEMENS GAMESA voluntarily joined the program on July 24, 2020.

In relation to the Good Tax Practices Code of July 20, 2010, it is stated that the Board of Directors of SIEMENS GAMESA approved its adherence thereto at its meeting of 22 February 2017, and on March 21, 2017 the Company was officially included in the list of companies adhering to the Code of Good Tax Practices. Furthermore, in compliance with the provisions of the Annex to said Code and of the Proposal for reinforcing good fiscal transparency practices among companies adhering to the Code of Good Tax Practices, on July 9, 2020 SIEMENS GAMESA voluntarily chose to submit to the Spanish Tax Authority (*Agencia Estatal de Administración Tributaria*), as part of its relationship of cooperation, the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2018 and September 30, 2019. In the report, among others, the Company has informed that, in February 2020, AENOR (well-known independent certifying firm) has certified SIEMENS GAMESA’s tax management system, particularly applicable in the context of the managements systems and tax risks control.

Regarding the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2017 and September 30, 2018 (filed on July 22, 2019), the Company met Spanish Tax Authority representatives on October 16, 2019 in order to analyze its content and in February 2020 the Company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on November 27, 2020.

State whether any directors voted against or abstained from voting on this report.

Yes ☐ **No X**

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY.S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222 WITH EMPLOYER IDENTIFICATION NUMBER A-01011253.

HEREBY CERTIFY:

That the text of the management report for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A. authorized for issue by the Board of Directors at its meeting held on November 27, 2020 is the content of the preceding 352 sheets of unstamped paper, on the obverse only, and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

_____
Mr. Miguel Angel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

The Secretary of the Board of Directors states for the records:

(i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.

(ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

Mr. Miguel Ángel López Borrego Chairman	Mr. Juan Antonio García Fuente Secretary of the Board of Directors

Auditor's report on the "Information related to the Internal Control Over the Financial Reporting (ICFR)" of SIEMENS GAMESA RENEWABLE ENERGY, S.A. for the year-ended 2020

Building a better working world

Ernst & Young, S.L.
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AUDITOR'S REPORT ON INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

(Translation of a report originally issued in Spanish. in the event of discrepancy, the Spanish-language version prevails)

To the Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.,

At the request of the Board of Siemens Gamesa Renewable Energy, S.A. (parent company) and subsidiaries (the Group), and in accordance with our proposal dated November 10, 2020, we applied certain procedures to the "Information related to the Internal Control Over the Financial Reporting (ICFR)" included in the Annual Corporate Governance Report (Section F, pages 82 a 95) of Siemens Gamesa Renewable Energy, S.A. for the fiscal year 2020, which summarizes the Group's internal control procedures in relation to annual consolidated financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that, apart from the quality of design and operability of the Group's internal control system as a far as annual consolidated financial information is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned consolidated financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated consolidated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's consolidated financial data described in the accompanying ICFR information for the year 2020. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Managements' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 3/2013 dated June 12, 2013, modified by CNMV Circular nº 7/2015, dated December 22, 2015 and the CNMV Circular nº 2/2018, dated June 12, 2018 (hereinafter, the CNMV Circulars).

2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit, Compliance and Related Party Transactions Committee.

4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board Meetings, Audit, Compliance and Related Party Transactions Committee meetings, and other Group committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

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This report was prepared exclusively within the framework of the requirements of article 540 of the consolidated text of the Spanish Companies Act and the CNMV Circulars, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Ana María Prieto González

November 27, 2020

Audit Report on Consolidated Financial Statements
issued by an Independent Auditor

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the fiscal year ended
September 30, 2020

Ernst & Young, S.L.
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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at September 30, 2020, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the fiscal year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at September 30, 2020 and of its financial performance and its consolidated cash flows, for the fiscal year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: C. Raimundo Fernández Villaverde, 65, 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja n. 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on construction contracts

Description

Siemens Gamesa Renewable Energy Group conducts a significant portion of its business under construction contracts. Revenue recognition for such contracts is recognized in accordance with IFRS 15, *Revenue from Contracts with Customers,* generally by applying the percentage-of-completion ("PoC") method.

We consider the accounting for construction contracts to be an area with a significant risk of material misstatement (including the potential risk of management override of internal controls) and, accordingly, a key audit matter, because management's estimates significantly impact the determination of the extent of progress towards completion. These estimates include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations, total estimated contract costs, remaining cost to complete the contract, total estimated contract revenues as well as contract risks, including technical, regulatory, political and legal risks.

Revenue, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new or additional information, among others, about cost overruns and changes in project scope over the term of a construction contract.

Revenue recognition according to the POC method requires Group management to make significant estimates regarding the planned revenues and costs, as well as the margin and the percentage of completion for each contract. Since revenues are recognized based on the estimates in each period, there is a high degree of management judgement involved. Furthermore, in fiscal year 2020 the effects of the coronavirus pandemic (COVID-19) impacted significantly in these estimates, what required the evaluation of the accounting treatment of circumstances such as delays in project execution, access restrictions or short-term interruptions to supply chain as well as the application of law clauses related to compensation for damages or contractual penalties for delays in delivery. For these reasons, we have considered this matter as a key audit matter for our audit.

The disclosures regarding revenue recognition on construction contracts are presented in the attached notes to the consolidated financial statements under note 3.U "Accounting principles and policies and key judgments and estimates". The disclosures regarding contracts with clients are presented under note 11 "Customer contracts" and disclosures regarding provisions for impending order related losses and other risks are presented under note 19 "Provisions".

Our response

Our audit procedures have included, among others, the following:

- We obtained an understanding of the Group's established methods, processes and internal control mechanisms for project management in the bid and execution phases of construction contracts. In this regard, we assessed the design and operating effectiveness of the accounting-related internal controls by obtaining an understanding of business transactions specific to construction contracts from the initiation of the transaction through presentation in the consolidated financial statements, and testing controls over these processes.

- As part of our substantive audit procedures, we evaluated management's estimates and assumptions based on the selection of a sample of contracts, selected considering both the significance of the contract volumes and the related risk, applying analytical review procedures to identify unusual elements in the margins obtained throughout the execution of project. Our sample particularly included projects that are subject to significant future uncertainties and risks, such as fixed-price or turnkey projects, projects with complex technical requirements or with a large portion of materials or services to be provided by suppliers, subcontractors, cross-border projects, projects in regions particularly affected by COVID-19 pandemic and projects with changes in cost estimates, delays and/or low or negative margins.
- We also reviewed a sample of contracts, evaluating their terms and conditions including contractually agreed partial deliveries and services, termination rights, penalties for delay and breach of contract as well as liquidated damages.
- We further performed inquiries of project management with respect to the development of the projects for which they are responsible, including the effects of COVID-19 on project execution, the reasons for deviations between planned and actual costs, the estimated costs to complete the projects and current costs, and management's assessment on probabilities that contract risks will materialize. Moreover, we obtained evidence from third parties for the selected projects (for example, documentation of project acceptance, contract conditions, lawyer confirmations for alleged breaches of contract and claims made).
- We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Provisions for warranties, including legal, quality or project-related matters

Description

The accounting for provisions for warranties, including legal, quality or project-related matters is a key audit matter. The area is particularly uncertain and requires estimates that could significantly influence the recognition and measurement of respective provisions and thus, the financial position and results of Group operations. The uncertainties and the judgmental areas refer mainly to the expected failure rates, expected repair costs, complexity of the necessary repair or replacement work, the expected period of cash outflows, the discount rates and estimated probability and potential magnitude to determine if a provision is required to account for the risks. As a consequence, there is significant judgement associated with the provisions to cover these risks.

The Company's disclosures regarding the accounting treatment of provisions are presented in the attached notes to the consolidated financial statements in note 3.K "Accounting principles and policies and key judgments and estimates". The Company's disclosures regarding provisions are presented in note 19 "Provisions".

Our response Our audit procedures have included, among others, the following:

- We obtained an understanding of the Group's internal control environment, processes and mechanisms for the calculation and the accounting of warranty provisions, including legal, quality or project-related matters. We assessed the design and the effectiveness of the internal controls related to the recognition and measurement of provisions, identification of the obligation and the process of monitoring the evolution of the provision, including the deviation analysis in the assumptions considered in the calculations and their actual and expected future use.
- We performed a general analytical review of the movement of the different existing provisions, obtaining evidence and supporting documentation that corroborate our expectations and management's responses to our inquiries and that provide an understanding of the reasons and factors that resulted in the most significant variations and deviations.
- In addition, we performed substantive audit procedures, both, on the model and methodology used by management, with the support of our specialists, and through the selection of a sample of provisions based on quantitative and risks criteria.
- For the selected sample of projects, we reviewed the supporting documentation of the reasonableness of the provisions, validating the consistency with the most up-to-date internal technical reports and, when available, also with the conclusions of internal and external advisors on the most significant technical issues. In addition, we compared the expected failure rates and the expected average repair costs with the actual values incurred and reviewed the updates made in the related warranty provisions, focusing our review on the expected failure rates, the expected repair costs and expected cash outflows for the period, as well as the discount rates. For the planned repair costs, we made inquiries through interviews with the project managers evaluating their reasonableness based on the actual costs incurred.
- We have inquired internal legal advisors and compliance responsible and have had access to written confirmations and reports, prepared by management, internal legal advisors and, if deemed necessary, external legal advisors regarding the pending legal proceedings, claims and potential regulatory non-compliance, all of these, with the aim to evaluate the scope and result of the assessments performed by management in relation with the probability and potential magnitude of the related risks and also in relation with the definition, if any, of provisions to be registered and disclosures to be included in the notes of the consolidated financial statements.
- We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Measurement at fair value and net realizable value

Description The accounting treatment of measurement of fair value and net realizable value is a key audit matter as the Group has a significant amount of goodwill, intangible assets and inventories. The measurement of these matters is particularly uncertain and requires estimates that could significantly influence the amounts accounted for and thus the financial position and results. The uncertainties and judgmental estimates particularly concern assessing the fair value of these assets according to IFRS 13.

In addition, goodwill and intangible assets with an indefinite-live must be tested for impairment on an annual basis by determining the recoverable amount of these assets, being the higher of value-in-use and fair value less costs to dispose. This requires significant judgements on current market conditions such as future price expectation as well as expected growth rates, the timing of future cash flows and the most appropriate discount and long-term growth rates. As a consequence, there is significant judgement regarding the measurement of fair value and net realizable value of these assets.

The Company's disclosures regarding the accounting treatment of measurement of fair value and net realizable value are presented in note 3 "Accounting principles and policies and key judgments and estimates" of the accompanying consolidated financial statements. The information disclosed regarding fair value measurements is presented in note 4 "Acquisitions, dispositions and discontinued operations". Likewise, the information related to the main assumptions used in the impairment test is described in note 13 "Goodwill".

Our response Our audit procedures have included, among others, the following:

- We have obtained an understanding of the Group's internal control methodology, processes and mechanisms for fair value assessment.
- In relation to the impairment tests performed for goodwill and intangible assets, we validated the key assumptions used by management with external market data where possible. With the assistance of our valuation specialists, we verified the calculation methodology applied with regard to the discounted cash flow model used in determining the recoverable amounts of the assets and the requirements according to IFRS 13. Furthermore, we analysed whether the assumptions and judgmental estimates used in determining the future cash flows as well as the parameters used are in line with the accounting treatment.

  We also inquired management and challenged the judgements made to assess the parameters used and the estimated cash flows. Additionally, we recalculated the models used to support the recoverable amount of the assets and reconciled expected future cash flows, among other, with internal business plans. We inquired management of the key assumptions and obtained evidence for the explanations provided by comparing key assumptions to market data, underlying accounting records, past performance and forecasts.
- We also tested management's sensitivity analyses around key assumptions i.e. average future growth rate, long-term average growth rate and discount rate applied for the segments and challenged management on the outcomes of the assessment.
- In addition, we verified that inventories are measured at the lower of cost or net realizable value if lower. In addition, we assessed the reasonability of the quantity risks, technical risks and price risks used by management to calculate the inventory net realizable value. We also inquired management and challenged the judgements made regarding future price estimates, the potential project pipeline related to these inventories and the assessment of technical obsolescence used to determine the realizable value.
- We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

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Senvion Deutschland GmbH y Ria Blades, S.A. acquisitions

Description

On October 20, 2019, Siemens Gamesa signed an investment agreement with Senvion GmbH i.I. to acquire Senvion Deutschland GmbH and certain assets related to Senvion's wind turbine blade manufacturing business (Ria Blades, S.A.). These acquisitions have been completed on January 9, 2020 and April 30, 2020, respectively, after fulfillment of the conditions specified in the agreement. The purchase price of both transactions amounts to 200 million euros (subject to additional price adjustments).

As a result of the preliminary allocation of the resulting total purchase price to assets acquired and liabilities assumed, there have been, among others, increases in Other Intangible Assets and Goodwill amounting to 146 million euros and 74 million euro, respectively.

We have considered the preliminary purchase price allocation and the processing of the initial consolidation of the acquired companies a key audit matter, given the significance of the Goodwill and Other intangible assets recorded in the accompanying consolidated annual accounts as a result of these transactions, as well as the relevance of the judgments and estimates inherent in the application of uniform accounting policies of the entities in terms of measurement of inventory, provisions and the adoption of the accounting methodology of the percentage of completion method primarily to account for service contracts.

Information on the recording and valuation of acquisitions and business combinations is presented in note 3-F "Accounting principles and policies and key judgments and estimates" of the accompanying consolidated financial statements. Information related to the main impacts of these acquisitions is described in notes 1.B "Acquisition of the European onshore services business and Senvion's wind turbine blade manufacturing business" and 4 "Acquisitions, disposals and discontinued operations".

Our response

Our audit procedures have included, among others, the following:

- We have gained an understanding of the Group's methodology, processes and internal control mechanisms followed in the business combination in relation to both the purchase price allocation process and the harmonization process with Siemens Gamesa's own accounting policies of the initial consolidation including the identification and evaluation of the design and implementation of the relevant controls.
- We have obtained and reviewed the available reports and supporting documentation prepared internally and/or by an external specialist in connection with these acquisitions. In this context, we have assessed the appropriateness of the valuation reports as audit evidence.
- We have also involved internal specialists who have expertise in business valuation in order to assess the methodology applied and the main assumptions used to establish the fair value of the assets and liabilities acquired.
- We have reviewed the management's assessment of the potential tax risks arising from these acquisitions, with the involvement of our specialists in this area.

- We have obtained the impacts calculated by management as a result of the application of uniform accounting policies of the entities in the measurement of inventories, provisions and the adoption of the accounting methodology of the percentage of completion method primarily to account for service contracts in order to assess the reasonableness of the main assumptions. In addition, for a sample of items, we have validated the calculations prepared by management with the corresponding supporting documentation.
- We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Impacts assessment of the restructuring plan in India

Description

As a result of the deterioration of the Indian market in fiscal year 2020, exacerbated further by COVID-19, Management initiated a restructuring of its Indian wind turbine operations in order to adapt to the current market conditions and reduced market outlooks.

Decisions and measures taken in the context of this plan have significantly impacted the accounting estimation process inherent in the valuation of the main assets concerned, with the registration of impairments of Fixed Assets and Other intangible assets amounting to 11 million euro and 82 million euro, respectively, and valuation corrections in inventories amounting to 126 million euro.

We consider the impacts assessment of the restructuring plan in India a key audit matter as it requires estimates with respect to the recoverability of intangible and tangible assets and inventories on which abandonment decisions have been made and that involve significant judgments and estimates with respect to the recoverability of these assets. The information relating to the valuation accounting principles for fixed assets and inventories is detailed into notes 3.J and 3.E "Accounting principles and policies and key judgements and estimates" of the accompanying consolidated financial statements. In addition, the above impact information is described in note 29.C "Revenues and Expenses - Personnel Expenses".

Our response

Our audit procedures have included, among others, the following:

- Obtained an understanding of the current business situation and management plan to address the current market conditions.
- We have gained an understanding of the processes and internal controls established by management with respect to the assessment of the recoverable amount of assts including key assumptions applied.
- We examined the documentation supporting the impairment charges, conducted inquiries to validate the reasonableness of the estimates and judgments and reperformed the calculation of management.
- We further assessed whether conditions for recognizing provisions for personnel measures have been met as of September 30, 2020.
- We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

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Other information: consolidated management report

Other information refers exclusively to the 2020 consolidated management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to the non-financial information statement, as well as certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of the Audit Law 22/2015, which solely requires that we verify whether said information has been included in the management report or where applicable, that the management report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.

b. A general level applicable to the remaining information included in the consolidated management report, which requires us to evaluate and report on the consistency of said information in the financial statements, based on our knowledge of the Group obtained during the audit, excluding the information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the consolidated management report, and that the remaining information contained therein is consistent with the information provided in the 2020 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee of the Parent company on November 27, 2020.

Term of engagement

The ordinary general shareholders' meeting held on July 22, 2020 appointed us as auditors of the Group for 1 year, commencing on September 30, 2019.

Previously, we were appointed as auditors by the shareholders for 6 year and we have been carrying out the audit of the consolidated financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of Auditors under No. 18888)

November 27, 2020

Siemens Gamesa Renewable Energy, S.A. and subsidiaries composing SIEMENS GAMESA Group

Consolidated Financial Statements and Management´s Report for the year ended September 30, 2020

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APPENDIX

MANAGEMENT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES COMPOSING SIEMENS GAMESA GROUP

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019

Thousands of euros

	Note	09.30.2020	09.30.2019 (*)
Assets			
Cash and cash equivalents	7	1,621,793	1,727,457
Trade and other receivables	8	1,140,855	1,286,781
Other current financial assets	9	212,077	274,736
Receivables from SIEMENS ENERGY Group (**)	30	631	21,516
Contract assets	11	1,537,953	2,056,255
Inventories	12	1,820,137	1,863,919
Current income tax assets		197,543	207,445
Other current assets	20	398,108	461,265
Total current assets		**6,929,097**	**7,899,374**
Goodwill	13	4,550,105	4,744,153
Other intangible assets	14	1,779,511	1,915,730
Property, plant and equipment	15	2,239,155	1,425,901
Investments accounted for using the equity method	16	66,353	70,876
Other financial assets	9 and 17	234,573	143,462
Deferred tax assets	27	528,914	400,538
Other assets		4,127	89,379
Total non-current assets		**9,402,738**	**8,790,039**
Total assets		**16,331,835**	**16,689,413**
Liabilities and equity			
Financial debt	9 and 18	434,313	352,209
Trade payables		2,956,372	2,599,836
Other current financial liabilities	9	126,666	130,396
Payables to SIEMENS ENERGY Group (**)	30	8,121	285,690
Contract liabilities	11	3,147,830	2,839,670
Current provisions	19	723,149	761,730
Current income tax liabilities		177,399	200,964
Other current liabilities	20	761,089	797,563
Total current liabilities		**8,334,939**	**7,968,058**
Financial debt	9 and 18	1,236,095	512,226
Post-employment benefits	21	19,862	14,823
Deferred tax liabilities	27	228,907	320,446
Provisions	19	1,422,071	1,400,252
Other financial liabilities	9	126,324	169,835
Other liabilities	22	28,775	30,968
Total non-current liabilities		**3,062,034**	**2,448,550**
Issued capital	23.A	115,794	115,794
Capital reserve	23.B	5,931,874	5,931,874
Unrealised asset and liability revaluation reserve	23.C	(8,745)	(4,520)
Retained earnings		(232,577)	712,833
Treasury shares, at cost	23.E	(23,929)	(21,616)
Currency translation differences		(848,323)	(464,261)
Non-controlling interest	24	768	2,701
Total equity		**4,934,862**	**6,272,805**
Total liabilities and equity		**16,331,835**	**16,689,413**

(*) Figures presented for comparative purposes only.

(**) As of September 30, 2020, it only refers to balances maintained with SIEMENS ENERGY Group companies, while as of September 30, 2019, it refers to balances maintained with companies of SIEMENS Group. See Notes 1.D and 30.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES COMPOSING SIEMENS GAMESA GROUP

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Revenue	25 and 29.A	9,483,209	10,226,879
Cost of sales		(9,592,899)	(9,278,647)
Gross profit		**(109,690)**	**948,232**
Research and development expenses	14	(231,403)	(207,936)
Selling and general administrative expenses		(624,374)	(496,249)
Other operating income		14,069	36,342
Other operating expenses		(6,178)	(27,727)
Income (loss) from investments accounted for using the equity method, net	16	(2,509)	(1,479)
Interest income	29.F	10,109	13,810
Interest expenses	29.G	(66,430)	(52,940)
Other financial income (expenses), net	29.H	(2,307)	(21,625)
Income from continuing operations before income taxes		**(1,018,713)**	**190,428**
Income tax	26	99,754	(49,490)
Income from continuing operations		**(918,959)**	**140,938**
Income from discontinued operations, net of income taxes		-	-
Net income		**(918,959)**	**140,938**
Attributable to:			
Non-controlling interests	24	(781)	936
Shareholders of Siemens Gamesa Renewable Energy, S.A.	25	(918,178)	140,002
Earnings per share in euros (basic and diluted)	**33**	**(1.35)**	**0.21**

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES COMPOSING SIEMENS GAMESA GROUP

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Net income		**(918,959)**	**140,938**
Items that will not be reclassified to Profit and Loss			
Remeasurements of defined benefit plans	21	(4,173)	237
Tax effect	27	709	(94)
Items that may be subsequently reclassified into Profit and Loss			
Currency translation differences		(384,062)	258,246
Derivative financial instruments	23.C	(671)	(67,008)
Tax effect	23.C and 27	(4,238)	16,672
Amounts transferred to Profit and Loss			
Derivative financial instruments	23.C	(175)	8,210
Tax effect	23.C and 27	859	(2,469)
Other comprehensive income, net of taxes		**(391,751)**	**213,794**
Total comprehensive income		**(1,310,710)**	**354,732**
Attributable to:			
Non-controlling interests	24	(781)	936
Shareholders of Siemens Gamesa Renewable Energy, S.A.		(1,309,929)	353,796

(*) Figures presented for comparative purposes only.

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Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES COMPOSING SIEMENS GAMESA GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Issued capital	Capital reserve	Unrealised asset and liability revaluation reserve	Retained earnings	Treasury shares, at cost	Currency translation differences	Non-controlling interests	Total equity
Balances as of September 30, 2018	**115,794**	**5,931,874**	**40,075**	**583,832**	**(20,343)**	**(722,507)**	**2,226**	**5,930,951**
Adjustments due to IFRS 9 (Note 2.D)	-	-	-	(4,645)	-	-	-	(4,645)
Balances as of October 1, 2018 (*)	**115,794**	**5,931,874**	**40,075**	**579,187**	**(20,343)**	**(722,507)**	**2,226**	**5,926,306**
Total comprehensive income for the year ended September 30, 2019	-	-	-	140,002	-	-	936	140,938
Other comprehensive income, net of income taxes	-	-	(44,595)	143	-	258,246	-	213,794
Dividends	-	-	-	(17,442)	-	-	(446)	(17,888)
Share-based payments (Note 3.R)	-	-	-	8,850	-	-	-	8,850
Treasury shares transactions (Note 23.E)	-	-	-	2,084	(1,273)	-	-	811
Other changes in equity	-	-	-	9	-	-	(15)	(6)
Balances as of September 30, 2019 (**)	**115,794**	**5,931,874**	**(4,520)**	**712,833**	**(21,616)**	**(464,261)**	**2,701**	**6,272,805**
Balances as of October 1, 2019	**115,794**	**5,931,874**	**(4,520)**	**712,833**	**(21,616)**	**(464,261)**	**2,701**	**6,272,805**
Total comprehensive income for the year ended September 30, 2020	-	-	-	(918,178)	-	-	(781)	(918,959)
Other comprehensive income, net of income taxes	-	-	(4,225)	(3,464)	-	(384,062)	-	(391,751)
Dividends	-	-	-	(35,152)	-	-	(523)	(35,675)
Share-based payments (Note 3.R)	-	-	-	8,913	-	-	-	8,913
Treasury shares transactions (Note 23.E)	-	-	-	2,442	(2,313)	-	-	129
Other changes in equity	-	-	-	29	-	-	(629)	(600)
Balances as of September 30, 2020	**115,794**	**5,931,874**	**(8,745)**	**(232,577)**	**(23,929)**	**(848,323)**	**768**	**4,934,862**

(*) Adjusted figures at October 1, 2018.

(**) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxes		**(1,018,713)**	**190,428**
Adjustments to reconcile income before taxes to cash flows from operating activities			
Interest (Income) expenses, net	29.F, 29.G and 29.H	58,628	60,755
Amortization, depreciation and impairments	14 and 15	844,197	646,791
Other (Income) losses from investments		12,467	(6,755)
Other non-cash (income) expenses		(1,701)	23,273
Change in operating net working capital			
Contract assets		289,791	(449,427)
Inventories		(48,460)	(342,766)
Trade and other receivables		117,314	(148,348)
Trade payables		336,143	170,615
Contract liabilities		373,018	1,126,440
Change in other assets and liabilities		(133,417)	(316,160)
Income taxes paid		(172,103)	(190,655)
Dividends received	17	780	5,384
Interest received		6,052	14,106
CASH FLOWS FROM OPERATING ACTIVITIES		**663,996**	**783,681**
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to intangible assets and property, plant and equipment	14 and 15	(601,285)	(497,766)
Acquisitions of businesses, net of cash acquired	4	(177,094)	-
(Purchase) Sale of investments		(14)	3,930
Disposal of intangible assets and property, plant and equipment		28,795	19,223
CASH FLOWS FROM INVESTING ACTIVITIES		**(749,598)**	**(474,613)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Purchase) Sale of treasury shares	23.E	129	811
Debt with financial institutions and other obligations	18	249,223	(965,397)
Lease liabiliies	18	(102,343)	-
Dividends paid		(35,675)	(17,888)
Interest paid		(53,804)	(55,131)
CASH FLOWS FROM FINANCING ACTIVITIES		**57,530**	**(1,037,605)**
EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**(77,592)**	**26,960**
CHANGE IN CASH AND CASH EQUIVALENTS		**(105,664)**	**(701,577)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,727,457**	**2,429,034**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,621,793**	**1,727,457**

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Siemens Gamesa Renewable Energy, S.A. and subsidiaries composing SIEMENS GAMESA Group

Notes to the Consolidated Financial Statements for the year ended September 30, 2020

1. Formation of the Group and its activities

A. GENERAL INFORMATION

The Consolidated Financial Statements present the financial position and the results of operations of Siemens Gamesa Renewable Energy, S.A. (hereinafter, "the Company" or "SIEMENS GAMESA"), whose corporate address is located at Parque Tecnológico de Bizkaia, Building 222, Zamudio (Bizkaia, Spain), and its subsidiaries (together referred to as "the Group" or "SIEMENS GAMESA Group").

SIEMENS GAMESA Group specialises in the development and construction of wind farms, as well as the engineering solutions, design, production and sale of wind turbines. The corporate purpose of the Company is to promote and foster companies, and to do so it may carry out the following operations:

a) The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights of companies whose securities are listed or not in national or foreign stock exchanges;

b) The subscription and purchase of fixed-income securities or any other securities issued by companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and

c) To directly provide advisory services and technical assistance to the companies in which it holds a stake, as well as other similar services related to the management, financial structure and production or marketing processes of those companies.

These activities will focus on promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad, and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

The Company will not undertake any activity for which the laws require specific conditions or legal limitations, unless these conditions or limitations are exactly fulfilled.

Its activities are divided into two business segments: (i) Wind Turbines and (ii) Operation and Maintenance. The Wind Turbines segment offers wind turbines for various pitch and speed technologies, as well as provides development, construction and sale of wind farms. The Operation and Maintenance segment is responsible for the management, monitoring and maintenance of wind farms.

In addition to the operations carried out directly, SIEMENS GAMESA is the head of a group of subsidiaries that engage in various business activities and which compose, together with the Company, SIEMENS GAMESA Group. Therefore, in addition to its own separate Financial Statements, the Company is obliged to present Consolidated Financial Statements for the Group including its interests in joint ventures and investments in associates. The companies that are part of the Group are listed in the Appendix. The Group´s corporate structure does not directly reflect the segments since a significant part of the companies are multi-segment (that is, they carry out activities in both segments).

SIEMENS GAMESA Group´s Consolidated Financial Statements for the year ended September 30, 2020 have been issued for approval by the Directors in the Board of Directors held on November 27, 2020.

The Company's Bylaws and other public information of the Company are available on the website www.siemensgamesa.com and at its corporate address.

SIEMENS GAMESA Group prepares and reports its Consolidated Financial Statements in thousands of euros. Due to rounding, numbers presented may not add up precisely to the provided totals.

B. ACQUISITION OF THE EUROPEAN ONSHORE SERVICES BUSINESS AND THE WIND TURBINE BLADE PRODUCTION BUSINESS OF SENVION

On October 20, 2019, Senvion GmbH i.L. and Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal (S.L. *Unipersonal*, hereinafter, "S.L.U.") signed an Investment Agreement to acquire the operation and maintenance business in Europe (Senvion Deutschland GmbH) and certain assets of the wind turbine blade production business (Ria Blades, S.A.) from Senvion.

On January 9, 2020, Siemens Gamesa Renewable Energy Eólica, S.L.U. acquired all the shares of Senvion Deutschland GmbH (Senvion European Onshore Services), the entity which owns the carved-out European onshore service business of Senvion and certain additional assets associated to the business, including certain related intellectual property.

On April 30, 2020, Siemens Gamesa Renewable Energy, S.A. (hereinafter, "SGRE Portugal") acquired all the shares of Ria Blades, S.A., the entity which owns and operates a wind turbine blades production facility in Vagos (Portugal) and certain additional assets associated to said business.

The shares have been transferred free of any security, encumbrances or charges of any nature whatsoever.

These acquisitions have been consummated after the fulfilment of all the closing conditions, such as the consent of the competent authorities, the implementation of the carve-out, the completion of full security release and the operational readiness of the relevant target entities.

These acquisitions are in line with SIEMENS GAMESA's strategy to grow its multibrand service business, its production capacities and strengthen SIEMENS GAMESA's competitive position in Europe. As stipulated in the Investment Agreement, the overall price to be paid in cash for the shares of Senvion Deutschland GmbH and Ria Blades, S.A. amounts to EUR 200 million, subject to closing accounts confirmation adjustments. The closing accounts related adjustment mechanism for working capital, debt, maintenance cost and backlog deviations since June 30, 2019 until January 9, 2020 has different caps and leads to a maximum overall price to be paid by SIEMENS GAMESA Group of EUR 215 million, in case of positive adjustments, and a minimum overall cash consideration of EUR 180 million, in case of negative adjustments, considering that SIEMENS GAMESA Group could be entitled to further obtain, under certain circumstances, up to EUR 10 million of additional current assets, without change in the consideration paid.

The price adjustment amount, within the established limits, is expected to be resolved in the first quarter of fiscal year 2021, once the term for the confirmation of the closing accounts has elapsed, and is referred to the transaction as a whole. At the time the final price adjustment is determined, the allocation of the resulting total price to the different parts of the transaction will also be completed (Note 4). The preliminary breakdown of the consideration paid is EUR 122 million for the Senvion European Onshore Services and EUR 60 million for the wind turbine blade production business in Vagos of Senvion. These amounts have been fully paid as of September 30,2020.

C. DIVESTMENT OF IBERDROLA PARTICIPACIONES S.A. UNIPERSONAL

On February 4, 2020, Iberdrola Participaciones, S.A. Unipersonal (hereinafter, "Iberdrola Participaciones") – a company fully owned by Iberdrola S.A. (hereinafter, "Iberdrola") – and Iberdrola have entered into an agreement (hereinafter, the "Agreement") with Siemens Aktiengesellschaft (hereinafter, "SIEMENS") (SIEMENS and, together with Iberdrola Participaciones and Iberdrola, hereinafter, the "Parties") for the sale of the entire stake held by Iberdrola Participaciones in SIEMENS GAMESA, representing 8.071% of its share capital.

The price for the transaction has been EUR 1,099,546 thousand, which equals to EUR 20 per share in SIEMENS GAMESA and whose sale and purchase has been effective as of February 5, 2020. This price has not been subject to any adjustment.

Taking into consideration that as consequence of the Agreement Iberdrola Participaciones has ceased to be a shareholder of SIEMENS GAMESA, the Parties have terminated the shareholder agreement (*pacto parasocial)* entered into by them on June 17, 2016 without any compensations or claims between them or their respective associated entities. Accordingly, the proprietary director of Iberdrola has resigned from his position as director of the Board of Directors of SIEMENS GAMESA.

In addition, Iberdrola, Iberdrola Participaciones and SIEMENS have agreed to fully waive any claim or action against each other or any entity of their respective groups, and Iberdrola as well as Iberdrola Participaciones have undertaken to withdraw, render without effect and desist from all existing claims and proceedings initiated against SIEMENS GAMESA. The Parties, have reciprocally undertaken that for a period of 24 months: neither Iberdrola nor any entity of its group will acquire financial instruments (including shares) in SIEMENS, SIEMENS GAMESA or any entity of their respective groups; and neither SIEMENS nor any entity of its group will acquire financial instruments (including shares) in Iberdrola or any entity of its group.

Finally, Iberdrola, SIEMENS and SIEMENS GAMESA have entered into a separate collaboration agreement for an initial period of 6-months to strengthen and expand their current commercial business relationships regarding certain areas on renewable energy and networks businesses, with a special focus on onshore and offshore wind generation, digital grid and load management.

D. SIEMENS ENERGY AG

SIEMENS AG (hereinafter, "SIEMENS"), on May 7, 2019 announced a Significant Event where, amongst others, it disclosed certain plans with respect to its stake in SIEMENS GAMESA:

- SIEMENS has decided to legally separate the worldwide operations of Gas and Power of SIEMENS Group;

- and to transfer the shares held by SIEMENS Group of approximately 67% in SIEMENS GAMESA to SIEMENS ENERGY AG (hereinafter, "SIEMENS ENERGY") the shares of which, are listed since September 28, 2020 on the Frankfurt Stock Exchange (hereinafter, "Spin-off process and transfer agreement").

<u>Spin-off process and transfer agreement</u>

SIEMENS ENERGY is to be managed as an entity that is legally and organizationally independent of SIEMENS. In that context, SIEMENS intends to retain a (direct and indirect) minority interest in the listed SIEMENS ENERGY as its non-controlling anchor shareholder initially with a total share in its capital stock of 45%, of which, 9.9% of the capital stock has been transferred to Siemens Pension-Trust e.V. With the strategic and operational development of SIEMENS ENERGY, SIEMENS intends to reduce its stake in the amount of 35.1% significantly in a timeframe of 12-18 months after the Spin-off taking effect. The remaining shares in SIEMENS ENERGY have been transferred to the shareholders of SIEMENS by way of a Spin-off in accordance with the German Transformation act (*Umwandlungsgesetz*). After the Spin-off effective date (September 25, 2020), the shares in SIEMENS ENERGY have been admitted to trading on the Frankfurt Stock Exchange.

E. ENVIRONMENTAL INFORMATION

In view of the business activities carried out by SIEMENS GAMESA Group, it does not have any environmental responsibilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, SIEMENS GAMESA Group does not include any specific disclosures relating to environmental matters in the accompanying Consolidated Financial Statements.

2. Basis of presentation of the Consolidated Financial Statements and basis of consolidation

A. BASIS OF PRESENTATION

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter, "IFRS").

It should be noted that in these Consolidated Financial Statements any information or disclosure which has not been considered material due to the lack of relative importance, qualitative and quantitative, in accordance with the concept of Relative Importance, defined in the Conceptual Framework of IFRS, has been omitted.

B. BASIS OF CONSOLIDATION

Subsidiaries

The Consolidated Financial Statements include the Financial Statements of SIEMENS GAMESA and its subsidiaries. Subsidiaries are all entities, which are controlled by SIEMENS GAMESA. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement in the entity and has the capacity to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are out of the scope from the date that there is loss of control.

Associated companies

Associates are companies over which SIEMENS GAMESA has the capacity to exercise significant influence regarding operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights). Associated companies are recorded in the Consolidated Financial Statements using the equity method and are initially recognized at cost. SIEMENS GAMESA's share of its associate's post-acquisition profits or losses is recognized in the Consolidated Statement of Profit and Loss, and its share of post-acquisition changes in equity that have not been recognized in the associate's profit or loss is recognized directly in equity. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment in the associate.

Significant influence is deemed not to exist in specific cases where, although SIEMENS GAMESA holds more than 20% of the voting rights, the absence of significant influence can be clearly demonstrated. Significant influence is deemed to exist when SIEMENS GAMESA Group has the power to influence on the financial and operating policies of an investee.

Joint ventures

Joint ventures are entities over which SIEMENS GAMESA and one or more parties have joint control. Joint control requires unanimous consent of the parties sharing control in decision making on relevant activities. The Group records its stakes in joint ventures using the equity method (Note 16).

In the Appendix of these Consolidated Financial Statements a list of SIEMENS GAMESA's subsidiaries, joint ventures and associates, together with the consolidation or measurement method used in preparing the accompanying Consolidated Financial Statements and other relevant information is disclosed.

Business combinations

The cost of an acquisition is measured at the fair value of the assets acquired and liabilities incurred or assumed at the date of the business combination. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are initially measured at their fair values at the acquisition date, regardless of the extent of any non-controlling interest.

Non-controlling interests are measured at the proportional fair value of assets acquired and liabilities assumed (partial Goodwill method).

If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting profit and loss. At the date control is lost, any retained equity interest is remeasured at fair value.

In case of a written put option on non-controlling interests the Company assesses whether the prerequisites for the transfer of present ownership interest are fulfilled at the Consolidated Balance Sheet date. If the Company is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each balance sheet date and treated as an equity transaction among shareholders with the recognition of a purchase liability at the respective exercise price.

The non-controlling interests participate in profits and losses during the period.

Foreign currency translation

Assets and liabilities of foreign subsidiaries, where the functional currency is other than the euro, are translated using the spot exchange rate at the end of the period, while the Consolidated Statement of Profit and Loss is translated using the average exchange rate for the period. Differences arising from such translations are recognized within equity and reclassified to net income when the gain or loss on disposal of the foreign subsidiary is recognized.

C. CHANGES IN THE SCOPE OF CONSOLIDATION

During the periods ended September 30, 2020 and 2019, the following changes in the consolidation scope have taken place:

The following entities have been constituted or acquired**:**

Fiscal year 2020

Constituted / acquired company	Holding company of the investment	% of shareholding
Energiaki Mavrovoliniou Idiotiki Kefaleolichiki Eteria (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A. Unipersonal (*)	99,9%
Energiaki Mavrovoliniou Idiotiki Kefaleolichiki Eteria (Greece)	Siemens Gamesa Renewable Energy Invest, S.A.U.	0,1%
Siemens Gamesa Renewable Energy Djibouti SARL (Djibouti)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Energiaki Velanidias Single Member Anonymos Etairia (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Energiaki Mesovouniou Single Member Anonymos Etairia (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V. (Mexico)	Siemens Gamesa Renewable Energy Europa, S.L.U.	99%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V. (Mexico)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	1%
Senvion Deutschland GmbH (Germany) (**)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Senvion UK Limited (United Kingdom) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion France S.A.S (France) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Italia S.r.L. (Italy) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Austria GmbH (Austria) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Polska Sp.z.o.o (Poland) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Scandinavia AB (Sweden) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Portugal Unipessoal, Lda. (Portugal) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion d.o.o. Beograd (Serbia) (**)	Senvion Austria GmbH	100%
Siemens Gamesa Renewable Energy Digital Services, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Ria Blades S.A. (Portugal) (**)	SGRE Portugal	100%
SPV Parco Eolico Aria del Vento, S.r.L. (Italy)	Siemens Gamesa Renewable Energy Italy, S.P.A.	100%
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG (Germany)	Siemens Gamesa Renewable Energy, S.A.	100%
Sistemas Energéticos Eolo, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Céfiro, S.L (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Siroco, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Boreas, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Argestes, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Terral, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Ábrego, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Gregal, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

(*) Hereinafter, "S.A.U".
(**) Notes 1.B and 4.

Fiscal year 2019

Constituted / acquired company	Holding company of the investment	% of shareholding
Siemens Gamesa Renewable Energy Offshore Wind Limited (Taiwan)	Siemens Gamesa Renewable Energy Apac, S.L. U.	100%
Siemens Gamesa Renewable Energy S.A.S. (Colombia)	Siemens Gamesa Renewable Energy Latam, S.L.U.	100%
Carmody´s Hill Investment Company Pty Ltd. (Australia)	Siemens Gamesa Renewable Energy Pty Ltd.	100%

The following entities have been dissolved:

Fiscal year 2020

Dissolved company	Holding company of the stake	% of shareholding
Glenouther Renewables Energy Park Limited (United Kingdom)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Adwen UK Limited (United Kingdom)	Adwen Offshore, S.L.U.	100%
Siemens Gamesa Renewable Energy Belgium BVBA (Bélgica)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Bargrennan Renewable Energy Park Limited (United Kingdom)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Nuevas Estrategias de Mantenimiento, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	50%
Siemens Gamesa Renewable Energy Canada ULC (Canada)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Adwen France SAS (France)	Adwen Offshore, S.L.U.	100%
Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	99%
Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Energy Innovation & Technology, S.L.U.	1%
EBV Holding Verwaltung GmbH (Germany) (*)	Siemens Gamesa Renewable Energy GmbH & Co KG	100%
Windfarm Groß Haßlow GmbH (Germany) (*)	Siemens Gamesa Renewable Energy GmbH & Co KG	100%
Windfarm Ringstedt II GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 35 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 40 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 33 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 41 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Siemens Wind Power Energía Eólica Ltda. (Brazil) (*)	Siemens Gamesa Renewable Energy A/S	10%
Siemens Wind Power Energía Eólica Ltda. (Brazil) (*)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	90%

(*) Dissolution without liquidation due to the merger with other Group companies.

Fiscal year 2019

Dissolved company	Holding company of the stake	% of shareholding
Elliniki Eoliki Attikis Energiaki S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Likourdi S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Kopriseza S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%

Dissolved company	Holding company of the stake	% of shareholding
Generación Eólica Extremeña, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	30%
Eoliki Peloponnisou Lakka Energiaki S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Siemens Gamesa Renewable Finance, S.A.U. (Spain)	Siemens Gamesa Renewable Energy, S.A.	100%
Elliniki Eoliki Kseropousi S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Energiaki Pirgos S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Siemens Gamesa Renewable Energy Wind, LLC (United States)	Siemens Gamesa Renewable Energy, Inc.	100%
9REN Israel Ltd. (Israel)	Siemens Gamesa Renewable Energy 9REN S.L.U.	100%
Sistema Eléctrico de Conexión Montes Orientales S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	83.3%
Tai'an Sanglin Wind Power Co. Ltd. (China)	International Wind Farm Development V, Ltd.	100%

The following entities have been sold:

Fiscal year 2020

Sold company	Holding company of the stake	% of shareholding
Sistemas Energéticos Loma del Viento, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Sistemas Energéticos Serra de Lourenza, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Jaralón, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	86%
Ujazd Sp. z o.o. (Poland)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos El Valle, S.L.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Société d'Exploitation du Parc Eolien de Source de Séves SARL (France)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Sistemas Energéticos Cabanelas, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

Fiscal year 2019

Sold company	Holding company of the stake	% of shareholding
Sistemas Energéticos Barandon, S.A. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Convertidor Solar Ciento Veintidos, S.L. (Spain)	Convertidor Solar Trescientos Diecisiete, S.L.U.	3.33%
Convertidor Solar Ciento Veinticinco, S.L. (Spain)	Aljaraque Solar, S.L.	6.69%
Convertidor Solar Trescientos Diecisiete, S.L.U. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Convertidor Solar Ciento Veintisiete, S.L.U. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Aljaraque Solar, S.L. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Sistemas Energéticos Sierra del Carazo, S.L.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Alcohujate, S.A.U (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Fuerteventura, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Lichnowy Windfarm Sp. z o.o. (Poland)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

Sold company	Holding company of the stake	% of shareholding
Windfarm Ganderkesee-Lemwerder GmbH (Germany)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Gamesa Energie Deutschland GmbH (Germany)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

The exclusions from the scope of consolidation are mainly related to companies' dissolutions or to wind farms that have been disposed of during the year ended September 30, 2020 and 2019. The sale, as indicated in Note 3.U, is recognized under the heading "Revenue" in the Consolidated Statement of Profit and Loss for the year.

The name of the following entities has been modified:

Fiscal year 2020

Previous denomination	New denomination
Siemens Gamesa Renewable Energy BVBA (Belgium)	Siemens Gamesa Renewable Energy NV (Belgium)
Société d'Exploitation du Parc Eolien de Plancy l'Abbaye SARL (France)	Société d'Exploitation du Parc Eolien de Champeaux SARL (France)
Société d'Exploitation du Parc Eolien de Cernon SARL (France)	Société d'Exploitation du Parc Eolien de Champlong SARL (France)
Société d'Exploitation du Parc Eolien de Sommesous SARL (France)	Société d'Exploitation du Parc Eolien de la Belle Dame SARL (France)
Société d'Exploitation du Parc Eolien de Savoisy SARL (France)	Société d'Exploitation du Parc Eolien de la Gartempe SARL (France)
Société d'Exploitation du Parc Eolien de Landresse SARL (France)	Société d'Exploitation du Parc Eolien de la Monchot SARL (France)
Société d'Exploitation du Parc Eolien de la Loye SARL (France)	Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL (France)
Société d'Exploitation du Parc Eolien de Mantoche SARL (France)	Société d'Exploitation du Parc Eolien de Maindoie SARL (France)
Société d'Exploitation du Parc Eolien de Songy SARL (France)	Société d'Exploitation du Parc Eolien de Messeix SARL (France)
Société d'Exploitation du Parc Eolien de Longueville-sur-Aube SARL (France)	Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL (France)
Société d'Exploitation du Parc Eolien de Saint Bon SARL (France)	Société d'Exploitation du Parc Eolien des Fontaines SARL (France)
Société d'Exploitation du Parc Eolien de Sambourg SAR (France)	Société d'Exploitation du Parc Eolien des Six Communes SARL (France)
Société d'Exploitation du Parc Eolien de Coupetz SARL (France)	Société d'Exploitation du Parc Eolien des Voies de Bar SARL (France)
Société d'Exploitation du Parc Eolien de Romigny SARL (France)	Société d'Exploitation du Parc Eolien d'Omécourt SARL (France)
Société d'Exploitation du Parc Eolien de Clamanges SARL (France)	Société d'Exploitation du Parc Eolien du Mont Égaré SARL (France)
Société d'Exploitation du Parc Eolien de Soude SARL (France)	Société d'Exploitation du Parc Photovoltaïque de Messeix SARL (France)
Siemens Gamesa Turkey Yenilenebilir Enerji Limited Sirketi (Turkey)	Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)
Adwen GmbH (Germany)	Siemens Gamesa Renewable Energy Deutschland GmbH (Germany)
Gamesa Eólica Nicaragua S.A. (Nicaragua)	Siemens Gamesa Renewable Energy, Sociedad Anónima (Nicaragua)
Senvion UK Limited (United Kingdom)	Siemens Gamesa Renewable Energy Service Limited (United Kingdom)
Senvion Deutschland GmbH (Germany)	Siemens Gamesa Renewable Energy Service GmbH (Germany)
Senvion France S.A.S. (France)	Siemens Gamesa Renewable Energy Service S.A.S. (France)
Senvion Italia S.r.L. (Italy)	Siemens Gamesa Renewable Energy Service S.r.L. (Italy)
Senvion Polska Sp.z.o.o (Poland)	Siemens Gamesa Renewable Energy Service Sp.z.o.o (Poland)

Previous denomination	New denomination
Senvion Portugal Unipessoal, Lda. (Portugal)	Siemens Gamesa Renewable Energy II Service Unipessoal, Lda. (Portugal)
Senvion d.o.o. Beograd (Serbia)	Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad (Serbia)

Fiscal year 2019

Previous denomination	New denomination
Siemens Wind Power GmbH (Austria)	Siemens Gamesa Renewable Energy GmbH (Austria)
Gamesa Eólica Costa Rica, S.r.L. (Costa Rica)	Siemens Gamesa Renewable Energy, S.r.L. (Costa Rica)
Gamesa (Beijing) Wind Energy System Development Co, Ltd (China)	Siemens Gamesa Renewable Energy (Beijing) Co, Ltd. (China)
Kintech Santalpur Windpark Private Limited (India)	Santalpur Renewable Power Private Limited (India)
GM Navarra Wind Energy Private Limited (India)	Siemens Gamesa Renewable Energy Projects Private Limited (India)
Siemens Wind Power (Pty) Ltd. (South Africa)	Siemens Gamesa Renewable Energy (Pty) Ltd. (South Africa)
GESA Eólica Honduras, S.A. (Honduras)	Siemens Gamesa Renewable Energy, S.A. (Honduras)
Gamesa Wind (Tianjin) Co. Ltd. (China)	Siemens Gamesa Renewable Energy Technology (China) Co. Ltd. (China)
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Enerji Anonim Sirketi (Turkey)

D. ADOPTION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

D.1) New standards, amendments and interpretations applied in the year ended September 30, 2020:

First-time application of IFRS 16, "Leases"

SIEMENS GAMESA Group has completed the analysis in order to assess whether an agreement includes a lease on the date of its first-time application in accordance with the definition and conditions set in IFRS 16.

The implementation of this standard in SIEMENS GAMESA Group is based on the modified retrospective approach, which means that comparative period figures are not restated, and therefore, that the first-time adoption of IFRS 16 is accounted for as of October 1, 2019 (first-time application date).

SIEMENS GAMESA Group, using practical expedients, has chosen to apply the exemption in recognizing current leases:

- lease terms are equal or under 12 months, which will continue being accounted for as presently and associated payments will be recognized as a lease expense; and
- leases for which the underlying asset is of low value.

Presentation

In the Consolidated Financial Statements for the year ended September 30, 2020, SIEMENS GAMESA Group has classified right-of-use assets and lease liabilities under the line items "Property, plant and equipment", current "Financial debt" and non-current "Financial debt" of the Consolidated Balance Sheet**.**

Impact on SIEMENS GAMESA Group

The following table discloses the effect of the application of IFRS 16 on the affected Consolidated Balance Sheet headings:

Thousands of euros	Financial Statements as of 09.30.2019	Transition to IFRS 16	Financial Statements as of 10.01.2019
Within assets		**583,308**	
Other current assets	461,265	(10,440)	450,825
Within current assets	**461,265**	**(10,440)**	**450,825**
Property, plant and equipment	1,425,901	679,203	2,105,104
Other assets	89,379	(85,455)	3,924
Within non-current assets	**1,515,280**	**593,748**	**2,109,028**
Within liabilities		**583,308**	
Financial debt	352,209	66,150	418,359
Within current liabilities	**352,209**	**66,150**	**418,359**
Financial debt	512,226	517,158	1,029,384
Within non-current liabilities	**512,226**	**517,158**	**1,029,384**

The corresponding right of use asset recognized as of October 1, 2019 with the first-time application of IFRS 16 amounts to EUR 679,203 thousand (Note 15). The amount of prepaid lease instalments as of September 30, 2019, which corresponds to lease contracts for buildings and real estate, amount to EUR 95,895 thousand, booked mainly under other non-current assets of the accompanying Consolidated Balance Sheet as of September 30, 2019, whereby the final lease liability recognized as of October 1, 2019 amounts to EUR 583,308 thousand (Note 18.B).

The breakdown by type of assets that has led to the recognition of current and non-current liabilities is as follows:

Thousands of euros	10.01.2019
Buildings and real estate	427,882
Technical facilities and machinery	144,572
Other property, plant and equipment (*)	10,854
Total	**583,308**

(*) Includes: Leased other equipment, plant and office equipment and equipment leased to customers (Note 15).

In order to determine the present value of lease payments, which is needed when classifying a lease (for the lessor) and to measure the lessee's lease liability, three parameters are required: lease term, lease payments, and the appropriate discount rate.

IFRS 16 requires the lessee to discount the lease payments using the interest implicit in the lease or the incremental borrowing rate if the interest implicit in the lease cannot be determined.

The details of the discount rates (minimum and maximum ranges) used for the main currencies at the time of the first application are as follows:

Currency	Less than 5 years		Between 6 and 10 years		Between 10 and 50 years		Weighted average
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
Euro	0.001%	0.001%	0.001%	0.336%	0.001%	0.337%	0.124%
Sterling pound	0.790%	1.203%	1.216%	1.462%	1.561%	1.561%	1.548%
United States dollar	2.173%	2.498%	2.173%	2.412%	-	-	2.275%
Indian rupee	6.124%	6.753%	6.610%	6.704%	6.537%	6.537%	6.567%

While IFRS 16 does not specify requirements on reassessment of discount rates by a lessor, a lessee is required to reassess the discount rate upon any of the following:

- Change in lease term or in the assessment of the purchase option.
- A lease modification that is not accounted for as a separate lease.
- Change in lease payment resulting from a change in floating interest rates.

Details of the reconciliation between the future minimum payment for non-cancellable operating leases under the scope of the IAS 17 at September 30, 2019 (Note 18.B) and lease liabilities recognized at October 1, 2019 in the transition to IFRS 16 are as follows:

Thousands of euros	
Future minimum payments for non-cancellable operating leases in accordance with IAS 17 (Note 18.B)	786,975
Prepaid lease instalments	(95,895)
Difference due to financial discount and re-stated contracts not qualifying as lease in accordance with IFRS 16	(107,772)
Lease liabilities as October 1, 2019 under IFRS 16	**583,308**

As a result of the adoption of IFRS 16, SIEMENS GAMESA Group has updated its accounting policies (Note 3.V) and internal processes and controls related to leases.

Remaining standards, amendments and interpretations

Standards, amendments and interpretations		IASB effective Date (*)
Annual improvements to IFRS Standards, 2015-2017 Cycle		January 1, 2019
IFRIC 23	Uncertainty over income tax treatments	January 1, 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	January 1, 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	January 1, 2019
Amendments to IAS 28	Long-Term Interests in Associates and Joint Ventures	January 1, 2019

(*) Applicable for fiscal years beginning on or after the indicated date.

The remaining standards, amendments and interpretations have not had a significant impact on these Consolidated Financial Statements.

D.2) Standards, amendments and interpretations applied in the year ended September 30, 2019:

The standards, amendments and interpretations applied in the year ended September 30, 2019 are those disclosed in the Note 2.D.1. of the Consolidated Financial Statements for the year ended September 30, 2019.

D.3) New standards, amendments and interpretations not applied in the year ended September 30, 2020 that will be applicable in future periods:

Remaining standards, amendments and interpretations

Standards, amendments and interpretations		IASB effective Date (*)
Amendments to References to the Conceptual Framework in IFRS Standards		January 1, 2020
Amendments to IFRS 3	Definition of a business	January 1, 2020
Amendments to IAS 1 and IAS 8	Definition of Material or of Relative Importance	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	Amendment of the Interest Rate Reference Index	January 1, 2020
Amendments to IFRS 16	Covid-19 related rent concessions (**)	June 1, 2020
IFRS 17	Insurance Contracts	January 1, 2023
NIC 1	Presentation of Financial Statements: classification of liabilities as current and non-current	January 1, 2023

(*) Applicable for fiscal years beginning on or after the indicated date.
(**) The Standard has been issued by the IASB at the end of May 2020 with the entry into force in June 1, 2020, although early implementation is allowed.

SIEMENS GAMESA Group is currently analysing the expected impact resulting from the remaining standards, amendments and interpretations mentioned above, which have been published by the IASB, but are not effective yet.

E. COMPARATIVE INFORMATION OF PRIOR PERIOD

As required by IAS 1, the Consolidated Financial Statements are shown together with comparative information in respect of the prior period for all amounts reported in the current period's Consolidated Financial Statements.

When comparing the information, the acquisitions described in Notes 1.B and 4 as well as the effects of the first application of IFRS 16 detailed in Note 2.D.1 must be taken into account.

F. FUNCTIONAL AND PRESENTATION CURRENCY

These Consolidated Financial Statements are presented in euros, which is SIEMENS GAMESA's functional currency. All amounts have been rounded to the nearest EUR thousand, unless stated otherwise.

Transactions denominated in currencies other than the euro are recognized in accordance with the policies described in Note 3.C.

G. GOING CONCERN

In the fiscal year 2020, SIEMENS GAMESA Group has negative results in the amount of EUR 918,178 thousand (a positive amount of EUR 140,002 thousand in the fiscal year 2019). These results reflect the year shaped by the Covid-19 pandemic (Note 5.A) and the deceleration in the Indian market (Note 29.C), both of which had material unforeseen effects on the Group´s financial performance. That performance was also hampered by cost overruns caused by the execution challenges in onshore projects in Norway and Sweden, which at the date of this report have been delivered almost in their entirety to their respective customers.

The Company states that the Group´s liquidity needs are guaranteed at all moments through credit lines: as of September 30, 2020, SIEMENS GAMESA Group has unused credit facilities amounting to EUR 3,140 million, which represents 75% of total credit facilities limit (EUR 2,791 million as of September 30, 2019, 77% of total credit

facilities limit). The Directors have prepared the Consolidated Financial Statements according to the going concern principle as it is their understanding that the future outlook of the Group's business will enable positive results and positive cash flows in the coming years.

3. Accounting principles and policies and key judgments and estimates

The preparation of the Consolidated Financial Statements requires Management to make judgments and use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from Management's estimates. Although the estimates are done based on the best information available of the analysed facts as of September 30, 2020 and 2019, future events might make it necessary to modify them (upwards or downwards) in later years. Estimates and assumptions are reviewed on an ongoing basis and changes in estimates and assumptions are recognized in the period in which the changes occur and in future periods impacted by such changes, in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the Consolidated Statement of Profit and Loss for the related year.

A. CONSOLIDATED STATEMENT OF CASH FLOWS

SIEMENS GAMESA Group presents the Consolidated Statement of Cash Flows using the indirect method, whereby net profit or loss is adjusted by the non-monetary transactions, by all deferred payments and accumulations (or accruals) that are caused by past or future collections and payments, as well as profit and loss items associated to cash flows of operations classified as investing or financing activities.

The following terms are used in the Consolidated Statement of Cash Flows with the meanings as specified below:

- Cash flows: Inflows and outflows of cash and cash equivalents.
- Cash equivalents: Short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to a not significant risk of changes in value.
- Operating activities: The Group's main revenue-producing activities as well as other activities that are not related to investing or financing activities.
- Investing activities: The acquisition, sale or disposal through other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and composition of the contributed equity and of borrowings of the Group. From October 1, 2019 changes in lease liabilities are included in financing activities, for both, lease payments and lease additions (Notes 2.D and 18.B).

B. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Based on their nature and the business model they are held in, financial instruments are classified as financial assets and financial liabilities measured at amortized cost and financial assets and financial liabilities measured at fair value. Regular way purchases or sales of financial assets are accounted for at the trade date. Initially, financial instruments are recognized at their fair value. Transaction costs are only included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. After its recognition, financial assets and liabilities are measured according to the category to which they are assigned:

- cash and cash equivalents;
- financial assets measured at fair value through Other comprehensive income;
- financial assets measured at fair value through Profit and Loss;
- financial assets measured at amortized cost;
- loans and receivables;
- financial liabilities measured at amortized cost; and
- financial liabilities measured at fair value through Profit and Loss.

Cash and cash equivalents

SIEMENS GAMESA Group considers all highly liquid investments with less than three months maturity from the date of acquisition to be “Cash and cash equivalents”. “Cash and cash equivalents” are measured at cost (Note 7).

Financial assets measured at fair value through Other Comprehensive Income

Equity instruments for which SIEMENS GAMESA irrevocably elects to present subsequent fair value changes in Other Comprehensive Income at initial recognition of the instrument. Unrealized gains and losses, net of deferred income tax expenses, as well as gains and losses on the subsequent sale of the instruments are recognized in line item “Other comprehensive income, net of taxes” (Note 9).

Financial assets measured at fair value through Profit and Loss

Debt instruments are measured at fair value through Profit and Loss if the business model they are held in is not “hold-to-collect”, or if their contractual cash flows do not represent solely payments of principal and interest. Equity instruments are measured at fair value through Profit and Loss unless the fair value through “Other Comprehensive Income, net of taxes” option is elected (Note 9).

Financial assets measured at amortized cost

Credits, receivables and other debt instruments held in a hold-to-collect business model with contractual cash flows that represent solely payments of principal and interest are measured at amortized cost using the effective interest method less allowances for expected credit losses. Such allowance involves significant Management judgements and the review of receivables based on customer´s creditworthiness, current economic trends and the analysis of historical bad debts on the portfolio (Note 9).

Financial Liabilities

SIEMENS GAMESA Group measures financial liabilities, except for derivative financial instruments, at amortized cost using the effective interest method.

- "Financial debt":

  Loans, bonds and similar interest-bearing items are initially recognized at the amount received, net of direct issuance costs, under the "Financial debt" headings of the Consolidated Balance Sheet. Borrowing costs are recognized on an accrual basis in the Consolidated Statement of Profit and Loss at their amortized cost using the effective interest rate method and they are aggregated to the carrying amount of the financial instrument to the extent that they are not settled in the year in which they arise (Note 18).

  Moreover, obligations under finance leases, according to IFRS 16, are recognized at the present value of the lease payments under this Consolidated Balance Sheet heading (Note 18).

- "Trade Payables":

  Trade payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments and hedge accounting

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts are measured at fair value and classified through Profit and Loss unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized either in net income or, in the case of a cash flow hedge, under line item "Other comprehensive income, net of taxes". Certain embedded derivative instruments in host contracts are also accounted separately as derivatives.

- Fair value hedges:

  The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. Where an unrecognized firm commitment is designated as hedged item, the subsequent cumulative change in its fair value is recognized as a separate financial asset or liability with the corresponding gain or loss recognized in net income. For hedged items carried at amortized cost, the adjustment is amortized until maturity of the hedged item. For hedged firm commitments the hedged carrying amount of the assets or liabilities that results from the firm commitments are adjusted to include the cumulative changes in the fair value that were previously recognized as separate financial assets or liabilities. No fair value hedges have been designated during the years 2020 and 2019 (Note 10).

- Cash flow hedges:

  The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are recognized under the heading "Other comprehensive income, net of taxes", and any ineffective portion is recognized immediately in net income. Amounts accumulated in equity are reclassified into the Consolidated Statement of Profit and Loss in the same periods in which the hedged item affects net income.

Category of financial assets at fair value

The different categories of financial instruments are grouped in categories from 1 to 3, depending on the fair value measurement system (Notes 10 and 17):

- Category 1: the fair value is obtained from the directly observable quoted prices in active markets for identical assets and liabilities.

- Category 2: the fair value is determined using observable market inputs other than the quoted prices included in category 1, that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices).

- Category 3: the fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable in the market.

Derivative financial instruments consist of forward exchange rate contracts, interest rate swaps and raw material swaps (electricity):

- Forward exchange rate contracts:

  The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high quality credit yield curves in the respective currencies.

- Interest rate swaps:

  The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

- Commodity swaps (electricity):

  Commodity swaps are measured at fair value using the prices and interests from observable yield curves.

  The fair value of raw material swap contracts is calculated by discounting the estimated cash flows using the future prices at the closing date.

The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

The effects of discounting have not been significant for category 2 financial instruments.

Impairment of financial assets

Except for the financial assets classified at fair value, the financial assets are analysed by SIEMENS GAMESA Group in order to identify periodically, and at least at the end of each reporting period, any impairment indicator.

SIEMENS GAMESA Group considers that a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is an objective evidence of impairment.

For the rest of financial assets, valuation allowances are set up for expected credit losses, representing a forward-looking estimate of future credit losses involving significant management judgment. Expected credit loss is the gross carrying amount less collateral, multiplied by the probability of default and a factor reflecting the loss in the event of default. Valuation allowances are not recognized when the gross carrying amount is sufficiently collateralized. Probabilities of default are mainly derived from rating grades of the counterparts. A simplified approach is used to assess expected credit losses from trade receivables and contract assets by applying their lifetime expected credit losses. The valuation allowance for loans and other long-term debt instruments is measured according to a three-stage impairment approach:

- Stage 1: At inception, 12-month expected credit losses are recognized based on a twelve months probability of default.

- Stage 2: If the credit risk of a financial asset increases significantly without being credit-impaired, lifetime expected credit losses are recognized based on a lifetime probability of default. A significant increase in credit risk is determined for each individual financial instrument using the credit ratings of the counterparts. A rating deterioration does not trigger a transfer into Stage 2 if the credit rating remains within the investment grade range. More than 30 days past due payments will not be transferred into Stage 2 if the delay is not credit-risk-related. A contractual modification is an indicator for an increase in credit risk.

- Stage 3: If the asset is credit-impaired, valuation allowances equal lifetime expected credit losses. A financial asset is considered credit-impaired when there is observable information about significant financial difficulties or a high probability of default. Impairment triggers include liquidity problems, a request for debt restructuring or a breach of contract.

Financial assets are impaired as uncollectible if recovery appears unlikely. That is, generally, if the limitation period expired, when a debtor's sworn statement of affairs is received, or when the receivable is not pursued due to its minor value. Receivables impaired are written off when bankruptcy proceedings close.

Derecognition of financial instruments

SIEMENS GAMESA Group only derecognizes financial assets when the contractual rights on the cash flows from the assets expire, or when the financial asset and substantially all the risks and rewards inherent to its ownership are transferred to another entity.

In cases where risks and rewards associated with accounts receivable are contractually transferred to a factor and the factor also assumes the related insolvency risk, the Group derecognizes these financial assets.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or of a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of its original financial liability and the recognition of a new financial liability.

C. TRANSACTIONS IN FOREIGN CURRENCY

Group companies

The functional currency of the parent company is the euro.

For SIEMENS GAMESA Group companies with a functional currency other than the euro, the functional currency usually is the same as the local currency. Therefore, for the majority of the Group companies, the functional currency does not differ from the local currency in which the individual company pays the corresponding income tax. Consequently, changes in exchange rates do not give rise to any temporary differences which might lead to the recognition of a deferred tax asset or liability for a significant amount.

Transactions and balances

Transactions that are denominated in a currency other than the functional currency of an entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of each reporting period, foreign currency-denominated monetary assets and liabilities are re-valued to the functional currency applying the spot exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rate at the date of the transaction.

Moreover, as already indicated for monetary assets and liabilities denominated in foreign currency, fixed-income securities, receivables and payables are translated to the functional currency at the exchange rates prevailing at the Consolidated Balance Sheet date.

Exchange differences arising on a monetary item that is part of the net investment in a company's foreign operation is recognized in the Statement of Profit and Loss in the separate Financial Statements for the reporting company, or in the Individual Financial Statements for the foreign operation, as appropriate. In the Consolidated Financial Statements that include the foreign operation and the reporting company, those exchange differences are initially recognized in "Other comprehensive income, net of taxes" and are reclassified from equity to profit or loss when the foreign business is disposed of or the investment is recovered fully or partially by other means.

The hedging instruments that SIEMENS GAMESA Group uses to reduce foreign currency risks are described in Note 10.

The equivalent euro value of the monetary assets and liabilities denominated in currencies other than euro held by SIEMENS GAMESA Group as of September 30, 2020 and 2019 is as follows:

	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Indian rupee	112,651	407,349	219,001	599,006
United States dollar	477,762	460,837	487,817	391,575
Chinese yuan	344,662	392,949	228,372	135,381
Mexican peso	10,135	44,027	14,179	35,723
Danish krone	67,788	239,436	107,706	217,369
Canadian dollar	46,583	3,001	34,958	2,696
Sterling pound	61,618	37,062	71,078	68,689
Moroccan dirham	42,889	14,866	23,219	11,910
Swedish krona	57,326	15,380	3,423	824
Australian dollar	15,630	5,613	10,593	351
Turkish lira	611	26,865	3,857	20,001
Brazilian real	85,133	79,066	74,766	53,751
Norwegian krone	77,675	15,786	4,918	18,710
South African rand	16,084	1,527	13,124	10,848
Egyptian pound	15,463	6,985	15,303	6,240
Taiwan dollar	46,907	21,508	41,760	12,194
Other currencies	145,638	51,033	96,653	38,487
Total	**1,624,555**	**1,823,290**	**1,450,727**	**1,623,755**

The equivalent euro value of the main balances denominated in currencies other than euro, based on the nature of the items concerned, is as follows:

	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
Nature of the balances	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Cash and cash equivalents (Note 7)	964,399	-	840,223	-
Trade receivables (Note 8)	660,156	-	610,504	-
Debt with financial institutions and other obligations (Note 18)	-	313,179	-	321,450
Trade payables	-	1,510,111	-	1,302,305
Total	**1,624,555**	**1,823,290**	**1,450,727**	**1,623,755**

D. CONTRACT ASSETS, CONTRACT LIABILITIES, TRADE AND OTHER RECEIVABLES

When either party to a contract with customers has performed, SIEMENS GAMESA Group presents "Contract assets", "Contract liabilities" or "Trade and other receivables" depending on the relationship between SIEMENS GAMESA Group's performance and the customer's payment. Contract assets and liabilities for each contract are presented net as current since incurred in the operating cycle. Receivables are recognized when the right to consideration becomes unconditional. Valuation allowances for credit risks are set up for "Contract assets" and trade receivables according to the accounting policy for loans and receivables.

E. INVENTORIES

"Inventories" are valued at the lower of their acquisition or production costs and their net realizable value, and costs are generally determined on an average basis or a first-in, first-out method. In determining the net realizable value of inventories, write-downs based on their intended use and realizable value are taken into account. The criteria for inventory intended use and realizable value cover quantity, technical and price risks.

F. BUSINESS COMBINATIONS

In a business combination the acquirer shall measure the identifiable acquired assets and the assumed liabilities (including contingent liabilities) at their acquisition-date fair values (Note 2.B). The estimates of the acquisition-date fair values are based on judgements and are determined by using certain measurement techniques, which are also supported by independent appraisers. The measurement period, which is the period after the acquisition date in which the acquirer can adjust the provisional amounts recognized in the business combination, provides to the acquirer a reasonable period of time to obtain the necessary information to identify and measure, at the acquisition-date as required by IFRS 3, among others, the identifiable acquired assets, the assumed liabilities, the consideration transferred or the resulting "Goodwill" (Note 4).

G. GOODWILL

"Goodwill" arising on acquisitions represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business combination at the date of acquisition. The "Goodwill" is recognized as an asset and is tested for impairment annually, or whenever events or changes in circumstances indicate that it might be impaired. The "Goodwill" is carried at cost less accumulated impairment losses.

Once an impairment loss is recognized for goodwill, it is not reversed in subsequent periods.

H. OTHER INTANGIBLE ASSETS

"Other intangible assets" are recognized initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. The "Other intangible assets" with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values. Intangible assets which are determined to have indefinite useful lives, as well as intangible assets not yet available for use, are not amortized but instead tested for impairment at least annually. Apart from the "Goodwill" (Note 3.G), SIEMENS GAMESA Group has not intangible assets of indefinite useful life as of September 30, 2020 and 2019.

"Other intangible assets" consist of internally generated technology (Note 3.X), software, patents, licenses and similar rights, as well as intangible assets acquired in business combinations. Estimated useful lives generally range from 3 to 10 years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations mainly consist of customer relationships, order backlog and technology and its initial recognition is made at fair value at the date of acquisition.

SIEMENS GAMESA Group determines the estimated useful lives and the relevant amortization charges for its intangible assets. The Group will increase the amortization charge where useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

I. PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment" is valued at acquisition cost less any accumulated depreciation and any recognized impairment losses. In addition to the purchase price, acquisition costs include non-recoverable indirect taxes and any other costs directly attributable to transportation of the asset and conditioning for its intended use (including, if applicable, borrowing costs incurred during the construction period).

Subsequent costs, i.e. the ones related to the expansion, modernisation or improvement of an asset, are recognized in the carrying amount of the concerned asset when it is probable that the costs incurred will result in future economic benefits for SIEMENS GAMESA Group. All other costs incurred for ordinary repairs and maintenance are recognized in the Consolidated Statement of Profit and Loss as incurred.

SIEMENS GAMESA Group determines the estimated useful lives and the relevant depreciation charges for its property, plant and equipment. The Group will increase the depreciation charge where useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Depreciation expense is recognized using the straight-line method. The following useful lives are assumed:

	Average estimated useful life
Factory and office buildings	20 – 50
Other buildings	5 – 10
Technical machinery & equipment	5 – 10
Other property, plant and equipment	3 – 10

Property, plant and equipment under construction is not depreciated.

J. IMPAIRMENT OF ASSETS

"Property, plant and equipment" and "Other intangible assets" are reviewed for impairment at segment level whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

For intangible assets (other than "Goodwill") as well as "Property, plant and equipment" it is a rebuttable presumption that the independent cash inflows can only be generated within a cash generating unit, which is the level of impairment testing. Prior to the segment level impairment test (Cash Generating Unit (hereinafter, "CGU")), in case of assets that will obviously not generate future economic benefits (e.g. in the context of a plant closure), if it can be demonstrated that an individual asset will obviously not generate any further economic benefits – neither from its use nor from its disposal – (e.g. retirement by scrapping), the asset is written-off to the level of its realizable value. In case sites or production lines are planned to be closed down, the appropriate level for the performance of an impairment is the single assets affected by the close-down.

Likewise, regarding the capitalization of development costs, if one or more of the criteria for the capitalization of development costs are no longer met, the previous intangible asset under development is derecognized. Such criteria are the following:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Intention to complete the intangible asset and use or sell it.
- Ability to use or sell the intangible asset.
- Probable future economic benefit arising from the intangible asset.
- Availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset.
- Ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets that are not yet available for use are not depreciated and evaluated annually if the conditions for recognition continue to be met.

Whenever "Other intangible assets" and "Property, plant and equipment" have to be subject to the impairment test, the assessment of the recoverable amount of the assets involves the use of estimates chosen by the Management, which may have a substantial impact on the respective values and, ultimately, on the amount of impairment.

The impairment tests require the estimation of the future development of the businesses and the most appropriate discount rate in each case. SIEMENS GAMESA Group considers that its estimates in this area are adequate and coherent with the current economic environment and they reflect its investment plans and the best estimates available regarding its future revenues and income, and it considers that its discount rates adequately reflect the risks relating to each cash generating unit.

K. PROVISIONS

A distinction is drawn between:

- Provision: a present obligation (legal or constructive) as a consequence of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- Contingent liability: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the entity; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

The Consolidated Financial Statements include all material provisions for which it is considered likely, that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are disclosed, but not recognized in the Consolidated Financial Statements, except for those which arise from business combinations (Note 2.B).

Provisions are recognized based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period. Provisions are fully or partially reversed when the obligations cease to exist or are reduced, respectively.

Provisions are recognized when the obligation arises, with a charge to the relevant heading in the Consolidated Statement of Profit and Loss based on the nature of the allocation of the corresponding functional cost of the obligation.

Provisions for warranty costs are recognized at the time when the significant risks and rewards of a project are transferred to the customer. In the event of the occurrence of exceptional technical issues which derive from increased failure rates beyond normal levels, provisions are made for warranties of a specific scope which are recognized once a technical issue has been detected and can be assessed for the entire affected population, if applicable. Here are included topics like serial defects, major repair cases, as well as the potential derived customer claims.

The provisions are recognized individually at the best estimate of the expenditure required by SIEMENS GAMESA Group to settle the underlying obligation (Note 19). Warranty provisions related to wind turbines are generally calculated using estimates regarding the number of component failures (failure rate estimate) and their rectification costs. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions.

For wind farm projects that are accounted for using the percentage-of-completion method, the warranty cost is included in the project's planned costs. The warranty provision is recognized as a provision in the Balance Sheet at the point in time the wind farm project is handed over to the customer (and the Provisional Acceptance Certificate is obtained) and the warranty periods starts.

Expected losses from onerous contracts are recognized when the best estimate of total contract costs exceeds foreseen contract revenue.

Provisions are discounted to reflect the present value of the expected expenditure, when the effect of the time value of money is significant.

As of September 30, 2020 and 2019, certain litigation and claims against the consolidated companies arising from the ordinary course of their operations are in progress. The Group's legal advisors and the Company consider that the provisions recognized for this purpose are sufficient and that the outcome of these proceedings and claims will not have a material effect on the Consolidated Financial Statements for the years in which they would be settled (Note 19).

As of September 30, 2020 and 2019, there are no significant contingent liabilities or provisions that have not been recognized or disclosed in these Consolidated Financial Statements (Note 19).

L. POST-EMPLOYMENT BENEFITS

SIEMENS GAMESA Group measures the entitlements to post-employment benefits by applying the projected unit credit method. This approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (hereinafter, Defined Benefit Obligation), the expected rates of future salary increase and expected rates of future pension increase are considered. The assumptions used for the calculation of the Defined Benefit Obligation as of the period-end of the preceding year are used to determine the calculation of service cost and interest income and expense of the following year. The net interest income or expense for the year will be based on the discount rate for the respective year multiplied by the net liability at the preceding year’s period-end date.

Current and past service cost for post-employment benefits and administration costs unrelated to the management of plan assets are allocated among functional costs. Past service cost and settlement gains (losses) are recognized immediately in the Consolidated Statement of Profit and Loss. For unfunded plans, the amount of the heading “Post-employment benefits” equals the Defined Benefit Obligation. For funded plans, SIEMENS GAMESA Group offsets the fair value of the plan assets with the Defined Benefit Obligation. The Group recognizes the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements (new measurements of the liability or asset for net deferred benefits) comprise actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interests on the defined benefit liabilities or asset. These are recognized in “Other comprehensive income, net of taxes”.

Actuarial valuations are based on assumptions including discount rates, expected compensation increases, rate of pension increase and mortality rates. The used discount rate is determined by reference to yields on high-quality corporate bonds of appropriate duration at the end of the period. In case such yields are not available, discount rates are based on government bonds yields. Due to changing market, economic and social conditions the underlying assumptions may differ from real developments.

M. TERMINATION BENEFITS

Termination benefits are recognized in the period they are incurred, and when the amount can be reasonably estimated. Termination benefits arise as a result of an entity's offer made in order to encourage voluntary redundancy before the normal retirement date, or from an entity's decision to terminate the employment contract. Termination benefits in accordance with IAS 19, *"Employee Benefits"*, are recognized as a liability when the entity can no longer withdraw the offer of those benefits. Termination benefits in accordance with IAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"*, are recognized when the entity has created a valid expectation in the employee.

N. CLASSIFICATION OF CURRENT AND NON-CURRENT LIABILITIES

Liabilities are classified as current or non-current on the basis of the projected period to maturity, disposal or settlement. Non-current liabilities are amounts due to be settled within more than twelve months from the date of the Consolidated Balance Sheet, except for the cases explained below.

Long term loans and credit facilities assigned to wind farms held for sale, which are legally structured in individual public or private limited liability companies, are classified as current or non-current depending on the foreseeable and expected sale date of these wind farms, because the sale of the shares in these individual companies leads to an exclusion of all assets and liabilities of the wind farm from the scope of consolidation.

Accordingly, regardless of the repayment schedule contractually established for these borrowings, the total amount of borrowings assigned to the wind farms that will foreseeably be sold within twelve months from the closing date of the Consolidated Financial Statements is classified under current liabilities.

O. GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) may be offset against the acquisition or production costs of the respective assets reducing, if applicable, its future depreciations.

Government grants for future expenses are recorded as deferred income and allocated to income in the Consolidated Statement of Profit and Loss in the year in which the related expenses are incurred. In this context, government grants included in the Consolidated Statement of Profit and Loss amount to EUR 6 million for the year ended September 30, 2020 (6.2 million for the year ended September 30, 2019).

P. TREASURY SHARES, AT COST

The treasury shares held by SIEMENS GAMESA as the parent company of SIEMENS GAMESA Group as of September 30, 2020 and 2019 are recognized at acquisition cost with a charge to "Total equity - Treasury Shares, at cost" in the Consolidated Balance Sheet (Note 23.E).

The gains and losses derived from the purchase, sale, issue or cancellation of treasury shares are recognized directly in "Total equity".

Q. DIVIDENDS

Any interim dividends approved by the Board of Directors are deducted from “Total equity” in the Consolidated Balance Sheet. However, the complementary dividends proposed by the Board of Directors of SIEMENS GAMESA to the shareholders at the General Shareholders’ Meeting are not deducted from equity until they have been approved by the latter. During the years ended September 30, 2020 and 2019 no interim dividends have been distributed.

Dividends have been paid during the year ended September 30, 2020 and 2019 (Note 23.G).

R. SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at the fair value of the equity instruments granted. This fair value is expensed on a straight-line basis over the vesting period, based on SIEMENS GAMESA Group’s estimate of the shares that will ultimately be delivered, and credited to “Total equity” (Note 23.E and 23.F).

Fair value is measured using the market prices available on the measurement date, taking into account the terms and conditions upon which those equity instruments were granted.

If a grant of equity instruments is cancelled or settled during the vesting period (for a reason other than a grant cancelled by forfeiture when the vesting conditions are not met), SIEMENS GAMESA Group accounts for the cancellation or settlement as an acceleration of the vesting and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

For cash-settled share-based payments, a liability equal to their current fair value determined at the end of each reporting period is recognized.

SIEMENS GAMESA Group has made certain assumptions in order to calculate the liability arising from the obligations with employees. The fair value of those financial instruments granted as share-based payments (Notes 23.E and 23.F) that are not traded in an active market is determined by using measurement techniques. The Group uses judgments to select a series of methods and to make assumptions, that are mainly based on the market conditions existing at each Consolidated Balance Sheet date. Changes in these assumptions would not have a significant impact on these Consolidated Financial Statements.

S. FINANCIAL REPORTING BY SEGMENT

The reporting on operating segments is presented in accordance with the internal information that is provided to the chief operating decision maker. The Board of Directors has been identified as the main chief operating decision maker, as it is responsible for assigning resources and evaluating the performance of the operating segments, as well as it is in charge of taking strategic decisions.

T. INCOME TAX

The income or expense for income tax and taxes of a similar nature applicable to consolidated foreign entities is the amount, which for this concept, accrues in the year and includes both, current and deferred income or expense.

Both current and deferred tax income or expense are recognized in the Consolidated Statement of Profit and Loss, except when they are the result of a transaction whose results are recorded directly in ”Total equity”, in which case the corresponding tax is also recorded in ”Total equity”.

The current tax is the amount that the Group settles as a result of the tax filings of the income tax relating to a fiscal year. The deductions and other tax benefits in the tax liability, excluding the withholdings and payments on account, as well as the tax loss carryforwards from previous years, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the cancellation or recognition of deferred tax assets and liabilities. These include the temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of the assets and liabilities and their tax value, as well as the tax loss carryforwards pending to be compensated and the tax credits not applied. These amounts are recorded at the expected tax rate from the moment it is probable they are going to be recovered or settled.

Under the liability method, temporary differences that arise from assets or liabilities are the difference between the tax base of an asset or liability and its carrying amount in the Consolidated Balance Sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

"Deferred tax liabilities" will be recognized for all taxable temporary differences, except for those derived from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax base nor the accounting result and is not a business combination.

The Group is subject to income taxes in numerous jurisdictions. A significant level of judgement is required to determine the worldwide provision for income tax expenses. There are many transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business. The tax calculation is made based on the best estimates of the Management according to the current tax regulations and considering the foreseeable development of the same in the different jurisdictions in which the Group operates. The Group recognizes liabilities for potential tax claims based on an estimation of whether additional taxes will be necessary. When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on "Income tax" and the provisions for deferred taxes in the year in which they are deemed to arise (Notes 26 and 27).

SIEMENS GAMESA Group recognizes a deferred tax liability for all taxable temporary differences related to investments in subsidiaries, branches and associates, except to the extent where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

On the other hand, deferred tax assets are only recognized to the extent that it is considered probable that the Company and/or the Tax Group to which it belongs will have future taxable profits to recover them effectively. The recoverability of deferred tax assets is assessed based on projected future taxable profits. According to the level of historical taxable income and projections of future taxable income in the periods in which deferred tax assets are deductible, it is assessed whether it is probable that SIEMENS GAMESA Group will realise the benefits of these deductible differences (Note 27). At each closing, to the extent that doubts exist about their future recovery, the recorded deferred tax assets are analysed to appropriately value them. In addition, deferred tax assets not recorded in the Consolidated Balance Sheet are assessed at each closing and these are recognized when their recovery with future tax benefits becomes probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the amounts recognised under these headings and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and deferred tax liabilities are presented netted in the Consolidated Balance Sheet at the legal entity level as the conditions required are met in accordance with IAS 12 *"Income taxes"*.

U. REVENUE RECOGNITION

The Group´s activities are mainly focused on:

- The promotion and development of wind farms, including engineering solutions, design, production and sale of wind turbines, and

- The rendering of operation and maintenance services through advanced technology services in the renewable energy sector.

These activities correspond to the reported segments “Wind turbines” and “Operation and Maintenance”, respectively. In addition, spare parts are sold (mainly during the wind farm maintenance period).

Identification of performance obligations

- Sales from construction-type contracts: A construction-type contract is a contract specifically negotiated for the construction of an asset or a combination of assets. The elements of the construction-type contracts may comprise, for example, the design and construction of nacelles, blades, towers, transformers, wind turbines etc., the transportation and logistics, the software included in wind turbines, the engineering, the erection, installation and commissioning of new wind turbines into service, etc. and, if applicable, they may also include the development of the wind farm (obtaining permits, licenses and authorizations). The promises in a contract are highly interrelated, interdependent and involve a significant service of integration and therefore, are not capable to being distinct for themselves individually. Furthermore, the delivery of the elements in the contract requires a single overarching project management team to ensure that the promises are delivered to the customer as per the contract accordingly. Therefore, the promises form a single performance obligation that provides the customer a complete and integral solution as per the contract (that is, a complete functioning wind farm rendering the agreed megawatts of output), and therefore, there is no significant judgment in the identification of the performance obligations.

  Construction-type contracts are satisfied over time because SIEMENS GAMESA Group´s performance does not create an asset with alternative use for the Group (IFRS 15.36). The Group manages projects with technical features that are specific for each customer contract, and therefore SIEMENS GAMESA Group produces components as per demand of the project (i.e. not producing to stock), and furthermore each project has its site specific customization regarding the components that are produced and used in the project (there is always bespoke works which are performed specifically for the project, like for example the siting and the related engineering for offshore as well as for onshore projects). Revenues are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs.

  The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, total estimated revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group continuously updates the estimations (amongst others of total planned costs and estimated costs to complete) with a corresponding analysis of variances and accurate recognition and controlling of revenues. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, SIEMENS GAMESA Group needs to assess whether the contract is expected to continue or to be terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis.

  In the case that separate legal entities are set-up for the development and sale of wind farms, the non-current assets (basically wind turbines, fixtures and civil engineering work) of the wind farms adopting the legal structure of a public or private limited liability company whose shares are fully consolidated in the accompanying Consolidated Financial Statements (see Appendix), are classified as “Inventories”. These inventories are considered in the percentage-of-completion calculations as a project cost (i.e. projects consume such inventories), so that the accounting is the same as in the case of a wind farm

sales contract with a customer without the existence of a separate legal entity, although this business model is a less significant practice at present.

In the Operation and Maintenance business, the promises in the contract can also comprise of several services, like for example minor services, jack-up vessel services, regular maintenance, etc.

- Revenues from services: In typical service contracts of SIEMENS GAMESA Group (hereinafter, "Service contracts"), the promises form a single performance obligation as the customer simultaneously receives and consumes the benefits provided by the performance of SIEMENS GAMESA Group, that is, the operation and maintenance of a wind farm, as the services are being rendered by the Group. The promises in the contract are highly interrelated, interdependent and involve a significant service of integration and therefore, are not capable to being distinct for themselves individually. Furthermore, the provision of the elements in the contract requires a single overarching project management team to ensure that the promises are delivered to the customer as per the contract accordingly. Therefore, the promises form a single performance obligation that provides the customer a complete and integral solution as per the contract (e.g. a complete service solution for a wind farm for a period of years ensuring the proper functioning of the wind farm according to the technical specifications of the machines), and therefore, there is no significant judgment in the identification of the performance obligations.

  Service contracts are satisfied over time because the customer simultaneously receives and consumes the benefits of the services performed by SIEMENS GAMESA Group. As in the construction-type contracts, revenues are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs.

In addition, it should be noted that in SIEMENS GAMESA Group´s standard construction-type contracts and service contracts, there is a termination clause that typically stipulates that the Group has enforceable right to payment for performance completed to date of termination (including reasonable profit margin).

- Sale of goods (mainly related to sale of spare parts): the promise to transfer the goods to the customer correspond to the performance obligations under IFRS 15, since the respective promises are generally capable of being distinct, not tied to other promises and therefore, distinct within the context of the contract. With regard to such contracts, the sale of spare parts is not significant to Group revenues.

  Revenues are recognized at the point in time when control of the goods passes to the buyer, usually upon delivery of the goods (at a point in time).

Principal or agent

SIEMENS GAMESA Group acts as principal as it transfers control of and provides its own good or service directly to the customer. With that regard, the group performs own value adding activities and furthermore, SIEMENS GAMESA Group is primarily responsible for fulfilling the promise to provide the specified good or service. Accordingly, e.g. in cases of subcontracted works and/or suppliers' deliveries of goods, in the context of construction contracts, the responsibility in front of the final customer remains with SIEMENS GAMESA Group.

The transaction price

The objective when allocating the transaction price is that the entity allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Subsequent to the identification of the performance obligation in the contract, the contract price is allocated to the respective performance obligation. In general, SIEMENS GAMESA Group contracts consist of one performance obligation. Therefore, typically the contract price is fully assigned only to one performance obligation.

Variable consideration

- Construction-type contracts

  There is no significant variable component in such contracts (without considering penalties due to delay clauses considered in the contracts).

- Service contracts

  There are several service contracts with variable pricing tied to the energy produced by the wind farm (normally with a floor fee). However, and when applicable, it does not represent a substantial part of the fulfilment of the performance obligation as per the contract.

  In cases where variable consideration is present in the contract, SIEMENS GAMESA Group assesses it based on likelihood of occurrence according to past experience in the wind farms. If it's highly probable that the variable consideration will occur, then it is incorporated in the planned revenue of the contract. The assessment is performed on a contract by contract basis and is reviewed regularly.

As described above, SIEMENS GAMESA Group generally has identified one performance obligation for each construction type and service contract. Therefore, if a portion of variable consideration is present it is deemed as attributable to the identified performance obligation i.e. to the contract as a whole.

Relation between the timing of satisfaction of the performance obligations and the typical timing of payment and the effects that those factors have on the contract asset and the contract liability balances

- Construction-type contracts: The planned points in time of revenue recognition are compared to the payment dates in order to identify the time period that elapses.

  At contract approval date an analysis of monthly contract cash flows (collections and payments) is performed, in order to identify the financing period for discounting purposes. The company determines the existence of a significant financing component in the contracts by comparing the date on which it is expected to achieve the billing with the periods in which the contract asset is being generated, as the performance obligation is expected to be fulfilled. Based on abovementioned information it is concluded that for construction-type contracts (as also assessed on contract-by-contract basis) there is no financing component present (the average deferral period is less than 12 month).

- Service contracts and sale of goods: The timing of the rendering of the Operation and Maintenance services is generally not directly linked to the timing of payments from the customer for service contracts, although, there is a direct link referring to the sale of goods business (sale of spare parts, and sales of field services outside service contract). For the service contracts, SIEMENS GAMESA receives payments from the customer at regular intervals (typically quarterly invoicing), but timing of the service provided depends on the service season when the scheduled maintenance is performed. The timing of unscheduled maintenance cannot be predicted, and will only occur after a failure has happened (with a certain time lag depending on crane/jack up vessel availability, if such is needed). For example: a 15-year service contract will typically have one annual service campaign, and there could be years where unscheduled service is not necessary, while in other years there is more activity due to unscheduled service. Still, the customer payments for such service contract will not vary from the originally agreed payment schedule (apart from the possible price indexation, and from the fact that staggered pricing schemes are often agreed with the customer).

Other information about the performance obligations

- Construction-type-contracts

  The average duration of SIEMENS GAMESA Group construction-type contracts is 1-3 years, with contracts for onshore wind projects in the lower part of the range and those for offshore wind projects in the upper part of the range.

  Payment terms for the customer are usually and in average 30-60 days from the date of issue of the invoice, always according to the contract terms.

  The main warranties offered to customers in these contracts are the assurance type warranty (normal product warranty), including the power curve warranty and availability warranty. The power curve warranty offers an assurance of compliance with the wind turbine specifications in relation to the electrical power available in the wind turbine at different wind speeds. The availability warranty refers to the wind turbine being able to produce when the conditions for it are met within the technical specifications of the machine. These warranties are customary in the sales process of construction-type contracts in the wind turbine industry and can therefore not be separated as performance obligation.

- Service contracts

  The average duration of SIEMENS GAMESA Group´s service contracts is of 8 to 9 years.

  Payment terms for the customer are usually and in average 30-60 days from the date of issue of the invoice, always according to the contract terms.

  The main warranty included in service contracts is related to the availability in the operation of the wind farm during the maintenance contract and is therefore an integrated element of the service performance obligation.

- Sale of goods

  Payment terms for the customer in case of sale of goods are, generally and on average 30-60 days from the date of the issue of the invoice, always in accordance to the contract terms. Invoices are usually issued close to the time of delivery of the goods.

V. LEASES

Until September 30, 2019, SIEMENS GAMESA Group recognized lease agreements in accordance with the criteria established in IAS 17: *"Leases"* and IFRIC 4: *"Determination of whether an agreement contains a lease"*. SIEMENS GAMESA Group classified leases as finance leases whenever all the risks and rewards incidental to the ownership of the asset were substantially transferred to the lessee. All other leases were classified as operating leases.

Finance leases were recognized at the starting date of the lease as assets and liabilities in the Consolidated Financial Statements at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each of those determined at the inception of the lease. The leased assets were depreciated in a similar manner as those assets owned by the Group.

Lease payments under an operating lease were recognized as an expense on a straight-line basis over the lease term in the Consolidated Statement of Profit and Loss.

From October 1, 2019, SIEMENS GAMESA Group has adopted IFRS 16. This standard, from the perspective of the lessee, eliminates the current classification among operating and finance leases and requires the lessee to recognize a right-of-use asset and a lease liability at the present value of the obligation to make lease payments. From the perspective of the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Right-of-use assets and lease liabilities

A lessee measures right-of use assets similarly to other non-financial assets (such as "Property, plant and equipment") and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability and classifies cash repayments of the lease liability into a principal and an interest portion.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The initial value of the lease liability is calculated as the value of future lease payments that are discounted, as a general rule at the incremental rate of the underlying assets. Lease payments include:

- Fixed or substantially fixed lease instalments specified in the contract, after deduction of any incentive to be received by the lessee. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that affects the Group´s ability to exercise or not exercise the option to renew or to terminate;

- Variable instalments dependent on an index or rate;

- The amounts that the lessee expects to pay for guarantees on the residual value of the underlying asset;

- The exercise price of the purchase option, if it is reasonably certain that the lessee will exercise such option; and

- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. In general, the agreements have renewal and cancellation clauses.

Contingent lease payments subject to the occurrence of a specific event and the variable instalments dependent on the use of underlying asset are recorded at the time when they are incurred under the heading of cost by nature of external services in the Consolidated Statement of Profit and Loss, rather than as part of the lease liability. During fiscal year 2020, SIEMENS GAMESA Group has no contingent or variable lease payments (Note 18.B).

Subsequently, the lease liability is increased to reflect the finance costs and is reduced in the amount of the payments made. The unwinding of the financial discounting is recorded under "Interest expenses" in the Consolidated Statement of Profit and Loss. The lease liability is remeasured whenever there is a change in indexes or rates, in the estimated amounts to be paid for guarantees on the residual value, in those cases where the exercise of options to extend is considered reasonably certain or in those cases where the options to cancel are considered not to be exercised within reasonable expectations.

The right-of-use asset is initially recorded at cost, which includes:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or before the lease start date, minus lease incentives received;
- The initial direct costs incurred as a result of the lease, and
- An estimation of the costs that will be incurred by the lessee for the dismantling and restoration of the asset.

After the initial recognition, the right-of-use asset is recorded at cost less accumulated depreciation and impairment losses. The depreciation of the right-of-use asset is recorded in the Consolidated Statement of Profit and Loss during the useful life of the underlying asset, or during the lease term, whichever is shorter. If the property is transferred to the lessee or it is practically certain that the lessee will exercise the purchase option, it will be depreciated over the useful life of the asset. In case of non-removable leasehold improvements, the useful life of the respective leasehold improvement will not exceed the term of the lease contract. The weighted average lease term is as follows:

Thousands of euros	Weighted average lease term
Buildings and real property	11.28
Technical facilities and machinery	6.62
Other property, plant and equipment	3.13

For lease contracts which may include lease and non-lease components, in general SIEMENS GAMESA Group is not separating both elements for accounting purposes, recognizing them as a single element, except for the type of underlying assets for which the separation may have a significant impact on the Consolidated Financial Statements (i.e. services related to leases of vessels).

The preparation of these Consolidated Financial Statements in accordance with IFRS 16 has required SIEMENS GAMESA Group to make certain assumptions and estimates. In the determination of the lease term, SIEMENS GAMESA Group considers all the relevant facts and circumstances that create a significative economic incentive for the lessee to exercise the renewal option or not to exercise the cancellation option. Renewal or termination options are only included in the determination of the lease term if it is reasonably certain that the contract will be extended or will be terminated. If a significant event or a significant change in circumstances occurs that may affect the assessment of the term, the SIEMENS GAMESA Group reviews the assessment made in the determination of the lease term.

W. FUNCTIONAL COSTS

In general, operating expenses by type are assigned to the functions depending on the functional area of the corresponding profit and cost centres. The amortization, depreciation and impairment of “Other intangible assets” and “Property, plant and equipment” are included in functional costs depending on the use of the assets.

X. INTERNALLY GENERATED TECHNOLOGY

Costs of research activities are recognized as incurred. Development costs are capitalised when the recognition criteria in IAS 38 are met. Capitalised development expenses are stated at cost less accumulated amortization and impairment losses.

The amortization of development expenses begins when the asset is available for use, i.e., when it is in the condition necessary for it to be capable of operating in the manner intended by Management. The expenditure is amortized generally on a straight-line basis over the estimated period of time that the new product will generate economic benefits, at a maximum of 5 years.

Y. INTEREST EXPENSES

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are part of the cost of that asset. A qualified asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Financial income obtained on the temporary investment of specific loans until their usage on qualified assets is deducted from the interest expense that may be capitalised.

All other borrowing costs are recognized as a cost in the period in which they are incurred.

Z. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net income for the reporting period by the weighted average number of ordinary shares outstanding in the period, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. For such purposes, dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the reporting period or, if later, at the date of the issuance of the potential ordinary shares.

Basic earnings per share in the years ended September 30, 2020 and 2019 coincide with diluted earnings per share, since there were no potential shares outstanding in those periods (Note 33).

4. Acquisitions, disposals and discontinued operations

Acquisition of Senvion European Onshore Services

The assets and liabilities of Senvion Deutschland GmbH and its subsidiaries are included in the Consolidated Financial Statements at their acquisition date fair values. The following figures result from the preliminary purchase price allocation as of the acquisition date: “Other intangible assets” EUR 146 million (related to the fair value of order backlog and customer relationships), “Property, plant and equipment” EUR 36 million, “Trade and other receivables” EUR 58 million, “Inventories” EUR 26 million, Other current and non-current financial assets EUR 3 million, “Cash and cash equivalents” EUR 4 million, Other current and non-current assets EUR 3 million, “Contract assets” EUR 12 million, “Financial Debt” EUR 14 million, “Trade payables” EUR 2 million, “Contract liabilities” EUR 34 million, “Other current financial liabilities” EUR 5 million, Current and non-current provisions EUR 133 million, Other current and non-current liabilities EUR 49 million, Current income tax liabilities net EUR 8 million and Deferred tax assets net EUR 5 million.

The “Goodwill” allocated to the Operation and Maintenance segment has been provisionally determined in an amount of EUR 74 million (Note 13).

The acquired business has contributed revenues of EUR 124 million and a negative net result of EUR 12 million (pre-purchase price allocation impacts) to SIEMENS GAMESA Group for the period from acquisition to September 30, 2020. The revenue and result of the combined entity for the current reporting year as though the acquisition date had been as of the beginning of the annual reporting year amounts to EUR 167 million and a negative net result of EUR 7 million, respectively, (pre- purchase price allocation impacts).

The consideration paid for this business combination amounts to EUR 122 million (EUR 118 million net of cash acquired).

The accounting for this business combination has been determined provisionally as of the date of preparation of these Consolidated Financial Statements, due to the fact that the measurement of the acquired assets and liabilities has not yet been completed, as well as the fact that the 12-month period since the acquisition of Senvion Deutschland GmbH established by IFRS 3 "Business Combinations" has not elapsed.

Acquisition of the blade manufacturing business in Vagos of Senvion

The assets and liabilities of Ria Blades, S.A. and associated additional assets are included in the Consolidated Financial Statements at their acquisition date fair values. The following figures result from the preliminary purchase price allocation as of the acquisition date: “Property, plant and equipment” EUR 58 million, “Inventories” EUR 4 million, Other current and non-current financial assets EUR 1 million, Other current and non-current assets EUR 1 million, “Trade payables” EUR 1 million, Current and non-current provisions EUR 4 million, Other current and non-current liabilities EUR 2 million, Current income tax assets net EUR 1 million and Deferred tax assets net EUR 2 million.

No “Goodwill” has been provisionally determined to be allocated to the Wind Turbine segment (Note 13).

The acquired business has contributed revenues of EUR 1 million and a negative net result of EUR 6 million (pre-purchase price allocation impacts) to SIEMENS GAMESA Group for the period from acquisition to September 30, 2020. The revenue and net result of the combined entity for the current reporting year as though the acquisition date had been as of the beginning of the annual reporting year amounts to EUR 18 million and EUR 1 million, respectively, (pre- purchase price allocation impacts).

The consideration paid for this business combination amounts to EUR 60 million (EUR 60 million net of cash acquired).

The accounting for this business combination has been determined provisionally as of the date of preparation of these Consolidated Financial Statements, due to the fact that the measurement of the acquired assets and liabilities has not yet been completed, as well as the 12-month period since the acquisition of Ria Blades, S.A. and associated additional assets established by IFRS 3 "Business Combinations" has not elapsed.

The costs associated to both transactions amount to EUR 13 million and have been registered in the Consolidated Statement of Profit and Loss.

5. Financial Risk Management

Due to the nature of its activities, SIEMENS GAMESA Group is exposed to a variety of financial risks: (i) market risks, in particular foreign exchange risk, market price risk and interest rate risk, (ii) liquidity risk, and (iii) credit risk. The aim of the Financial Risk Management is to identify, measure, monitor and mitigate those risks and their potential adverse effects on the operational and financial performance of the Group. The general conditions for compliance with the Group’s Financial Risk Management process are set out through policies approved by the Top Management. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit.

A. MARKET RISK

a) Foreign exchange risk

SIEMENS GAMESA Group carries out transactions with international counterparties in the normal course of business, leading to incomes in currencies other than euro, and to future cash flows generated by SIEMENS GAMESA Group’s companies that are denominated in a currency other than their functional currencies, and are therefore exposed to risks from changes in foreign currency exchange rates.

Foreign currency exchange rate exposure is partially balanced by purchasing of goods, commodities and services in local market currencies where the business is being conducted, as well as by locating the production activities and other contributions along the supply chain in those local markets. Furthermore, to the extent possible, currency clauses are integrated into commercial contracts to transfer total or partially foreign currency risk to counterparts.

In the cases where it is not possible to apply the measures described above, SIEMENS GAMESA Group uses financial instruments to hedge the remaining risk exposure, since its objective is to generate profits through business operations, and not by speculating with the exchange rate fluctuations (Note 10). For this purpose, the Group analyses the foreign currency exposure on its confirmed order backlog as well as on the planned and highly probable foreign currency transactions.

Due to the international set-up of the Group, cash flows are generated in numerous different currencies. The majority of foreign currency transactions of the Group are denominated in united states dollars, danish krones, chinese yuans, indian rupees, brazilian reals, sterling pounds and mexican pesos. According to SIEMENS GAMESA Group's general Foreign Exchange risk management framework, foreign currency risk has to be hedged within a band of at least 75% up to a maximum of 100%. The financial instruments used to hedge this risk are primarily foreign currency exchange forward contracts and foreign currency swaps (Note 10).

The following table shows the translation impact on profit and loss and equity as a result of changes in exchange rates as of September 30, 2020 and 2019 for the Group's most significant currencies, by simulating a 5% devaluation and appreciation of the euro against the respective currency:

Thousands of euros		Debit / (Credit) (*)			
		Devaluation 5% of euro		Appreciation 5% of euro	
Currency	Exchange rate at 09.30.2020	Impact on income before taxes	Impact on equity before taxes	Impact on income before taxes	Impact on equity before taxes
United States dollar	1.1708	1,020	(41,807)	(1,020)	41,807
Danish krone (**)	7.4462	3,556	(7,656)	(4,214)	9,072
Chinese yuan	7.9720	(1,016)	(32,495)	1,016	32,495
Indian rupee	86.2990	23,008	(80,753)	(23,008)	80,753
Brazilian real	6.6308	3,551	(4,369)	(3,551)	4,369
Sterling pound	0.9124	(4,719)	(3,807)	4,719	(3,807)
Mexican peso	26.1848	1,884	(8,486)	(1,884)	8,486

(*) Income and equity increase in negative and expenses and equity decrease in positive.
(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

Thousands of euros		Debit / (Credit) (*)			
		Devaluation 5% of euro		Appreciation 5% of euro	
Currency	Exchange rate at 09.30.2019	Impact on income before taxes	Impact on equity before taxes	Impact on income before taxes	Impact on equity before taxes
United States dollar	1.0889	(198)	(32,842)	198	32,842
Danish krone (**)	7.4662	(9,167)	(8,132)	8,553	7,587
Chinese yuan	7.7784	(662)	(33,514)	662	33,514
Indian rupee	77.1615	5,680	(76,322)	(5,680)	76,322
Brazilian real	4.5288	520	(6,531)	(520)	6,531
Sterling pound	0.8857	(5,427)	344	5,427	(344)
Mexican peso	21.4522	1,245	(11,062)	(1,245)	11,062

(*) Income and equity increase in negative and expenses and equity decrease in positive.
(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

b) Market price risk

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

COVID-19

On December 31, 2019, China alerted the World Health Organisation (hereinafter, "WHO") of the new Covid-19 disease. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 the WHO characterized the public health emergency situation caused by the outbreak as a pandemic.

As Covid-19 has spread globally, rapidly increasing the number of infections, many countries have required companies to limit or suspend business operations mainly during the second and third quarter of fiscal year 2020 and implemented restrictions regarding movement of people and quarantine measures. Those partly remain in force ever since and have extensively disrupted regular way of business with negative implications for international trade and production processes, global supply chain disruptions and demand shocks and a high uncertainty in the capital markets.

SIEMENS GAMESA Group is taking measures as to ensure business continuity selling, manufacturing, installing and servicing wind turbine generators for its customers worldwide. From the very beginning of this crisis (Covid-19), SIEMENS GAMESA Group activated the global crisis management and has established a task force dedicated to continuously monitor the impact and mitigation measures.

This task force has adopted processes to address the group's utmost priority of keeping its employees and their families safe and healthy, implementing a series of actions aimed at balancing the demands of health and safety with those of business activity. Such actions were developed in three workstreams: "Business Continuity", "People" (Health and Safety) and "Communication".

Actions in the area of "Business Continuity" are aiming at fully understanding the pandemic implications on SIEMENS GAMESA Group's value chain and developing and implementing appropriate responses to minimize impact on business. Such responses included expediting critical supplies and transportation, enforcing eligible contract terms towards customers and vendors, continuous optimization of production plans and active participation in developing local safety protocols to ensure safe production. Further the monitoring of the financial implications of the Covid-19 pandemic was developed and implemented as well.

The "Business Continuity" workstream was closely interacting with the "People" workstream. That workstream focused on the development and implementation of enhanced strict safety protocols for all work stations in offices, plants and wind farm sites, defined testing and quarantine strategies and related traceability systems for employees, suppliers and customers where work in presence was unavoidable. SIEMENS GAMESA Group extended its virtual collaboration capacity tremendously in terms of number of users and introducing state of the art workplace software in order to gain the capability to close down entire office locations and switch to its smart working environment. Following the pandemic developments data driven decisions are made for closing SIEMENS GAMESA Group locations for in presence work. For each location a multi-phase re-opening strategy is defined with reference to the development of pandemic key indicators for employees to return on a must-have basis.

All actions are accompanied by a broad communication plan developed and implemented in the "Communication" workstream. It entails a daily update on SIEMENS GAMESA Group's rating of the pandemic development, safety protocols, testing strategies and a real-time voluntary monitoring tool. All communication is utilizing effective means of communication utilizing digital channels mostly.

Despite all efforts, SIEMENS GAMESA Group faced various adverse effects in its business, financial position, results of operations and cash flows. The main impact of the pandemic during the second quarter to the fourth quarter of 2020 was due to:

- Delays in executing projects in the Wind Turbines segment, which pushed part of the activity to fiscal year 2021 because of suspended tasks on project sites, disruptions to the supply chain, employees absence due to sickness and/or governmental restrictions and the resulting temporary closure and/or reduced capacities of plants in Brazil, China, India, Spain, United Kingdom (hereinafter, "UK") and the United States;

- delays in executing projects in the Operation and Maintenance segment mainly due to restrictive safety protocols and as part thereof quarantine regimes which delayed the resource allocation at wind farm sites and therefore causing additional costs and adversely impacting incentive schemes driven by high availability of wind turbines;

- the resulting costs of under-utilization of SIEMENS GAMESA Group's plants and equipment;

- the resulting higher costs due to prolongation and acceleration actions in project execution and higher shipping costs due to accelerating deliveries of disrupted supply chains;

- the resulting liquidated damages for not fulfilling contractual commitments; and

- the increase in the price of some raw materials, such as balsa wood, because of the supply disruptions.

The disruptions in SIEMENS GAMESA Group's supply chain, manufacturing operations, project execution and commercial activity have largely impacted the onshore activities within the Wind Turbines segment. The impact on the offshore activities within the Wind Turbines segment and in the Operation and Maintenance segment materialized to a lower extent. Therefore, since the second quarter of fiscal year 2020, SIEMENS GAMESA Group was affected by temporary factory closures of different duration at plants located in China, India, Spain and UK due to governmental regulation or material shortage. Project execution was consequently affected in all regions with different levels of impact due to the same reasons.

During August all manufacturing had returned to normal while Brazil and India were the latest countries getting back to full capacity due to significant portions of the workforce of SIEMENS GAMESA Group being unable to work effectively, mainly due to illness, quarantines or government actions.

As a consequence, derived from the conditions described above the impact in the Consolidated Financial Statements of SIEMENS GAMESA Group directly attributable to Covid-19 has been the reduction in revenue recognition, due to less than planned production volume and project installation progress, as well as additional project costs and liquidated damages due to failure to meet contractual commitments, with a total negative impact in Earnings before interest and taxes ("EBIT")[1] in an estimated amount of EUR 181 million.

SIEMENS GAMESA Group expects that the ultimate significance of the impact of the Covid-19 pandemic will be dictated by the extent such disruptions will recur in fiscal year 2021. At the moment of preparation of these Consolidated Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. In this regard, due to the rapid spread of the virus in September and October, on October 25, 2020, the Spanish Government approved a second state of alarm by Royal Decree 926/2020 to contain the spread of infections caused by Covid-19, mainly through restrictions on the movement of people and quarantine procedures. Other countries in which SIEMENS GAMESA Group operates (such as UK, France and Germany, among others) adopted similar measures to contain the virus. There is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020, and the reach of the risk posed by Covid-19 is not clear. Therefore, further business disruptions (as well in the fiscal year 2021) due to Covid-19 protection measures cannot be excluded. If the Covid-19 pandemic is worsening again,

[1] Earnings before interest and taxes (hereinafter, "EBIT"): operating profit as per the Consolidated Income Statement. It is calculated as "Income (loss) from continuing operations before income taxes", before "income (loss) from investments accounted for using the equity method", interest income and expenses and "other financial income (expenses), net".

macroeconomic conditions may be further adversely affected, potentially resulting in an economic downturn in the countries in which the Group operates and in the global economy more widely, which could adversely impact the business, results of operations and financial condition of the Group also in fiscal year 2021 (Note 13).

BREXIT

The exit of the UK from the European Union triggers an extended period of uncertainty, which adversely impacts future investments in the UK's energy market and also increases the uncertainty in the business development of SIEMENS GAMESA Group in the UK.

On March 29, 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (hereinafter, "the EU"). There was an initial 2 years timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship. On March 29, 2019 the UK Parliament voted for a third time against the Prime Minister´s Brexit deal, which, if approved, would have opened the way to the UK leaving the EU on a revised date of May 22, 2019. On April 10, 2019, the UK Government and the EU agreed an extension for the Brexit until October 31, 2019. On October 17, 2019, UK and the European Commission approved an orderly Brexit which was not supported by the Parliament. On October 28, 2019 the EU agreed a new extension for the Brexit until January 31, 2020. The Prime Minister, Boris Johnson, won the elections in the UK on December 12, 2019 and finally got the support from the UK Parliament to leave the EU on December 20, 2019. In January, 2020, the UK left the EU after reaching an agreement with the EU to do so. A grace period has begun, ending on December 31, 2020. During this period, nothing regarding movement of people and goods or duties changes, being a period without any restrictions until a final agreement is reached between EU and UK.

At the time of the preparation of these Consolidated Financial Statements, there is still significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, the period during which the existing EU laws for member states will continue to apply to the UK is also uncertain, as well as which laws will apply to the UK after the exit. The consequences derived from it, for any resulting scenario, are still uncertain, affecting, among other factors, the value of the pound against the euro, the access to the European single market, the circulation of people and goods, services and capital, or the valuation of the investments made in the UK.

Nowadays, the main Group operations related to the UK market are the following:

- Currently there is no significant pipeline of UK onshore projects due to government restrictions to the support to new onshore developments. Several projects are still in the sales phase where Brexit risks can be covered in the contract negotiations. Projects in the Republic of Ireland continue but, as Ireland remains in the EU, no impacts are expected.

- Much of the Group´s current activity in the UK consists in the supply and installation of offshore projects.

- SIEMENS GAMESA Group has made a major investment in manufacturing in the UK with the establishment of a primary production of offshore wind turbine blades on a site that is closely located to the Group's port facility. Now, the Group manufactures the current generation of blades for its offshore projects, which will be used on both UK and European projects, and thus commencing with exports from the factory. The factory currently employs over 800 people.

- SIEMENS GAMESA Group also provides warranty services to new projects and long-term service of wind farm fleets for customers. With a major base in Newcastle upon Tyne, Service also operates a widely distributed workforce with satellite locations at offshore wind farms and onshore wind hubs across the UK.

The specific risks that arise from the negotiations between the UK and the EU and which affect the Group´s activities are presented below:

- It is expected that the custom duties and tariffs will be applied to imported equipment that is currently tariff free. However, it is expected that the UK government would set temporary MFN ("Most favoured nation") rates and therefore, presumably, no tariff costs would arise in a post-Brexit situation, at least during the first year following the date of exit.

- The Group imports a significant part of the raw materials for the production of blades from the EU (Denmark and Germany). The Group is currently analysing the supply chain flows and the measures to be implemented aimed at reducing lead-times and mitigating other potential risks from Brexit.

- The status of EU employees working for SIEMENS GAMESA Group in the UK as residents and also the possibility that UK workers can travel and work freely in other EU countries is being analysed. However, the exposure to these risks is considered low.

- It is expected that the cost of blades exported to other EU countries increase due to additional duties in the EU.

The Group has evaluated the possible scenarios derived from the Brexit concluding that it will be able to cover these uncertainties through several risk mitigation measures, in particular:

- Creation of an inventory of spare parts and purchase diverse materials in advance.

- Logistical changes, mainly in the ports of entry of merchandise.

- Review of the "legal clause" in old contracts, as well as the introduction of a new "BREXIT" clause in possible new contracts.

Based on risk assessment and its mitigation, no significant risk on the recoverability of assets resulting from past investments in the UK is identified. In any case, no material impact on the Group´s total assets is expected as the Group´s UK investments represent less than 2.7% of the total Group´s consolidated assets as of September 30, 2020 (less than 0.8% as of September 30, 2019; the change compared to September 30, 2019 is due to the first-time adoption of IFRS 16 during fiscal year 2020). A close analysis and follow-up of the situations that could suppose a significant risk and of the measures to be taken in this regard are performed on a regular basis through an established task force that continuously monitors the exit process.

TRADE WAR BETWEEN THE UNITED STATES, CHINA AND THE EUROPEAN UNION

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

At the time of preparation of these Consolidated Financial Statements, there is still significant uncertainty about the potential trade war between the United States, China and the EU. Although a phase 1 of an agreement between the United States and China has been reached on January 15, 2020, there is significant uncertainty as to what tariffs will be applied in the different countries to different products. The United States administration introduced tariffs on various categories of goods and materials, including steel, and threatened to introduce further tariffs. In response, the EU, China and other jurisdictions introduced tariffs on certain goods and materials of the United States. Such tariffs increase the cost of certain key raw materials used in the Group's business, mainly in its manufacturing and construction processes. At the date of preparation of these Consolidated Financial Statements no significant impacts, additional to those already included in the Consolidated Financial Statements for the year ended September 30, 2019, are expected. The Group has assessed the possible scenarios from the trade war, concluding that it will be able to reduce these risks by taking several risk mitigation measures including changes in its supply chain, transfer of costs to its clients, as well as request for exemptions to certain tariffs. A

close analysis and follow-up is performed on a regular basis through the export control and customs and the purchasing departments.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SIEMENS GAMESA Group uses external sources to finance parts of its operations. Loans at variable rates expose the Group to interest rate risks, while loans at fixed rates expose the Group to fair value interest rate risk. The variable rates are mainly linked to the LIBOR or the EURIBOR. SIEMENS GAMESA Group continuously analyses the split of external financing at variable and fixed rates to optimise the interest rate exposure.

The Group has occasionally used derivative financial instruments to mitigate the interest rate risk. These interest rate hedges are assigned specifically to debt instruments and are matching their maturity as well as their nominal amount (Note 10).

As of September 30, 2020 and 2019, the split of the borrowings into fixed and variable rate is as follows:

	09.30.2020		09.30.2019	
Thousands of euros	Excluding hedges (Note 18)	Including hedges	Excluding hedges (Note 18)	Including hedges
Fixed Rate	240,000	731,791	-	-
Variable Rate	819,571	327,780	864,435	864,435
Total	**1,059,571**	**1,059,571**	**864,435**	**864,435**

Based on instruments bearing interests at fixed and variable rates and financial instruments hedging interest rate risk which SIEMENS GAMESA Group holds, a hypothetical change in the interest rates applicable to the respective instruments would have had the following effects:

	Debit / (Credit) (*)			
	Variation in interest -0.25%		Variation in interest +0.25%	
Thousands of euros	Impact on income before taxes	Impact on equity	Impact on income before taxes	Impact on equity
09.30.2020	(1,152)	-	1,152	-
09.30.2019	(3,838)	-	3,838	-

(*) Income and equity increase in negative and expenses and equity decrease in positive.

B. LIQUIDITY RISK

Liquidity risk is the risk that SIEMENS GAMESA Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. The Group mitigates the liquidity risk by the implementation of an effective working capital and cash management as well as with arranged credit facilities with highly rated financial institutions. In its liquidity estimate, SIEMENS GAMESA Group takes into account future lease payments in a way that ensures the liquidity needed to meet those payments. As of September 30, 2020, SIEMENS GAMESA Group has unused credit facilities amounting to EUR 3,140 million, which represents 75% of total credit facilities limit (EUR 2,791 million as of September 30, 2019, 77% of total credit facilities limit).

Furthermore, the Group attempts to maintain a financial debt structure that is in line with the maturity of the assets to be financed. Therefore, non-current assets are financed with long-term debt or equity, whereas working capital is mainly financed with short-term borrowings.

C. CREDIT RISK

The credit risk is the risk that exists when a counterparty or customer does not meet its contractual payment obligations, and this leads to a loss for SIEMENS GAMESA Group.

The Group deals generally with customers that have an appropriate credit history and rating. The customers usually are companies within the energy sector where the steady cash-inflows from the sale of electricity leads to an above average credit rating. Nevertheless, in cases of customers with a below average rating or credit history, SIEMENS GAMESA Group uses a variety of mitigation measures, such as irrevocable letters of credit or export insurances to cover the increased credit risk. Furthermore, the costumer contract is individually analysed, and specific conditions according to the credit risk exposure are included to safeguard the Group from an insolvency of the counterparty.

The analysis of the overdue trade receivables, which cover the majority of the financial assets and which have not been impaired individually, notwithstanding that the value adjustments derived from the application of the expected credit losses model are already included, as of September 30, 2020 and 2019, is as follows:

Thousands of euros	**09.30.2020**	**09.30.2019**
Less than 90 days	149,410	165,730
90 - 180 days	81,923	64,829
More than 180 days	78,401	125,183
Total trade and other receivables – overdue	**309,734**	**355,742**

The credit risk exposure of cash and other cash equivalents can be anticipated with the credit rating of the corresponding financial institutions. The overview below discloses the cash and cash equivalents as of September 30, 2020 and 2019, by financial institutions with the following ratings (Note 7):

Thousands of euros	**09.30.2020**	**09.30.2019**
AA-	1,326	12,974
A+	509,933	518,211
A	235,038	181,713
A-	136,347	216,543
BBB+	560,638	696,746
BBB	51,530	17,229
BBB-	32,409	11,856
BB+ or lower	94,572	72,185
Total	**1,621,793**	**1,727,457**

6. Earnings allocation

At the date of preparation of these Consolidated Financial Statements, SIEMENS GAMESA Group's Board of Directors, estimates that it will propose to the General Shareholders' Meeting for its approval, the following allocation of results for the year ended September 30, 2020 as shown below, determined according to Spanish accounting regulations applicable to the Statutory Financial Statements of the Company:

Thousands of euros	**09.30.2020**
Basis of distribution	
Result for the year	(1,167,449)
Total	**(1,167,449)**
Distribution	
Prior period´s losses	(1,167,449)
Total	**(1,167,449)**

7. Cash and other cash equivalents

The breakdown of “Cash and cash equivalents” as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Cash in euros	657,394	887,234
Cash in foreign currency (Note 3.C)	867,123	726,320
Liquid assets (Note 3.C)	97,276	113,903
Total	**1,621,793**	**1,727,457**

The heading “Cash and cash equivalents” includes mainly the Group's cash and short-term bank deposits with an initial maturity of three months or less. “Cash and cash equivalents” accrue interests at market interest rates. There are no restrictions on the use of these balances.

The liquid assets maturing in less than three months are denominated in foreign currency (Note 3.C).

8. Trade and other receivables

The detail of “Trade and other receivables” in the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Trade and other receivables from third parties	1,169,698	1,317,034
Trade and other receivables from related parties (Note 30)	50,193	27,070
Impairment of trade and other receivables	(79,036)	(57,323)
Total	**1,140,855**	**1,286,781**

All the aforementioned balances mature in less than twelve months and are non-interest-bearing.

The carrying amount of the “Trade and other receivables” denominated in foreign currency as of September 30, 2020 and 2019 is as follows (Note 3.C):

	Equivalent value in thousands of euros	
Currency	**09.30.2020**	**09.30.2019**
Canadian dollar	3,507	3,326
United States dollar	209,436	174,269
Sterling pound	14,371	21,334
Chinese yuan	84,755	83,180
Danish krone	5,057	71,911
Swedish krona	46,486	1,116
Brazilian real	59,978	7,566
Australian dollar	11,063	6,876
Egyptian pound	14,762	14,856
Indian rupee	63,256	176,318
Taiwan dollar	32,318	12,342
Norwegian krone	73,345	4,872
Other currencies	41,822	32,538
Total	**660,156**	**610,504**

Movements in the provision for the impairment of trade and other receivables have been as follows:

Thousands of euros	
Balance at 10.01.2019	**57,323**
Business combinations	7,438
Reversal of unused amounts	(9,910)
Creation of provisions	45,591
Provisions applied to intended purpose	(19,608)
Currency translation differences	(1,798)
Balance at 09.30.2020	**79,036**

Thousands of euros	
Balance at 09.30.2018	**54,333**
Transition to IFRS 9	3,270
Balance at 10.01.2018	**57,603**
Reversal of unused amounts	(12,046)
Creation of provisions	20,089
Provisions applied to intended purpose	(8,965)
Currency translation differences	642
Balance at 09.30.2019	**57,323**

Generally, these charges and releases resulting from the valuation of trade receivables are recorded under the heading of "Selling expenses and general administration expenses" in the Consolidated Statement of Profit and Loss, since they are considered marketing expenses as they are linked to the sales of products or services. In cases where these impacts come from administrative functions within the area of responsibility for operations or plants, these expenses could be assigned to the heading “Cost of sales” in the Consolidated Statement of Profit and Loss, if applicable.

The movements in the provision mainly relate to value adjustments made by the Group companies, on their trade receivables. These are made based on the criteria established by the Group during the year, and their amount, when taken individually, is not material for disclosure purposes. The movements in the provision for the impairment of trade and other receivables during 2020 correspond to value adjustments made mainly in India.

9. Financial instruments by category

A. COMPOSITION AND BREAKDOWN OF OTHER FINANCIAL ASSETS

The breakdown of the “Other financial assets” of SIEMENS GAMESA Group as of September 30, 2020 and 2019, presented by nature and category for measurement purposes, is the following:

Thousands of euros	09.30.2020		
Other financial assets: Nature / Category	Credits, receivables and other	Derivatives	Total
At fair value through Profit or Loss	-	-	-
At fair value through Other Comprehensive Income	-	-	-
At amortised cost	117,492	-	117,492
Hedge derivatives (Note 10)	-	33,595	33,595
Other derivatives (Note 10)	-	60,990	60,990
Short-term / current	**117,492**	**94,585**	**212,077**
At fair value through Profit or Loss (Note 17)	28,020	-	28,020
At fair value through Other Comprehensive Income	-	-	-
At amortised cost (Note 17)	88,883	-	88,883
Hedge derivatives (Notes 10 and 17)	-	17,535	17,535
Other derivatives (Notes 10 and 17)	-	100,135	100,135
Long-Term / non-current	**116,903**	**117,670**	**234,573**
Total	**234,395**	**212,255**	**446,650**

Thousands of euros	09.30.2019		
Other financial assets: Nature / Category	Credits, receivables and other	Derivatives	Total
At fair value through Profit or Loss	-	-	-
At fair value through Other Comprehensive Income	-	-	-
At amortised cost	135,800	-	135,800
Hedge derivatives (Note 10)	-	33,362	33,362
Other derivatives (Note 10)	-	105,574	105,574
Short-term / current	**135,800**	**138,936**	**274,736**
At fair value through Profit or Loss (Note 17)	28,043	-	28,043
At fair value through Other Comprehensive Income	-	-	-
At amortised cost (Note 17)	39,186	-	39,186
Hedge derivatives (Notes 10 and 17)	-	5,298	5,298
Other derivatives (Notes 10 and 17)	-	70,935	70,935
Long-Term / non-current	**67,229**	**76,233**	**143,462**
Total	**203,029**	**215,169**	**418,198**

Other financial assets at amortised cost

On March 17, 2020, SIEMENS GAMESA Group has reached an agreement with Areva Energies Renouvelables SAS and Areva S.A., (hereinafter, “Areva”) with the purpose of settling all the disputes, duties and liabilities as well as any past, present and future claims of the Parties.

The Settlement Agreement establishes that, as consideration for the account receivable that the Group company Adwen Offshore, S.L.U. has at the date of the agreement, it is no longer obliged to repay any principal, interest or other amounts related to the outstanding Shareholder Loan with Areva and that such Shareholder Loan is hereby terminated. Furthermore, Areva agrees to pay to Adwen Offshore, S.L.U. an amount of EUR 72.4 million, payable in two equal instalments on or before January 31, 2021 and on or before December 31, 2021, respectively. As of September 30, 2020, corresponding to this settlement agreement, the amount of EUR 33.2 million is booked under “Other current financial assets” of the Consolidated Balance Sheet, and the amount of EUR 27.9 million is booked under “Other non-current financial assets”. Such amounts are booked net of the corresponding discount effect and of the application of the credit risk and expected loss model in accordance with IFRS 9.

As a result, SIEMENS GAMESA has recognized an income of EUR 61.1 million in the heading “Cost of sales” of the Consolidated Statement of Profit and Loss for the year ended September 30, 2020.

B. COMPOSITION AND BREAKDOWN OF FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES

The breakdown of the "Financial debt" and "Other financial liabilities" of the Group as of September 30, 2020 and 2019, presented by nature and category for measurement purposes, is the following:

Thousands of euros	**09.30.2020**		
Financial debt and Other financial liabilities: Nature / Category	**Payable financial liabilities**	**Derivatives**	**Total**
Debt with financial institutions and other obligations (*) (Note 18.A)	319,050	-	319,050
Lease liabilities (*) (Note 18.B)	115,263	-	115,263
Hedge derivatives (Note 10)	-	22,758	22,758
Other derivatives (Note 10)	-	68,408	68,408
Other financial liabilities	35,500	-	35,500
Short-term / current	**469,813**	**91,166**	**560,979**
Debt with financial institutions and other obligations (*) (Note 18.A)	740,521	-	740,521
Lease liabilities (*) (Note 18.B)	495,574	-	495,574
Hedge derivatives (Note 10)	-	35,495	35,495
Other derivatives (Note 10)	-	79,025	79,025
Other financial liabilities	11,804	-	11,804
Long-Term / non-current	**1,247,899**	**114,520**	**1,362,419**
Total	**1,717,712**	**205,686**	**1,923,398**

(*) Included within "Financial debt" in the Consolidated Balance Sheet.

Thousands of euros	**09.30.2019**		
Financial debt and Other financial liabilities: Nature / Category	**Payable financial liabilities**	**Derivatives**	**Total**
Financial debt (Note 18.A)	352,209	-	352,209
Hedge derivatives (Note 10)	-	37,871	37,871
Other derivatives (Note 10)	-	75,260	75,260
Other financial liabilities	17,265	-	17,265
Short-term / current	**369,474**	**113,131**	**482,605**
Financial debt (Note 18.A)	512,226	-	512,226
Hedge derivatives (Note 10)	-	23,434	23,434
Other derivatives (Note 10)	-	66,955	66,955
Other financial liabilities	79,446	-	79,446
Long-Term / non-current	**591,672**	**90,389**	**682,061**
Total	**961,146**	**203,520**	**1,164,666**

10. Derivative financial instruments

SIEMENS GAMESA Group uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed, mainly foreign currency and interest rate risk.

The detail of the balances that represent the valuation of derivatives in the Consolidated Balance Sheets as of September 30, 2020 and 2019 is as follows:

	09.30.2020			
	Current		Non-current	
Thousands of euros	Assets (Note 9)	Liabilities (Note 9)	Assets (Notes 9 and 17)	Liabilities (Note 9)
Interest rate hedges				
Cash-flow hedges	-	190	-	240
Electricity prices hedges				
Cash-flow hedges	6	-	-	188
Foreign currency hedges				
Cash-flow hedges	33,589	22,568	17,535	35,067
Other derivatives				
Foreign currency derivatives	38,504	42,610	26,238	40,438
Embedded derivatives	22,477	25,798	73,897	38,587
Other derivatives	9	-	-	-
Total	**94,585**	**91,166**	**117,670**	**114,520**

	09.30.2019			
	Current		Non-current	
Thousands of euros	Assets (Note 9)	Liabilities (Note 9)	Assets (Notes 9 and 17)	Liabilities (Note 9)
Interest rate hedges				
Cash-flow hedges	-	-	-	-
Electricity prices hedges				
Cash-flow hedges	-	56	-	865
Foreign currency hedges				
Cash-flow hedges	33,362	37,815	5,298	22,569
Other derivatives				
Foreign currency derivatives	94,873	63,210	7,043	31,353
Embedded derivatives	10,696	12,012	63,892	35,602
Other derivatives	5	38	-	-
Total	**138,936**	**113,131**	**76,233**	**90,389**

All derivative financial instruments of the Group are grouped in category 2 (Note 3.B). In such financial instruments, the effects of discounting have not been significant.

There have been no transfers between the categories of assets at fair value during the year ended September 30, 2020 and 2019.

In the year ended September 30, 2020, SIEMENS GAMESA Group has recognized EUR 108 thousand as expense due to interest rate swaps under “Interest expenses” (the Group has not recognized any expense in the year ended September 30, 2019). Likewise, in the year ended September 30, 2020 the Group has recognized an income under the heading “Revenue” of the Consolidated Statement of Profit and Loss amounting to EUR 2,412 thousand (12,408 as expense in the year ended September 30, 2019) and has recognized an expense under the heading “Cost of sales” of the Consolidated Statement of Profit and Loss amounting to EUR 2,368 thousand (an income amounting to EUR 4,668 in the year ended September 30, 2019) due to currency forwards. Finally, it has recognized an income of EUR 239 thousand (EUR 470 thousand as expense in the year ended September 30, 2019) under the heading “Cost of sales” of the Consolidated Statement of Profit and Loss, due to electricity price hedges. These amounts have been reclassified from “Total equity - Unrealised asset and liability revaluation reserve” (Note 23.C), under which they had been previously booked.

SIEMENS GAMESA Group uses foreign currency hedging derivatives to mitigate the possible volatility effect of exchange rate fluctuations on future cash flows from transactions and loans in currencies other than the functional currency of the respective companies. In addition, SIEMENS GAMESA Group designates hedges for the exchange rate risk deriving from certain intragroup monetary transactions carried out by companies with different functional currencies. As of September 30, 2020 and 2019 the total nominal value hedged by exchange rate hedges is as follows:

	Thousands of euros	
Currency	**09.30.2020**	**09.30.2019**
Danish krone	3,853,732	2,366,972
Chinese yuan	640,980	309,282
Taiwan dollar	475,208	274,501
Norwegian krone	430,157	367,721
United States dollar	373,838	23,926
Swedish krona	296,375	191,591
Sterling pound	286,170	220,455
Japanese yen	84,495	116,947
Brazilian real	77,914	42,359
Australian dollar	60,375	21,835
Polish zloty	54,445	10,803
Indian rupee	30,158	34,443
New Zealand dollar	20,870	45,314
Romanian leu	17,552	18,031
Turkish lira	17,089	1,969
Egyptian pound	16,670	18,355
Chilean peso	13,771	6,032
Moroccan dirham	8,000	1,637
Russian ruble	7,828	12,841
Mexican peso	2,333	24,220
South African rand	1,914	34,812
Canadian dollar	870	29,395
Other currencies	22,262	22,575
Total	**6,793,006**	**4,196,016**

In addition, SIEMENS GAMESA Group has interest rate hedges to reduce the effect of changes in interest rates on future cash flows of loans linked to variable interest rates. As of September 30, 2020, the nominal value of the liabilities covered by interest rate hedges amounts to EUR 500,000 thousand, not having contracted any interest rate derivatives as of September 30, 2019.

The main features of the interest rate hedges are as follows:

	Hedge estimated maturity (nominal value in thousand euros)	
09.30.2020	**Short-term**	**Long-term**
Interest rate hedges	-	500,000

	Estimated cash-flows in the period (thousand euros)	
09.30.2020	**Short-term**	**Long-term**
Interest rate hedges	(190)	(240)

	Hedge estimated maturity (nominal value in thousand euros)	
09.30.2019	**Short-term**	**Long-term**
Interest rate hedges	-	-

	Estimated cash-flows in the period (thousand euros)	
09.30.2019	**Short-term**	**Long-term**
Interest rate hedges	-	-

No significant ineffectiveness has been detected in the hedges designated by SIEMENS GAMESA Group as of September 30, 2020 and 2019 and this effect, if any, has been registered in the Consolidated Statement of Profit and Loss.

A. CREDIT RISK

The risk breakdown, by geographical area and counterparty, indicating the book value thereof at the relevant dates, is as follows:

	09.30.2020		09.30.2019	
	Thousands of euros	**%**	**Thousands of euros**	**%**
By geographical area				
Germany	4,254	2%	133,359	62%
Spain	12,041	6%	2,468	1%
Other European Union countries	82,668	39%	48,223	22%
Rest of the world	113,292	53%	31,119	15%
Total	**212,255**	**100%**	**215,169**	**100%**
By counterparty				
Financial institutions	115,884	55%	7,262	3%
Related parties	-	-%	133,320	62%
Other institutions	96,371	45%	74,587	35%
Total	**212,255**	**100%**	**215,169**	**100%**

The breakdown of the derivatives according to the credit ratings assigned by external credit rating agencies is as follows:

	09.30.2020		09.30.2019	
	Thousands of euros	**%**	**Thousands of euros**	**%**
Risks rated A+ or A-	83,787	39%	135,501	63%
Risks rated BBB+	22,471	11%	2,400	1%
Risks rated BBB	-	-%	586	-%
Risks rated BBB- or less	105,997	50%	76,682	36%
Total	**212,255**	**100%**	**215,169**	**100%**

B. MARKET RISK

The sensitivity of the market value of the hedging derivatives arranged by SIEMENS GAMESA Group to interest rate and exchange rate changes is as follows:

	Percentage change in exchange rate			
	2020		2019	
Thousands of euros	**+5%**	**-5%**	**+5%**	**-5%**
Change in the value of the hedge	(326)	326	(1,086)	1,086

	Percentage change in interest rate			
	2020		2019	
Thousands of euros	**+5%**	**-5%**	**+5%**	**-5%**
Change in the value of the hedge	-	-	-	-

C. MATURITY OF DERIVATIVE ASSETS AND LIABILITIES

The maturities of derivative assets are as follows:

	09.30.2020			
Thousands of euros	**< 1 year**	**1-2 years**	**2-3 years**	**> 3 years**
Electric prices hedges	6	-	-	-
Foreign currency hedges	33,589	10,877	3,205	3,453
Other derivatives	60,990	38,370	9,609	52,156
Total	**94,585**	**49,247**	**12,814**	**55,609**

	09.30.2019			
Thousands of euros	**< 1 year**	**1-2 years**	**2-3 years**	**> 3 years**
Electric prices hedges	-	-	-	-
Foreign currency hedges	33,362	2,023	417	2,858
Other derivatives	105,574	11,196	10,633	49,106
Total	**138,936**	**13,219**	**11,050**	**51,964**

The maturities of derivative liabilities are as follows:

	09.30.2020			
Thousands of euros	**< 1 year**	**1-2 years**	**2-3 years**	**> 3 years**
Interest rate swaps	190	120	120	-
Electric prices hedges	-	188	-	-
Foreign currency hedges	22,568	4,395	4,073	26,599
Other derivatives	68,408	32,560	10,519	35,946
Total	**91,166**	**37,263**	**14,712**	**62,545**

	09.30.2019			
Thousands of euros	**< 1 year**	**1-2 years**	**2-3 years**	**> 3 years**
Interest rate swaps	-	-	-	-
Electric prices hedges	56	209	656	-
Foreign currency hedges	37,815	4,325	926	17,318
Other derivatives	75,260	15,949	20,214	30,792
Total	**113,131**	**20,483**	**21,796**	**48,110**

11. Customer contracts

The breakdown of the balances of the Consolidated Balance Sheet related to contracts with customers as of September 30, 2020 and 2019, is the following:

Thousands of euros	**09.30.2020**	**09.30.2019**
Contract assets	1,537,953	2,056,255
Contract liabilities	3,147,830	2,839,670

Revenue recognition utilizing the Percentage of Completion method is based on costs incurred to date over total estimated costs. Nevertheless, the amounts invoiced to the customer are based on achieved milestones set out in the contract. Therefore, amounts recognized as revenue in a period do not have to match the amounts invoiced in the same period. In contracts where recognized revenue is greater than the volume invoiced, the difference is recognized in the “Contract assets” account, while in contracts where recognized revenue is less than the volume invoiced, the difference is recognized in the “Contract liabilities” account.

The reason why the net balance of contract assets and contract liabilities changes from EUR 783,415 thousand net contract liabilities to EUR 1,609,877 thousand net contract liabilities during 2020 is mainly due to significant initial milestone collections of contracts linked to order entry of the fourth quarter of 2020. As described in the management report of the Consolidated Financial Statements of fiscal year 2020, the group Order Intake in the fourth quarter of 2020 amounted to EUR 2,564 million driven by the strong commercial activity in all the Group

businesses. In general, the development of net contract assets/liabilities is significantly driven by the milestone achievements within each and every project.

As of September 30, 2020, and 2019, amounts expected to be settled after twelve months are EUR 5,107 thousand and EUR 1,275 thousand, respectively, for “Contract assets” and EUR 1,169,770 thousand and EUR 440,180 thousand, respectively, for “Contract liabilities”. The increase in long-term “Contract liabilities” is mainly due to the increase in offshore projects for which the initial collection milestone has already been received and whose execution is expected during the fiscal year 2022 and subsequent years and the effect of delays in the execution of projects as a result of Covid-19.

In fiscal year 2020 and 2019, “Revenue” includes EUR 2,105,834 thousand and EUR 844,447 thousand, respectively, which were included in contract liabilities at the beginning of the fiscal year. The deviation from the estimate at the end of the previous year is mainly due to the delays in projects mentioned above.

The amount of “Contract assets” recognized at the beginning of fiscal years 2020 and 2019, have been mostly invoiced during the respective years.

In fiscal year 2020 and 2019, EUR 12,064 thousand and EUR 17,441 thousand, respectively, are included in “Revenue”, relating to performance obligations satisfied in previous periods.

As of September 30, 2020, order backlog amounted to EUR 30,248 million (EUR 25,507 million as of September 30, 2019), of which EUR 15,110 million correspond to the Wind Turbines segment (EUR 13,606 million as of September 30, 2019) and EUR 15,138 million to the Operation and Maintenance segment (EUR 11,901 million as of September 30, 2019). The orders are determined mainly as the estimated revenue of accepted purchase orders for which enforceable rights and obligations exist, as well as subsequent order value changes and adjustments, excluding letters of intent. To determine orders, SIEMENS GAMESA Group considers termination rights and customer’s creditworthiness. During fiscal year 2020 order intake amounted to EUR 14,736 million (EUR 12,749 million during fiscal year 2019), EUR 10,584 million for the Wind Turbines segment (EUR 10,034 million during fiscal year 2019) and EUR 4,152 million for the Operation and Maintenance segment (EUR 2,715 million during fiscal year 2019). Out of the total order backlog as of September 30, 2020, the Group expects to recognize as revenue EUR 9,728 million in the fiscal year 2021 and EUR 20,520 million in the fiscal years 2022 and onwards.

12. Inventories

The breakdown of “Inventories” as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Raw materials and supplies	1,025,966	979,748
Work in progress	514,891	425,990
Finished goods	359,826	425,861
Advances to suppliers	230,686	188,087
Inventory write-downs	(311,232)	(155,767)
Total	**1,820,137**	**1,863,919**

A significant part of the Group's inventories are recorded under the heading “Raw materials and supplies”, and mainly comprise raw materials and consumables dedicated to the manufacture of wind turbines and the construction of wind farms in the Wind Turbine segment, as well as supplies and consumables necessary to carry out maintenance tasks in the Operation and Maintenance segment. Within finished products, there are fundamentally those components such as nacelles, blades, transformers, among others, necessary to meet the commitments that the group has for the supply of spare parts for existing operation and maintenance contracts in the order backlog, as well as to cover the needs for spare parts estimated in its warranty provisions. Additionally, components for sale in the aftermarket, after the end of the maintenance contracts, are also registered under this heading.

The Group's inventories are stored on the manufacturing sites, as well as in central distribution warehouses and in the different locations where the wind farms are located.

In relation to the movement of inventory write-downs during 2020 and 2019, the detail is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Changes Reversals Provisions applied	Currency translation differences	Others	Balance at 09.30.2020
Inventory write-downs	(155,767)	-	(178,557)	16,425	6,667	(311,232)
Total	**(155,767)**	**-**	**(178,557)**	**16,425**	**6,667**	**(311,232)**

Thousands of euros	Balance at 10.01.2018	Business combinations	Changes Reversals Provisions applied	Currency translation differences	Others	Balance at 09.30.2019
Inventory write-downs	(148,994)	-	(5,604)	(2,528)	1,359	(155,767)
Total	**(148,994)**	**-**	**(5,604)**	**(2,528)**	**1,359**	**(155,767)**

Provisions recorded as of September 30, 2020 and 2019 basically refer to the amount provisioned for the recoverable value of inventories, for technical, quantity and price risks.

During the year ended September 30, 2020, inventory allowances have been recorded directly related to the restructuring plan in India (Note 29.C) amounting to EUR 126 million, EUR 18 million for the termination of contracts in Argentina and EUR 12 million in Mexico due to regulatory changes in the country which have affected the development of projects in progress.

Cost of sales include inventories recognized as expense amounting to EUR 6,953 million and EUR 6,786 million in the years ended September 30, 2020 and 2019, respectively.

As of September 30, 2020 and 2019, there are no inventories pledged as security for liabilities.

13. Goodwill

The carrying amount of "Goodwill" is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Currency translation differences	Balance at 09.30.2020
Cost	4,776,381	73,966	(268,616)	4,581,731
Accumulated impairment losses	(32,228)	-	602	(31,626)
Total Goodwill	**4,744,153**	**73,966**	**(268,014)**	**4,550,105**

Thousands of euros	Balance at 10.01.2018	Business combinations	Currency translation differences	Balance at 09.30.2019
Cost	4,589,810	-	186,571	4,776,381
Accumulated impairment losses	(32,203)	-	(25)	(32,228)
Total Goodwill	**4,557,607**	**-**	**186,546**	**4,744,153**

As consequence of the business acquisitions described in Notes 1.B and 4, a preliminary “Goodwill” has been recorded in an amount of EUR 74 million.

The “Goodwill” impairment test is performed at the segment level, Wind Turbines and Operation and Maintenance. SIEMENS GAMESA Group considers that its CGUs correspond to its segments (Wind Turbines and Operation and Maintenance), since they are the smallest identifiable groups of assets that generate cash flows independently and that the Group monitors, fundamentally because it centrally manages its global manufacturing footprint and global supply chain, to serve global customer accounts, which operate transversally both in regions and in product types. Such segments are consistent with the segments identified in Note 25.

SIEMENS GAMESA Group, in accordance with IAS 36.69, has taken into account several factors for determining whether cash inflows and cash outflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets).

- In relation to the manufacturing sites in the Wind Turbine segment, the planning of the manufacturing activities is managed centrally to cover the global demand that the segment faces, and the manufacturing sites can and do provide components for the various commercial activities/product types carried out by the segment. Therefore, the components of the manufacturing footprint of SIEMENS GAMESA Group are highly interrelated.

- On the other hand, considering the different activities included as part of the Wind Turbine segment (manufacturing of turbines and development, construction and sale of wind farms), these activities that are in general part of the contracts with customers for the delivery of wind farms are all considered part of one performance obligation, due to the high interrelation of these activities in the context of the contract (Note 3.U). Additionally, the main customers are global customer accounts that operate across regions and product types, and which are also managed centrally.

- In relation to the various types and capacities of manufactured wind turbines, the various types of wind turbine models manufactured and installed by SIEMENS GAMESA Group can be classified into several categories, mainly onshore and offshore, and within these into different types, amongst others, by nominal power and wind class. Wind Turbine models are constantly evolving towards higher nominal power, increased rotor diameter and improved cost of energy. As this evolution takes place, the newer models are built upon and based on the previous models. To that regard, cash flows could not be allocated to a particular type of Wind Turbine (in fact, within the same wind farm several wind turbine models can coexist).

- Finally, with regard to the different geographical areas in which the Group operates, SIEMENS GAMESA group serves demand in a large number of countries, using its global manufacturing footprint together with the global supply chain and as mentioned before, the manufacturing footprint of the Group is managed centrally to serve global demand.

For the purpose of estimating the segments’ fair value less costs to sell, cash flows for the next five years have been projected based on past experience, actual operating results and Management’s best estimate about future developments, as well as market assumptions.

For the purpose of the Goodwill impairment test, SIEMENS GAMESA generally uses the discounted cash flow methodology for business valuations, using cash flow projections for the next five years and a normalized terminal value, and using the specific weighted average cost of capital (hereinafter, “WACC”) for the Goodwill-carrying unit (i.e. the reportable segments), which can be considered equivalent to the value in use of the net assets under analysis. For determining the fair value less costs to sell of such net assets, the hypothetical costs to sell such net assets are be deducted from its determined fair value (equivalent to value in use). In practice, the costs to sell often are estimated as a percentage of fair value. These costs reflect incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense (IAS 36.6). Examples of such costs are legal costs, stamp duty and similar transaction taxes, costs of removing the asset and direct incremental costs to bring an asset into condition for its sale. In order to calculate the Fair Value less cost of disposal SIEMENS GAMESA uses an estimate of a 2% (cost of disposal) that is deducted from the discounted cash flow value (equivalent to value in use). As a consequence of this calculation logic, fair value less cost to sell is always less than the value in use.

The fair value less costs to sell, calculated as indicated, is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Both assumptions are individually determined for each segment group. Discount rates are based on the WACC for the segments and are calculated based on a risk-free rate of interest and a market risk premium. In addition, the discount rates reflect the current market assessment of the specific risks of each segment by considering specific peer group information on factors, leverage and cost of debt. The parameters for calculating the discount rates are based on external sources of information. The peer group is subject to an annual review and adjusted, if necessary. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine the fair value less costs to sell for impairment test purposes for the segments to which a significant amount of goodwill is allocated:

	09.30.2020		
Thousands of euros	**Goodwill allocation**	**Terminal value growth rate**	**Weighted average cost of capital (WACC(*))**
Wind Turbines segment	1,771,511	1.40%	8.50%
Operation and Maintenance segment	2,778,594	1.40%	8.50%
Total	**4,550,105**		

	09.30.2019		
Thousands of euros	**Goodwill allocation**	**Terminal value growth rate**	**Weighted average cost of capital (WACC(*))**
Wind Turbines segment	1,875,464	1.40%	8.50%
Operation and Maintenance segment	2,868,689	1.40%	8.50%
Total	**4,744,153**		

(*) The pre-tax discount rate calculated so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals the value in use determined using post-tax cash flows and a post-tax discount rate is approximately 10.6% for the Wind Turbine segment and approximately 11.0% for the Operation and Maintenance segment in 2020 (approximately 11,0% for the Wind Turbine segment and approximately 11,4% for the Operation and Maintenance segment in 2019).

Additionally, for the Wind Turbines segment a sales volume close to EUR 9,000 million has been considered for 2021 (close to EUR 9,000 million for 2020 as of September 30, 2019) with a 1.5% negative profit margin pre-PPA[2] for 2021 (0.6% for 2020 as of September 30, 2019), and for subsequent years a gradual increase has been considered due to the evolution of the composition of the revenue line ("business mix"), the synergies and the capacity adjustment measures adopted. The projected revenue growth reflects a compound annual growth rate (hereinafter, "CAGR") of approximately 9.24% over the projection period (7.98% in 2019). The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 78.91% of the total recoverable value in 2020 (81.78% in 2019).

On the other hand, for the Operation and Maintenance segment a sales volume above EUR 2,000 million has been considered for 2021 (above EUR 1,500 million for 2020 as of September 30, 2019) with a 17.42% profit margin pre-PPA for 2021 (21.7% for 2020 as of September 30, 2019), and for subsequent years a gradual increase has been considered due to the synergies and the capacity adjustment measures adopted. The projected revenue growth reflects a CAGR of approximately 11.82% over the projection period (7.70% in year 2019). The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 86.91% of the total recoverable value in 2020 (72.16% in 2019).

The sensitivity analysis for the group of segments has been based on a reduction of the profit margin pre-PPA by 10% or an increase in after-tax discount rates by one percentage point or a reduction in the terminal value growth rate by one percentage point or a 10% reduction in terminal value margin. As indicated in Note 5.A on Covid-19, there is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020. However, at the moment of preparation of these Consolidated Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. SIEMENS GAMESA Group concluded that no impairment loss would need to be recognized on "Goodwill" in any of the two segments, even after considering an increase in after-tax discount rates by one percentage point additional to the

[2] Profit margin pre-PPA ("EBIT pre-PPA): EBIT excluding the impact on amortization of intangibles' fair value from the Purchase Price Allocation ("PPA").

aforementioned (that is, a total increase of up to two percentage points), in response to the uncertainty derived from the pandemic situation.

Therefore, the recoverable amounts estimated for the annual impairment test for 2020 for SIEMENS GAMESA Group's segments are higher than their carrying amounts.

14. Other intangible assets

The development in the heading "Other Intangible Assets" in the Consolidated Balance Sheet in the years 2020 and 2019 is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Additions	Disposals	Currency translation differences	Transfers	Balance at 09.30.2020
Cost							
Internally generated technology	407,672	-	182,086	(14,035)	627	366	576,716
Acquired technology including patents, licenses and similar rights	1,245,860	-	-	-	23	-	1,245,883
Customer relationships and order backlog	1,253,331	146,214	-	-	(104,445)	-	1,295,100
	2,906,863	**146,214**	**(182,086)**	**(14,035)**	**(103,795)**	**366**	**3,117,699**
Amortization and impairment							
Internally generated technology	(94,271)	-	(58,129)	13,936	(171)	-	(138,635)
Acquired technology including patents, licenses and similar rights	(517,042)	-	(167,785)	-	(35)	-	(684,862)
Customer relationships and order backlog	(379,820)	-	(177,439)	-	42,568	-	(514,691)
	(991,133)	-	**(403,353)**	**13,936**	**42,362**	**-**	**(1,338,188)**
Total other intangible assets	**1,915,730**	**146,214**	**(221,267)**	**(99)**	**(61,433)**	**366**	**1,779,511**

Thousands of euros	Balance at 10.01.2018	Business combinations	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2019
Cost							
Internally generated technology	249,350	-	159,059	(621)	(116)	-	407,672
Acquired technology including patents, licenses and similar rights	1,245,331	-	806	(245)	(32)	-	1,245,860
Customer relationships and order backlog	1,198,174	-	-	-	55,157	-	1,253,331
	2,692,855	**-**	**159,865**	**(866)**	**55,009**	-	**2,906,863**
Amortization and impairment		**-**					
Internally generated technology	(52,437)	-	(42,070)	181	55	-	(94,271)
Acquired technology including patents, licenses and similar rights	(345,584)	-	(171,721)	236	27	-	(517,042)
Customer relationships and order backlog	(272,411)	-	(94,645)	-	(12,764)	-	(379,820)
	(670,432)	**-**	**(308,436)**	**417**	**(12,682)**	**-**	**(991,133)**
Total other intangible assets	**2,022,423**	**-**	**(148,571)**	**(449)**	**42,327**	**-**	**1,915,730**

A. MOVEMENTS FOR THE YEAR

During the years 2020 and 2019, the main increase in the capitalised development costs is due to the development of new wind turbine models, software and the optimization of the components´ performance for an amount of EUR 182 million and EUR 159 million, respectively. These additions are mainly in Denmark amounting to EUR 107 million during 2020 (EUR 123 million during 2019) and in Spain amounting to EUR 72 million during 2020 (EUR 29 million during 2019).

Not capitalised research and development expenses for the years ended September 30, 2020 and 2019 amount to EUR 231 million and EUR 208 million, respectively.

The impairment losses (included under customer relationships and order backlog) for the year ended September 30, 2020 amount to EUR 82 million and are directly related to the restructuring plan in India (Note 29.C). The ones for the year ended September 30, 2019, amounted to EUR 14 million and are related to development costs for the evolution of platforms incurred in Denmark, on which there were doubts about its capacity to generate future cash flows.

B. ACQUIRED TECHNOLOGY, CUSTOMER RELATIONSHIPS AND ORDER BACKLOG

Merger of Siemens Wind Power Business with Gamesa (fiscal year 2017)

Acquired technology includes technologies identified in line with the SIEMENS GAMESA Merger valued on platform basis amounting to EUR 561 million as of September 30, 2020 (EUR 729 million as of September 30, 2019). The fair value at the Merger effective date of technology identified in line with the Merger amounted to EUR 1,147 million. The remaining useful life for these intangible assets, depending on the different platform types, is between 1.5 and 16.5 years (in average 5.01 years).

The fair value of customer relationships identified in line with the SIEMENS GAMESA Merger amounted at the Merger effective date to EUR 958 million. The remaining useful life depends on the business segment for which the customer relationship has been identified: 2.5 years on average for the Wind Turbine segment and 16.41 years on average for the Operation and Maintenance segment.

Furthermore, an order backlog amounting to EUR 385 million was identified at the Merger effective date. The remaining useful life depends on the individual contracts and is between 0.25 and 16.25 years (13.48 years in average) for the Operation and Maintenance segment (the ones that refer to the Wind Turbines segment are fully amortized as of September 30, 2020).

The carrying amount of customer relationships and order backlog as of September 30, 2020, excluding the amounts related to the acquisition of the Senvion European Onshore Services of Senvion, is EUR 644 million (EUR 874 million as of September 30, 2019).

Acquisition of Senvion European Onshore Services of Senvion (fiscal year 2020)

Additionally, as explained in Note 4, the line item “Other intangible assets” includes the fair value provisionally identified in the business combination of the Senvion European Onshore Services for the customer relationships and the order backlog for an amount of EUR 36 million and EUR 110 million, respectively. The average remaining useful life is of 15.5 years for the customer relationships and of 9.5 years for the order backlog, and all together have been allocated to the Operation and Maintenance segment.

The carrying amount of customer relationships and order backlog as of September 30, 2020 related to the acquisition of the Senvion European Onshore Services, is EUR 136 million once the amortization of the period has been deducted.

C. FULLY AMORTIZED ASSETS

The acquisition cost of fully amortized intangible assets that remained in use as of September 30, 2020 and 2019 amount to EUR 210 million and EUR 140 million, respectively. As of September 30, 2020 and 2019, most of these assets correspond to internally generated technology and acquired technology including patents, licenses and similar rights.

D. COMMITMENTS FOR THE ACQUISITION OF OTHER INTANGIBLE ASSETS

As of September 30, 2020 and 2019, SIEMENS GAMESA Group has no significant contractual commitments for the acquisition of other intangible assets.

15. Property, plant and equipment

The development in “Property, plant and equipment” in the Consolidated Balance Sheet in the years 2020 and 2019 is as follows:

Thousands of euros	Balance at 09.30.2019	Transition to IFRS 16 (Note 2.D)	Business combinations (Notes 1.B and 4)	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2020
Cost								
Land and buildings	909,708	-	57,744	20,410	(11,823)	(19,868)	11,954	968,125
Leased land and buildings under finance leases	-	523,777	13,276	96,763	(7,541)	(22,699)	-	603,576
Technical facilities and machinery	760,996	-	17,461	89,017	(37,219)	(43,868)	44,682	831,069
Leases technical equipment and machinery	-	144,572	-	27,055	-	(597)	-	171,030
Other property, plant and equipment	894,403	-	5,187	121,437	(43,268)	(13,330)	51,230	1,015,659
Leased other equipment, plant and office equipment	-	9,796	312	10,294	(213)	(636)	-	19,553
Equipment leased to third parties	-	1,058	-	7,075	(71)	8	-	8,070
Property, plant and equipment under construction	157,870	-	395	188,335	(2,271)	(1,870)	(108,232)	234,227
	2,722,977	**679,203**	**94,375**	**560,386**	**(102,406)**	**(102,860)**	**(366)**	**3,851,309**
Depreciation and impairment								
Land and buildings	(231,197)	-	-	(42,538)	2,005	5,607	-	(266,123)
Leased land and buildings under finance leases	-	-	-	(55,426)	378	1,574	-	(53,474)
Technical facilities and machinery	(393,847)	-	-	(150,193)	26,922	26,628	-	(490,490)
Leases technical equipment and machinery	-	-	-	(48,759)	5	77	-	(48,677)
Other property, plant and equipment	(669,080)	-	-	(134,224)	43,192	16,110	-	(744,002)
Leased other equipment, plant and office equipment	-	-	-	(6,798)	127	170	-	(6,501)
Equipment leased to third parties			-	(2,906)	14	5	-	(2,887)
Property, plant and equipment under construction	(2,952)	-	-	-	2,952	-	-	-
	(1,297,076)	-	**-**	**(440,844)**	**75,595**	**50,171**	**-**	**1,612,154**
Total Property, plant and equipment	**1,425,901**	**679,203**	**94,375**	**119,542**	**(26,811)**	**(52,689)**	**(366)**	**2,239,155**

Thousands of euros	Balance at 10.01.2018	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2019
Cost						
Land and buildings	893,670	14,528	(19,671)	15,496	5,685	909,708
Technical facilities and machinery	681,596	95,292	(68,858)	17,914	35,052	760,996
Other property, plant and equipment	821,356	99,806	(77,077)	7,935	42,383	894,403
Property, plant and equipment under construction	121,559	128,275	(11,573)	2,729	(83,120)	157,870
	2,518,181	**337,901**	**(177,179)**	**44,074**	**-**	**2,722,977**
Depreciation and impairment						
Land and buildings	(196,439)	(41,792)	10,495	(3,461)	-	(231,197)
Technical facilities and machinery	(297,782)	(133,384)	48,191	(8,926)	(1,946)	(393,847)
Other property, plant and equipment	(581,457)	(160,227)	74,887	(4,229)	1,946	(669,080)
Property, plant and equipment under construction	-	(2,952)	-	-	-	(2,952)
	(1,075,678)	**(338,355)**	**133,573**	**(16,616)**	**-**	**(1,297,076)**
Total Property, plant and equipment	**1,442,503**	**(454)**	**(43,606)**	**27,458**	**-**	**1,425,901**

A. MOVEMENTS FOR THE YEAR

The main additions for the year ended September 30, 2020 are mainly related to SIEMENS GAMESA Group´s leases (EUR 141 million) and improvement in different factories and prototypes in Denmark, as well as a new production plant in France and the normal capital expenditure in different countries. The acquisitions during the year 2019 were mainly related to improvements in different factories and prototypes in Denmark, capacity increase of equipment in Spain as well as the normal maintenance capital expenditure in India.

Additionally, “Property, plant and equipment” has increased by EUR 36 million and EUR 58 million as a result of the acquisition of the Senvion European Onshore Services and the wind turbine blade production business of Senvion, respectively, as it is described in Notes 1.B and 4.

The impairment losses of the year ended September 30, 2020 are related to the impairment of the machinery and production tooling in India (related to the restructuring plan in India, Note 29.C), production tooling in Morocco and United States as well as the closure of the Aoiz plant in Spain amounting in total to EUR 28 million (Note 29.E). The impairment losses and disposals of the year ended September 30, 2019 were related to the impairment of assets in Denmark and the impairment of production tooling in Spain, India and United States.

B. FULLY DEPRECIATED ASSETS

The acquisition cost of fully depreciated fixed assets that are still in use as of September 30, 2020 and 2019 amounts to EUR 775 million and EUR 632 million, respectively. As of September 30, 2020 and 2019, most of these assets correspond to machinery, tools and test equipment.

C. COMMITMENTS FOR THE ACQUISITION OF ASSETS

As of September 30, 2020 and 2019, SIEMENS GAMESA Group companies have “Property, plant and equipment” purchase commitments amounting to EUR 271 million (EUR 59 million as a consequence of the application of IFRS 16) and EUR 64.1 million, approximately, which are mainly related to production facilities for new developments of wind facilities and its components.

D. INSURANCE COVERAGE

SIEMENS GAMESA Group arranges insurance policies to adequately cover its property, plant and equipment. Also, SIEMENS GAMESA Group has entered into insurance policies to cover the wind turbines generators while they are being assembled.

16. Investments accounting for using the equity method

The breakdown of the investments in associates of SIEMENS GAMESA Group as of September 30, 2020 and 2019 is as follows:

		Thousands of euros
Company	**Shareholding %**	**09.30.2020**
Windar Renovables, S.L.	32%	66,311
Other	-	42
Total		**66,353**

		Thousands of euros
Company	**Shareholding %**	**09.30.2019**
Windar Renovables, S.L.	32%	65,223
Nuevas Estrategias de Mantenimiento, S.L.	50%	1,692
Other	-	3,961
Total		**70,876**

The changes recorded in the fiscal years 2020 and 2019 under this heading in the Consolidated Balance Sheet are as follows:

	Thousands of euros
Balance at 10.01.2019	**70,876**
Change in the method of consolidation (*)	(870)
Profit for the year	(2,509)
Other	(1,144)
Balance at 09.30.2020	**66,353**

(*) "Change in the method of consolidation" refers to the operation related to the joint venture Nuevas Estrategias de Mantenimiento, S.L. detailed below.

	Thousands of euros
Balance at 10.01.2018	**73,036**
Profit for the year	(1,479)
Other	(681)
Balance at 09.30.2019	**70,876**

A. FINANCIAL INFORMATION RELATED TO JOINT VENTURES

On April 27, 2020, the company Nuevas Estrategias de Mantenimiento, S.L., in which SIEMENS GAMESA Group had a 50% stake, has split off its branch of activity related to the energy activity, by means of a block transfer of assets and liabilities associated with said activity to the newly incorporated Siemens Gamesa Renewable Energy Digital Services, SL (Note 2.C). Effective May 1, 2020, SIEMENS GAMESA Group has acquired the remaining 50% of the company Siemens Gamesa Renewable Energy Digital Services, S.L. for a price of EUR 500 thousand and at the same time, has sold its 50% stake in Nuevas Estrategias de Mantenimiento, S.L., for a price of EUR 500 thousand. These transactions have not had a significant impact on the Group's Consolidated Income Statement for fiscal year 2020.

Summarised financial information as of April 30, 2020, that is, before the effective date of the operation previously described, and September 30, 2019 (at 100% and before intercompany eliminations) related to the most significant joint ventures booked using the equity method is as follows:

Nuevas Estrategias de Mantenimiento, S.L.	Thousands of euros	
	04.30.2020	09.30.2019
Total current assets	1,416	3,284
Total non-current assets	1,144	1,653
Total assets	**2,560**	**4,937**
Total current liabilities	166	893
Total non-current liabilities	654	660
Total equity	1,740	3,384
Total liabilities and equity	**2,560**	**4,937**

During the years ended September 30, 2020 and 2019 no dividends have been received from this company.

B. FINANCIAL INFORMATION RELATED TO ASSOCIATED COMPANIES

Summarised financial information as of September 30, 2020 and 2019 (at 100% and before the intercompany eliminations) related to the most significant associated companies booked using the equity method is as follows:

Windar Renovables, S.L. and subsidiaries	Thousands of euros	
	09.30.2020	09.30.2019
Total current assets	182,873	158,262
Total non-current assets	64,890	69,719
Total assets	**247,763**	**227,981**
Total current liabilities	110,837	118,437
Total non-current liabilities	29,200	12,206
Total equity	107,726	97,338
Parent company´s total equity	*95,041*	*91,640*
Non-controlling interests´ total equity	*12,685*	*5,698*
Total equity and liabilities	**247,763**	**227,981**

Windar Renovables, S.L. and subsidiaries	Thousands of euros	
	09.30.2020	09.30.2019
Profit and Loss information		
Income from ordinary activities	293,744	149,920
Net profit from continued operations	16,742	1,040
Net profit attributable to the parent company	*8,401*	*337*
Net profit attributable to non-controlling interests	*8,341*	*703*

During the years ended September 30, 2020 and 2019 no dividends have been received from this company.

The book value of the investment in Windar Renovables, S.L. as of September 30, 2020 and 2019 amounts EUR 66 million and EUR 65 million, respectively, and it includes the capital gain which arose at the moment of the acquisition of the investment in the associate (approximately EUR 35 million, representing the difference between the price paid and the share of the entity's book value at the date of the acquisition as of April 3, 2017).

17. Other non-current financial assets

The breakdown of other non-current financial assets of the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Derivatives (Note 9)	117,670	76,233
Financial assets measured at fair value through Profit and Loss (Note 9)	28,020	28,043
Other concepts in non-current financial assets (Note 9)	88,883	39,186
Total other non-current financial assets	**234,573**	**143,462**

A. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The detail of the most representative financial assets measured at fair value through Profit and Loss as of September 30, 2020 and 2019 is as follows:

	09.30.2020		09.30.2019	
Company	Thousands of euros	% of shareholding	Thousands of euros	% of shareholding
Wendeng Zhangjiachan Wind Power Co., Ltd.	10,229	40%	8,494	40%
Jianping Shiyingzi Wind Power Co., Ltd.	2,987	25%	4,438	25%
Beipiao CGN Changgao Wind Power Co., Ltd.	6,673	25%	6,024	25%
Beipiao Yangshugou Wind Power Co., Ltd	3,632	25%	2,349	25%
Datang (Jianping) New Energy Co., Ltd.	3,941	25%	2,779	25%
Jinan Wohushan Wind Power Co., Ltd.	-	25%	1,164	25%
Other	558	Several	2,795	Several
Total	**28,020**		**28,043**	

As of September 30, 2020 and 2019, SIEMENS GAMESA Group holds investments in various Chinese companies (wind farms) with ownership interests generally ranging from 25% to 40%. Despite holding ownership interests above 20%, SIEMENS GAMESA Group's management considers that there is no significant influence in these companies since there is no power to participate in the decision-making process regarding the financial and operating policies of these companies. In general, SIEMENS GAMESA Group takes part in the capital of these companies with the sole objective of promoting relevant licences for the development of the plants and the construction and sale of wind turbines for those windfarms.

During the year ended September 30, 2020 there has been a dividend income of EUR 780 thousand. During the year ended September 30, 2019 there was a dividend income of EUR 5,384 thousand, as well as the sale of one of the companies, which yielded a positive result EUR 285 thousand.

As of September 30, 2020 and 2019, the financial instruments under this heading are classified in Category 3, and correspond to equity instruments that have been valued using valuation techniques in which one or another significant input is not based on observable market data. The unobservable market inputs used in estimating the fair value of these instruments include financial information, projections or internal reports, combined with other assumptions or available market data which, in general, for each type of risk, are obtained from organized markets, sector reports or data providers, among others. At valuation date, the discount rate interval, understood as the weighted average cost of capital allocated to the business, was 6-7%.

The movement in the balances of the Financial assets measured at fair value through Profit and Loss classified in Category 3 is as follows:

Thousands of euros	
Balance at 10.01.2019	**28,043**
Currency translation differences	14
Changes in fair value allocated to Profit and Loss	(221)
Additions	3,010
Others	(2,826)
Balance at 09.30.2020	**28,020**

Thousands of euros	
Balance at 10.01.2018	**28,158**
Changes in fair value allocated to Profit and Loss	2,799
Additions	2,286
Disposals	(5,200)
Balance at 09.30.2019	**28,043**

Sensitivity analysis

Sensitivity analysis is performed on assets included in Category 3, i.e. with significant inputs that are not based on observable market variables in order to obtain a reasonable range of possible alternative valuations. Based on asset types, methodology and availability of inputs, the Group reviews bi-annually the evolution of the main assumptions and their possible impact on valuation and performs a complete update of these valuations annually.

As of September 30, 2020 and 2019, the effect on the results of modifying the main assumptions used (discount rate) in the valuation of Category 3 financial instruments by other reasonably possible hypothesis would be as follows:

		Potential impact on Profit and Loss	
Thousands of euros	**Fair value at 09.30.2020**	**Favorable scenario**	**Non- favorable scenario**
Financial assets measured at fair value through Profit and Loss	28,020	1,053	(1,490)
Total	**28,020**	**1,053**	**(1,490)**

		Potential impact on Profit and Loss	
Thousands of euros	**Fair value at 09.30.2019**	**Favorable scenario**	**Non-favorable scenario**
Financial assets measured at fair value through Profit and Loss	28,043	561	(237)
Total	**28,043**	**561**	**(237)**

B. OTHER CONCEPTS IN NON-CURRENT FINANCIAL ASSETS

The amount included in other concepts in non-current financial assets as of September 30, 2020 is mainly related to a deposit in amount of EUR 50 million used as guarantee for the transfer to a third party of the derivatives portfolio held with SIEMENS Group, whose maturity is 5 years (Note 30) and the long-term portion of an indemnification to be received from the former ADWEN shareholder, Areva. After the Settlement Agreement signed on March 17, 2020, this heading includes as of September 30, 2020 a receivable in amount of EUR 27.9 million with Areva (Note 9).

The amount of other concepts in non-current financial assets as of September 30, 2019 was mainly related to the long-term portion of an indemnification to be received from the former ADWEN shareholder, Areva, as mentioned before.

18. Financial debt

A. DEBT WITH FINANCIAL INSTITUTIONS AND OTHER OBLIGATIONS

The debt with financial institutions and other obligations as of September 30, 2020 and 2019 as well as the maturity dates are as follows:

		Debt at 09.30.2020 maturing at:						
	Book value	Current	Non-current					
Thousands of euros	09.30.2020	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total Non-current
Loans from banks and interest-free advances	746,392	5,871	3,442	733,711	1,261	634	1,473	**740,521**
In euros	**746,392**	**5,871**	**3,442**	**733,711**	**1,261**	**634**	**1,473**	**740,521**
Indian Rupee	272,888	272,888	-	-	-	-	-	-
Turkish lira	22,085	22,085	-	-	-	-	-	-
United States dollar	18,206	18,206	-	-	-	-	-	-
In foreign currency (Note 3.C)	**313,179**	**313,179**	**-**	**-**	**-**	**-**	**-**	**-**
Total debt with financial institutions and other obligations	**1,059,571**	**319,050**	**3,442**	**733,711**	**1,261**	**634**	**1,473**	**740,521**

		Debt at 09.30.2019 maturing at:						
	Book value	Current	Non-current					
Thousands of euros	09.30.2019	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total Non-current
Loans from banks and interest-free advances	542,985	32,170	501,201	3,030	2,138	1,859	2,587	**510,815**
In euros	**542,985**	**32,170**	**501,201**	**3,030**	**2,138**	**1,859**	**2,587**	**510,815**
Indian Rupee	303,957	303,957	-	-	-	-	-	**-**
Turkish lira	12,397	12,397	-	-	-	-	-	**-**
Other	5,096	3,685	166	166	166	166	747	**1,411**
In foreign currency (Note 3.C)	**321,450**	**320,039**	**166**	**166**	**166**	**166**	**747**	**1,411**
Total debt with financial institutions and other obligations	**864,435**	**352,209**	**501,367**	**3,196**	**2,304**	**2,025**	**3,334**	**512,226**

Syndicated loan and other loans

The debt with financial institutions and other obligations as of September 30, 2020 and 2019 mainly relates to the multi-currency revolving credit facility and the loan signed as of May 30, 2018, amounting both to a total of EUR 2,500 million, replacing the EUR 750 million credit facility from 2017. In December 2019, SIEMENS GAMESA has signed an amendment of that contract, modifying both the maturity and some of the lending banks. The facility includes a fully drawn term loan tranche of EUR 500 million maturing in 2022 (previous maturity in 2021) and a revolving credit line tranche of EUR 2,000 million maturing in 2024 (previous maturity in 2023) with two 1 year extension options. This novation has been considered as a substantial modification of the contract terms, and it has led to the transfer to the Statement of Profit and Loss of accrued borrowing costs pending to be recognized corresponding to the previous syndicated loan in amount of EUR 5.7 million. The syndicated loan interest rate is Euribor plus a market spread.

As of September 30, 2020 and 2019, the EUR 500 million loan tranche is fully drawn. This loan may be used for general corporate purposes and to refinance outstanding debt.

In January 2020, SIEMENS GAMESA has signed two loans amounting in total to EUR 240 million, both with maturity in January 2023, accruing an interest rate of 0.35% for the financing of the Senvion business acquisitions (Notes 1.B and 4). As of September 30, 2020 these loans are fully drawn.

Credit facilities

During fiscal year 2020, SIEMENS GAMESA Group has signed new credit lines in indian rupees for an amount equivalent to EUR 116 million with maturity in March 2021 and EUR 24 million already matured in August 2020 (no new credit lines in indian rupees were signed during fiscal year 2019). As of September 30, 2020 and 2019, SIEMENS GAMESA Group has drawn amounts from bilateral credit lines in India with annual maturities, for an amount of EUR 273 million and EUR 304 million, respectively, accruing during both years an average interest rate of around 8%.

During fiscal year 2020, SIEMENS GAMESA has signed new bilateral credit lines in euros in total amount of EUR 375 million, of which EUR 50 million mature in December 2020, EUR 275 million mature in 2021 (from January to August) and EUR 50 million mature in July 2022, accruing an average interest rate of 0.82%. In addition, from the bilateral credit lines signed in fiscal year 2019 in amount of EUR 512 million, an amount of EUR 482 million is still outstanding, of which EUR 50 million mature in December 2020, EUR 212 million mature in 2021 (March and April) and EUR 220 million are extendable by tacit agreement until 2022 (from March to July), accruing an average interest rate of 0.75%. As of September 30, 2020, and 2019, the Group has not drawn any amount out of these credit lines.

In addition, during fiscal year 2020, SIEMENS GAMESA Group has signed new credit lines in United States dollars for an amount of EUR 2 million with maturity in 2021 and in South African rand for an amount of EUR 5 million with maturity in 2020. As of September 30, 2020, and 2019, the Group has drawn amounts out of these and other existing credit lines (mainly in Turkey) in amount of EUR 25 million and EUR 18 million, respectively.

Interest-free advances

As of September 30, 2020 and 2019 the heading “Financial debt” (current and non-current) also includes EUR 15 million and EUR 24 million, respectively, of interest-free advances provided to Siemens Gamesa Renewable Energy Innovation & Technology, S.L. U, Gamesa Energy Transmission, S.A.U., Gamesa Electric, S.A.U., Siemens Gamesa Renewable Energy Eólica y Siemens Gamesa Renewable Energy Digital Services, S.L. by the Ministry of Science and Technology and other public agencies for financing R&D projects, which are refundable in 7 or 10 years, after a three-year grace period.

As of September 30, 2020, SIEMENS GAMESA Group companies had been granted loans and had drawn from credit facilities that accounted for 25% of the total financing granted to them maturing between 2020 and 2029 (23% as of September 30, 2019 maturing between 2019 and 2029) and bearing a weighted average interest at Euribor plus a market spread. The weighted average interest rate of the average debt for the year ended September 30, 2020 is approximately 4.45% (2.55% for the year ended September 30, 2019). The increase is mainly due to the higher proportion of the debt in indian rupees with respect to the rest of currencies. The weighted average interest rate of the outstanding debt as of September 30, 2020 is approximately 4.02% (4.80% as of September 30, 2019).

The fair value, taking into consideration the counterparty credit risk, of bank borrowings as of September 30, 2020 and 2019 is similar to the book value since the debt is either subject to variable interest rates and market spreads, or subject to fixed rates that are at a market level (Note 3.B).

As of September 30, 2020 and 2019, the sensitivity of the market value of bank borrowings in relation to interest rate changes is as follows:

	Interest rate change			
	09.30.2020		09.30.2019	
Thousands of euros	**+0.25%**	**-0.25%**	**+0.25%**	**-0.25%**
Change in the value of the debt (*)	1,152	(1,152)	3,838	(3,838)

(*) Income and equity increase in negative and expenses and equity decrease in positive.

As of September 30, 2020 and 2019, the sensitivity of the market value of foreign currency bank borrowings in relation to exchange rate and interest rate changes is as follows:

	09.30.2020				09.30.2019			
	Change in the interest rate		Change in Exchange rate (EUR/foreign currency)		Change in the interest rate		Change in Exchange rate (EUR/foreign currency)	
Thousands of euros	**+0.25%**	**-0.25%**	**+5%**	**-5%**	**+0.25%**	**-0.25%**	**+5%**	**-5%**
Change in the value of the debt (*)								
Indian Rupee	884	(884)	13,644	(13,644)	574	(574)	15,198	(15,198)
Chinese Yuan	-	-	-	-	50	(50)	-	-
Danish Krone (**)	-	-	-	-	4	(4)	32	(35)
United States Dollar	12	(12)	910	(910)	-	-	-	-
Philippine Peso	-	-	-	-	2	(2)	-	-
Turkish lira	58	(58)	1,104	(1,104)	28	(28)	620	(620)
Egyptian pound	-	-	-	-	2	(2)	71	(71)
South African rand	5	(5)	-	-	1	(1)	109	(109)

(*) Income and equity increase in negative and expenses and equity decrease in positive.
(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

The balance of unmatured receivables assigned to non-recourse factoring transactions as of September 30, 2020, amounts to EUR 466 million (EUR 339 million as of September 30, 2019). The average amount of factored receivables during the year ended September 30, 2020 has been EUR 210 million (EUR 122 million in 2019).

B. LEASE LIABILITIES

The changes in lease liabilities during 2020 are as follows:

Thousands of euros	
Balance at 10.01.2019	**-**
First application of IFRS 16 (Note 2.D)	583,308
Currency translation differences	(18,877)
New lease contracts (Note 15)	141,187
Business combinations (Notes 4 and 15)	13,588
Cancellation of contracts (Note 15)	(7,301)
Financial update	5,529
Payments made of principal	(102,343)
Interest paid	(6,423)
Other	2,169
Balance at 09.30.2020	**610,837**

The breakdown by maturity of undiscounted lease liabilities as of September 30, 2020 is as follows:

Thousands of euros	
2021	116,185
2022-2025	277,969
From 2026 onwards	321,263
Total	**715,417**
Financial cost	104,580
Present value of the payments	610,837
Therein current (Note 9.B)	*115,263*
Therein non-current (Note 9.B)	*495,574*
Total	**715,417**

The summary of the impact that the application of IFRS 16 has had on the Consolidated Statement of Profit and Loss for the year ended September 30, 2020, is as follows:

Thousands of euros	09.30.2020
Increase in "Interest expenses" (Note 29.G)	6,423
Increase in amortization, depreciation and provisions (Note 15)	113,889
Total	**120,312**

The reduction in the expenditure recorded during fiscal year 2020 under the heading by nature of other operating expenses, detailed in the following table, is mainly explained by the increase in interest expenses and in amortization, depreciation and provisions regarding the application of IFRS 16 and detailed above:

Thousands of euros	09.30.2020 (*)	09.30.2019 (*)
External services (Note 29.D)	1,018,478	1,117,443
Rents and royalties	186,483	280,852

(*) Amounts for the year ended September 30, 2020 and September 30, 2019 (Note 29.D).

During 2020, SIEMENS GAMESA Group has not accrued any amount for variable leases.

Expenses in 2020 related to short-term leases excluded from the scope of IFRS 16 amounts to EUR 186 million and have been recognized in rent and royalties under the heading "Other operating expenses" of the Consolidated Statement of Profit and Loss by nature.

SIEMENS GAMESA Group has not subleased rights of use of assets for a significant amount in 2020.

On the other hand, the breakdown by maturities of future minimum lease payments for operating leases under IAS 17 as of September 30, 2019 was as follows:

Thousands of euros	Operating leases
2020	132,897
2021-2024	251,683
From 2025 onwards	402,395
Total	**786,975**

The previous amount for the minimum payments for operating leases under IAS 17 differs from the effect of the first-time application of IFRS 16 "Leases" as indicated in Note 2.D.

In order to provide information about the historical cash and cash equivalents' flows according to IAS 7, changes in liabilities arising from financing activities are as follows:

Thousands of euros	Balance at 30.09.2019	Transition to IFRS 16 (Note 2.D)	Business combinations (Notes 1.B and 4)	Cash flows	Currency translation differences	Other	Balance at 09.30.2020
Current and non-current loans and credits	862,945	-	-	249,223	(52,597)	-	1,059,571
Current and non-current obligations arising from finance leases and purchase contracts	1,490	-	-	-	-	(1,490)	-
Current and non-current leases	-	583,308	13,588	(102,343)	(18,877)	135,161	610,837
Total of activities arising from financing activities	**864,435**	**583,308**	**13,588**	**146,880**	**(71,474)**	**133,671**	**1,670,408**

Thousands of euros	Balance at 09.30.2018	Business combinations	Cash flows	Currency translation differences	Other	Balance at 09.30.2019
Current and non-current loans and credits	1,805,591	-	(958,692)	16,046	-	862,945
Current and non-current obligations arising from finance leases and purchase contracts	8,195	-	(6,705)	-	-	1,490
Total of activities arising from financing activities	**1,813,786**	**-**	**(965,397)**	**16,046**	**-**	**864,435**

19. Provisions

The breakdown of current and non-current provisions as of September 30, 2020 and 2019 is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Charges Reversals	Provisions applied	Currency translation differences	Financial effect	Other changes	Balance at 09.30.2020	Thereof non-current
Warranties	1,952,498	94,416	253,343	(446,164)	(19,535)	1,170	631	1,836,359	1,258,943
Order related losses and risks	156,560	9,679	73,959	(21,500)	(7,768)	-	850	211,780	128,641
Others	52,924	32,519	41,144	(22,197)	(5,487)	-	(1,822)	97,081	34,487
Total	**2,161,982**	**136,614**	**368,446**	**(489,861)**	**(32,790)**	**1,170**	**(341)**	**2,145,220**	**1,422,071**

Thousands of euros	Balance at 10.01.2018	Business combinations	Charges Reversals	Provisions applied	Currency translation differences	Financial effect	Other changes	Balance at 09.30.2019	Thereof non-current
Warranties	2,024,604	-	146,709	(451,305)	15,646	27,627	189,217	1,952,498	1,266,681
Order related losses and risks	346,584	-	55,272	(61,756)	1,982	-	(185,522)	156,560	113,102
Others	61,442	-	6,995	(11,633)	537	-	(4,417)	52,924	20,469
Total	**2,432,630**	**-**	**208,976**	**(524,694)**	**18,165**	**27,627**	**(722)**	**2,161,982**	**1,400,252**

Provisions are recognized whenever SIEMENS GAMESA Group has a present legal or constructive obligation as a result of past events, which will lead to a probable future outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. Provisions are recognized at the present value of the expenditure required to settle the present obligation. The majority of the provisions of the Group are generally expected to result in cash outflows during the next 1 to 10 years, but exceptional technical issues could reach beyond that time frame.

Warranties

Warranty provisions are related to repair and replacement costs resulting from component defects or functional errors, which are covered by SIEMENS GAMESA Group during the warranty period. In addition to this, non-recurring provisions are recorded derived from various factors, such as customer claims and quality issues that, in general, relate to situations in which the expected failure rates are above normal levels.

The change in these provisions during 2020 and 2019 is fundamentally due to the charges in the normal course of the business, the result of recurring re-estimation of warranty provisions (updating failure rates, expected costs and costumer claims, among others), as well as the application of the provisions to its intended purpose.

During the fourth quarter of 2020, SIEMENS GAMESA Group has recognized approximately EUR 20 million and EUR 11 million under the headlines warranties and order related losses and risk and others respectively, associated with preventive and corrective actions in the SG 4.X gearbox.

Order related losses and risks and others

SIEMENS GAMESA Group recognizes provisions for order related losses and risks when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. In this regard, in relation to loss incurring contracts, the amount as of September 30, 2020 includes, fundamentally the expected losses of certain onshore wind farm construction projects in Norway and Sweden amounting to EUR 9 million, in which unforeseen additional costs caused by the delay in the execution of the projects as a result of both roads and adverse weather conditions resulting from an early arrival of winter, as well as EUR 96 million (EUR 91 million as September 30, 2019) expected losses of onerous contracts signed in previous years by a SIEMENS GAMESA Group subsidiary (ADWEN) for the construction and subsequent maintenance of an offshore wind farm in northern Europe.

Others

Other provisions include, among others, provisions for legal proceedings or personnel-related provisions. The Group's legal advisors and the Company consider that the provisions recognized for this purpose are sufficient and that the outcome of these proceedings and claims will not have a material effect on the Consolidated Financial Statements for the years in which they would be settled

Contingent liabilities

General Electric

SIEMENS GAMESA Group is party to a number of license agreements, which afford SIEMENS GAMESA Group intellectual property rights (in particular, patents, trademarks and design rights). In a few individual cases, there have been disputes or disagreements resulting from the interpretation regarding the execution of the existing agreements or from the interpretation of the scope of use rights granted by third parties (including competitors) to SIEMENS GAMESA Group regarding their respective IP rights, or with respect to alleged IP infringements. While some of those disputes in the past years have been finally solved by court in favour of SIEMENS GAMESA Group, others are still awaiting a final resolution, or have not reached a court stage and still remain to be solved between the respective parties. On July 31, 2020, General Electric Company (hereinafter, "*GE*") filed intellectual property related lawsuits against SIEMENS GAMESA entities with the District Court *(Landgericht)* in Düsseldorf, Germany, and before the United States International Trade Commission (hereinafter, *"ITC"*) asserting a violation of two patents with regard to certain variable speed wind turbine generators and components. The German lawsuit seeks an injunction against SIEMENS GAMESA Group, mainly in relation to the manufacturing, offering and marketing of the relevant wind turbine generators and components in Germany, and financial compensation for any (alleged)

infringing action performed after July 15, 2020. The United States. ITC complaint seeks an exclusion order against SIEMENS GAMESA Group's importation of certain wind turbine equipment into the United States. SIEMENS GAMESA Group will be defending against GE's claims and the Group is confident that features and functionalities marketed by SIEMENS GAMESA Group do not infringe any valid third parties' intellectual property rights. In addition, SIEMENS GAMESA Group has filed an opposition with the European Patent Office in Munich, Germany, against the European patent which is the basis of the German lawsuit; a decision on the appeal is still pending. Consequently, SIEMENS GAMESA Group has made no provision to cover the complaint. The Management believes that it can successfully defend its legal position. However, in the unlikely event that SIEMENS GAMESA Group is not successful in its defence in this case, and GE prevails, this case could potentially have significant financial impact on SIEMENS GAMESA Group.

Compliance

SIEMENS GAMESA Group is currently investigating a number of possible compliance violations mainly relating to its Indian subsidiary. To date, only violations of internal policies, procedures and internal controls have been identified, and it is not yet clear whether there have been any further, legally more severe, compliance violations and the extent of these potential violations. Therefore, at the actual stage of these investigations it is too early to predict the final outcome, and the quantification of its potential impacts.

20. Other current assets and liabilities

The detail of other current assets and liabilities as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Other current tax assets		
Other tax receivables	329,048	408,469
Non-tax related current assets		
Prepaid expenses	44,347	38,908
Other current assets	24,713	13,888
Total	**398,108**	**461,265**

Thousands of euros	09.30.2020	09.30.2019
Other current tax liabilities		
Other tax liabilities	111,079	149,293
Non-tax related current liabilities		
Deferred income	36,590	26,795
Current liabilities with personnel	338,341	287,899
Other current liabilities	275,079	333,576
Total	**761,089**	**797,563**

21. Post-employment benefits

The Group provides post-employment defined benefit plans or defined contribution plans to certain Group employees.

The amount recognized as expense for defined contribution plans amounts to EUR 55 million in fiscal year 2020 (EUR 53 million in fiscal year 2019).

The Group provides post-employment defined benefit plans to almost all of the Group's employees in Germany. Outside Germany predominantly service gratuities and severance indemnities from legislative requirements or industry arrangements are provided by a limited number of entities in several jurisdictions, mainly in India.

The Group's major plans are funded with assets in separate legal entities. In accordance with local laws these plans are managed in the interest of the beneficiaries by way of contractual trust agreements with each separate legal entity.

The defined benefit plans cover about 6,300 participants. The vast majority of them are active employees.

In Germany, the Group provides pension benefits through the plan "Siemens Gamesa Renewable Energy BSAV" (*Beitragsorientierte Siemens Altersversorgung*), frozen legacy plans and deferred compensation plans. The majority of the Group's active employees in Germany participate in the "Siemens Gamesa Renewable Energy BSAV". Those benefits are predominantly based on contributions made by the Group and returns earned on such contributions, subject to a minimum return guaranteed by the Group. The frozen plans expose the employer to investment risk, interest rate risk and longevity risk. The effects of compensation increases are substantially eliminated. No legal or regulatory minimum funding requirements apply. Instead, the pension plans are funded via contractual trust arrangements (CTA).

A. DEVELOPMENT OF THE DEFINED BENEFIT PLANS

	Defined benefit obligation (DBO) (I) Fiscal year		Fair value of plan assets (II) Fiscal year		Net defined benefit liability (I)-(II) Fiscal year	
Thousands of euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Balance at the begin of fiscal year	**54,238**	**41,383**	**39,415**	**28,748**	**14,823**	**12,635**
Current service cost	7,107	5,650	-	-	7,107	5,650
Interest expense	929	820	-	-	929	820
Interest income	-	-	563	612	(563)	(612)
Past service cost	203	1,310	-	-	203	1,310
Components of defined benefit recognized in the Consolidated Statement of Profit and Loss	**8,239**	**7,780**	**563**	**612**	**7,676**	**7,168**
Return on plan assets excluding amounts included in net interest income and net interest expenses	-	-	(192)	562	192	(562)
Actuarial (gains) losses	3,981	325	-	-	3,981	325
Remeasurements recognized in the Consolidated Statement of Other Comprehensive Income	**3,981**	**325**	**(192)**	**562**	**4,173**	**(237)**
Employer contributions	-	-	6,069	4,374	(6,069)	(4,374)
Benefits paid	(733)	(40)	(662)	-	(71)	(40)
Plan participants' contributions	410	349	410	349	-	-
Currency translation differences	(588)	82	-	-	(588)	82
Other changes	(149)	4,359	(67)	4,770	(82)	(411)
	(1,060)	**4,750**	**5,750**	**9,493**	**(6,810)**	**(4,743)**
Balance at fiscal year end	**65,398**	**54,238**	**45,536**	**39,415**	**19,862**	**14,823**
thereof:						
Germany	50,174	44,518	37,699	33,299	12,475	11,219
India	9,640	6,832	5,904	4,777	3,736	2,055
Other	5,584	2,888	1,933	1,339	3,651	1,549

The net interest expenses related to provisions for pensions and similar obligations amount to EUR 366 thousand in the fiscal year ended September 30, 2020 (EUR 208 thousand in the fiscal year ended September 30, 2019).

The remeasurement comprises actuarial (gains) and losses resulting from:

Thousands of euros	2020	2019
Changes in demographic assumptions	2,557	(262)
Changes in financial assumptions	(901)	1,662
Experience (gains) losses	2,325	(1,075)
Total	**3,981**	**325**

B. ACTUARIAL ASSUMPTIONS

The single discount rate used for the actuarial valuation of the DBO of the German plans is 1.26% according to the Mercer Yield Curve approach for discount rates (weighted average discount rate of 1.00% in fiscal year 2019 according to the Mercer Yield Curve approach for discount rates).

Starting September 30, 2020, the mortality tables used in Germany are the “Heubeck-Richttafeln 2018 G” tables, which led to an increasing effect of EUR 2,501 thousand. At September 30, 2019, SIEMENS specific tables (Siemens Bio 2017) had been applied that were mainly derived from data of the German SIEMENS population and to a lesser extent from data of the Federal Statistical Office in Germany by applying formulas in accordance with recognized actuarial standards. The pension progression rate in Germany is 1.50% or a fixed 1.00% indexation rate depending on the plan (unchanged from the previous year).

C. SENSITIVITY ANALYSIS

A one-half-percentage-point change of the above assumptions would result in the following increase (decrease) of the German DBO:

	Effect on DBO (Germany) due to one-half percentage-point			
	Increase	Decrease	Increase	Decrease
Thousands of euros	2020	2020	2019	2019
Discount rate	(2,522)	2,944	(2,230)	3,175
Rate of pension progressions	678	(611)	699	(630)

The (German) DBO effect of a 10% reduction in mortality rates for all beneficiaries would be an increase of EUR 467 thousand in fiscal year 2020 (EUR 561 thousand in fiscal year 2019).

During the periods presented, sensitivity determinations apply the same methodology as applied for the determination of the post-employment benefit obligation. Sensitivities reflect changes in the DBO solely for the assumption changed.

D. DISAGGREGATION OF PLAN ASSETS

	Plan assets	
Thousands of euros	**2020**	**2019**
Equity securities	4,783	5,126
Fixed income securities	8,871	9,891
Thereof:		
Government bonds	2,162	2,552
Corporate bonds	5,971	7,339
Other bonds	738	
Alternative investments	799	828
Multi-strategy funds	15,600	17,453
Cash and cash equivalents	8,341	9
Derivatives	43	-
Other assets (incl. insurance contracts)	7,099	6,108
Total	**45,536**	**39,415**

Virtually all equity securities had quoted prices in active markets. The fair value of fixed income securities has been based on prices provided by price service agencies. The fixed income securities are traded in active markets and the majority of the fixed income securities are investment grade. Alternative investments mostly included real estate investments. Multi strategy funds mainly comprised absolute return funds and diversified growth funds that invest in various asset classes within a single fund and aim to stabilize return and reduce volatility.

E. FUTURE CASH FLOWS

Employer contributions expected to be paid to the German defined benefit plans in fiscal year 2021 amount to approximately EUR 4.9 million. Over the next 10 fiscal years, global average annual benefit payments of approximately EUR 2.7 million are expected as of September 30, 2020 (EUR 1.0 million as of September 30, 2019), thereof EUR 1.4 million on average in Germany. The weighted average duration of the German DBO is 11.0 years as of September 30, 2020 (12.2 years as of September 30, 2019).

22. Other non-current liabilities

The breakdown of other non-current liabilities of the accompanying Consolidated Balance Sheet is as follows:

Thousands of euros	**09.30.2020**	**09.30.2019**
Long-Term accruals	11,399	13,859
Deferred income	9,366	11,043
Other non-current liabilities	8,010	6,066
Total	**28,775**	**30,968**

Within the heading of “Long-Term accruals” are mainly the obligations that the Group has with employees after the termination of their employment relationship, such as early retirement benefits or any other benefit of a similar nature.

Within the heading "Deferred income" the most significant amount corresponds to government grants that the Group has received for the construction of production plants.

The heading "Other non-current liabilities" is composed of small amounts that individually considered are not material for their disclosure, and are related, among other items, to long term payables for fixed asset purchases.

23. Equity of the parent company

A. ISSUED CAPITAL

SIEMENS GAMESA Group's issued capital as of September 30, 2020 and 2019 amounts to EUR 115,794 thousand being composed of 681,143,382 ordinary shares of EUR 0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

According to information of the Company, the shareholder structure of SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

	09.30.2020
Shareholders	**% shareholding**
SIEMENS ENERGY AG (*) (Note 1.D)	67.071%
Other (**)	32.929%
Total	**100.000%**

(*) 67.071% through Siemens Energy Global GmbH & Co. KG (formerly named Siemens Gas & Power GmbH & Co. KG).
(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as 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.

	09.30.2019
Shareholders	**% shareholding**
SIEMENS (*)	59.000%
Iberdrola, S.A.	8.071%
Other (**)	32.929%
Total	**100.000%**

(*) 28.877% through Siemens Beteiligungen Inland GmbH.
(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as 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's shares are listed in the IBEX 35 through the Automated Quotation System (*Mercado Continuo*) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The main objectives of SIEMENS GAMESA Group share capital management are to ensure short and long term financial stability, the positive market performance of the shares of SIEMENS GAMESA, the adequate financing of its investments and maintaining levels of the Group's external financing in line with the development of the business, so to ensure that SIEMENS GAMESA Group maintains its financial strengths and the soundness of its financial ratios, supporting its business and maximizing its value for the shareholders.

The ratios of debt (net of cash) to equity attributable to the parent company that are reflected throughout this note are as follows:

Thousands of euros	**09.30.2020**	**09.30.2019**
Current liabilities	**434,313**	**352,209**
Debt with financial institutions and other obligations (Notes 9 and 18)	319,050	352,209
Lease liabilities (Notes 9 and 18)	115,263	-
Non-current liabilities	**1,236,095**	**512,226**
Debt with financial institutions and other obligations (Notes 9 and 18)	740,521	512,226
Lease liabilities (Notes 9 and 18)	495,574	**-**
Total financial debt	**1,670,408**	**864,435**
Cash and other cash equivalents (Note 7)	**(1,621,793)**	**(1,727,457)**
Financial debt net of cash	**48,615**	**(863,022)**
Total equity of the parent company	**4,934,094**	**6,270,104**
Proportion of Financial debt (net of cash) and Equity attributable to the parent company	**0.99%**	**(13.76)%**

For comparative purposes, if IFRS 16 Leases had not been applied in 2020, the proportion of financial debt (net of cash) and equity attributable to the parent company would have been -11.40% (assuming the same amount for the number of "Total equity").

The rating agencies gave the following credit rating to SIEMENS GAMESA Group:

Issuer rating of SIEMENS GAMESA(*)			
Agency	**Rating**	**Outlook**	**Date**
Standard & Poor´s	BBB	Stable	September 28, 2020
Moody´s	Baa3	Negative	September 28, 2020
Fitch	BBB	Negative	May 12, 2020

(*) Long-term: the above ratings may be revised, suspended or withdrawn by the rating agency at any time.

B. CAPITAL RESERVE

The Spanish Companies Act expressly allows the use of the capital reserve to increase issued capital and there are no specific restrictions for the availability of that amount.

C. UNREALISED ASSET AND LIABILITY REVALUATION RESERVE

The changes in this reserve in the years 2020 and 2019 are as follows:

Thousands of euros	**10.01.2019**	**Change in fair value and/or other movements**	**Allocated Profit and Loss (Note 10)**	**09.30.2020**
Cash-flow hedges				
Interest rate swaps	-	(533)	108	(425)
Securities of electricity price hedge	(921)	978	(239)	(182)
Currency forwards	(6,385)	(1,116)	(44)	(7,545)
	(7,306)	**(671)**	**(175)**	**(8,152)**
Deferred taxes due to the remeasurement of unrealised assets and liabilities	**2,786**	**(4,238)**	**859**	**(593)**
Total	**(4,520)**	**(4,909)**	**684**	**(8,745)**

Thousands of euros	**10.01.2018**	**Change in fair value and/or other movements**	**Allocated Profit and Loss (Note 10)**	**09.30.2019**
Cash-flow hedges				
Interest rate swaps	-	-	-	-
Securities of electricity price hedge	(1,693)	302	470	(921)
Currency forwards	53,185	(67,310)	7,740	(6,385)
	51,492	**(67,008)**	**8,210**	**(7,306)**
Deferred taxes due to the remeasurement of unrealised assets and liabilities	**(11,417)**	**16,672**	**(2,469)**	**2,786**
Total	**40,075**	**(50,336)**	**5,741**	**(4,520)**

D. LEGAL RESERVE

Under the Spanish Companies Act, the parent company must transfer each year 10% of net profit to the Legal Reserve until the balance of this reserve reaches at least 20% of the "Issued capital".

The Legal Reserve can be used to increase capital, as long as the remaining reserve balance does not fall below 10% of the increased "Issued capital" amount. Except for the aforementioned purpose, and as long as the legal reserve does not exceed 20% of the "Issued capital", this reserve can only be used to offset losses, provided that there are no other reserves available for that purpose.

As of September 30, 2020 and 2019 this reserve is not fully set up.

E. TREASURY SHARES, AT COST

The change in the heading “Treasury shares, at cost” within “Total equity” as a consequence of the transactions during the year ended September 30, 2020 and 2019, is as follows:

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2019	**1,635,425**	**(21,616)**	**13.217**
Acquisitions	6,029,563	(82,232)	13.638
Disposals	(6,039,119)	79,919	13.234
Balance at 09.30.2020	**1,625,869**	**(23,929)**	**14.718**

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2018	**1,698,730**	**(20,343)**	**11.975**
Acquisitions	18,136,391	(235,668)	12.994
Disposals	(18,199,696)	234,395	12.879
Balance at 09.30.2019	**1,635,425**	**(21,616)**	**13.217**

The nominal value of the treasury shares acquired directly or indirectly by SIEMENS GAMESA, together with those already held by SIEMENS GAMESA Group does not exceed 10% of the Issued capital for the years ended September 30, 2020 and 2019.

On July 10, 2017, SIEMENS GAMESA entered into a liquidity contract with Santander Investment Bolsa, which was communicated to the *CNMV* through a notice of a Significant Event on the same date. As of January 31, 2020, this contract has been terminated, as communicated to *CNMV* through a notice of Significant Event, since its objectives of fostering the liquidity of the shares and favouring the consistency of the share quotation have been successfully achieved. Under this contract, during the period between October 1, 2019 and January 31, 2020, SIEMENS GAMESA has acquired 6,029,563 own shares at the average price of EUR 13.64 per share, and has sold 6,039,119 own shares at an average price of EUR 13.23 per share, and during the period between October 1, 2018 and September 30, 2019 SIEMENS GAMESA acquired 18,136,391 own shares at the average price of EUR 12.99 per share, and sold 18,199,696 own shares at an average price of EUR 12.88 per share.

The difference between the cost and sales price, has led to an increase of EUR 129 thousand as of September 30, 2020 (an increase of EUR 811 thousand as of September 30, 2019), recognized in “Total equity”.

F. LONG-TERM INCENTIVE

The General Shareholders' Meeting held on March 23, 2018 approved a Long-Term Incentive Plan for the period between 2018 and 2020, which includes the delivery of shares of the Company linked to the achievement of certain strategic objectives after measurement periods of 3 years. This Long-Term Incentive Plan is addressed to the Chief Executive Officer, Top Management, certain Managers and employees of SIEMENS GAMESA and, where appropriate, of subsidiaries of SIEMENS GAMESA Group.

The Plan has a duration of 5 years divided into three independent cycles with a measurement period of 3 years each.

The settlement period of the Plan will fall within fiscal years 2021, 2022 and 2023. The shares will be delivered, as appropriate, within sixty (60) calendar days from the date on which the Company’s Board of Directors issues the Financial Statements for the relevant period, in order to determine the degree of achievement of the objectives for each cycle (“Delivery Date”). The Plan will end on the Delivery Date for cycle FY2020 (i.e. following the preparation of the 2022 Financial Statements).

The Plan is addressed to a maximum of 300 beneficiaries, and the designation of an individual as a beneficiary of a Plan cycle will not necessarily entitle the participation in other Plan cycles.

The Plan could not exceed, as a maximum, the delivery of a total of 5,600,000 shares, which represents a 0.82% of SIEMENS GAMESA’s capital and was calculated considering the potential inclusion of additional beneficiaries. The Company will allocate shares of treasury stock to cover the Plan or otherwise meet the commitments derived from the Plan with a financial instrument that provides adequate coverage. As a result of the amendments to the

Plan for the second and third cycles, the total number of shares allocated to the Plan has increased to the limit of 7,560,000 shares, which represent 1.1% of the share capital of SIEMENS GAMESA.

For all 3 cycles, the delivery of shares is subject to both the fulfilment of a service condition as well as the fulfilment of several performance vesting conditions. In particular, such performance vesting conditions include both market-related conditions and non-market conditions.

First cycle of the Plan

With respect to the first cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 0.9 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (EUR 4.2 million for the year ended 30, 2019), crediting the heading “Other reserves” under Equity in the accompanying Consolidated Balance Sheet as of September 30, 2020 and 2019, respectively.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is -0.05%.
- The share price volatility is 43.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the first cycle: 55% (78% for fiscal year 2019).

Initially, the number of employees entitled to the Plan´s first cycle was 174.

Second cycle of the Plan

In the General Shareholders’ Meeting held on March 27, 2019, the modification of the Long-Term Incentive for the FY2019 and FY2020 cycles was approved.

The objective of this modification was to improve and to better align the Plan with the Group’s strategic priorities, like the L3AD2020 program. Finally, these improvements will eliminate the redundancies with the Short-Term Incentive System and will enforce the ownership culture among the Group.

With respect to the second cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 4.4 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (EUR 2.5 million for the year ended September 30, 2019), crediting the heading “Other reserves” under “Total equity” in the accompanying Consolidated Balance Sheet as of September 30, 2020 and 2019.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is 0.18%.

- The share price volatility is 42.98% which corresponds to the average value of the historic share price variations since January 2010.

- Estimate of the degree of achievement of the strategic objectives from the second cycle: 100% (100% for the year 2019).

Initially, the number of employees entitled to the Plan's second cycle was 191.

Third cycle of the Plan

With respect to the third cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 3.1 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (the accounting for the cost of this Plan has begun in the second quarter of fiscal year 2020 so, no amount was recognized in the Consolidated Statement of Profit and Loss for the year ended September 30, 2019).

To measure the fair value at grant date, SIEMENS GAMESA Group has used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement have been as follows:

- The risk-free rate is -0.27%.

- The share price volatility is 42.6% which corresponds to the average value of the historic share price variations since January 2010.

- Estimate of the degree of achievement of the strategic objectives from the third cycle: 100%.

Initially, the number of employees entitled to the Plan's third cycle has been 183.

G. DIVIDENDS

The General Shareholders´ Meeting of SIEMENS GAMESA held on July 22, 2020 has approved a dividend amounting to EUR 35.2 million, charged to the results of the year ended September 30, 2019. This dividend has been paid on July 30, 2020.

The General Shareholders´ Meeting of SIEMENS GAMESA held on March 27, 2019 approved a dividend amounting to EUR 17.5 million, charged to the results of the year ended September 30, 2018. This dividend was paid on April 4, 2019.

H. CURRENCY TRANSLATION DIFFERENCES

The breakdown of the currency translation differences presented by main currencies, is as follows:

Thousands of euros	**09.30.2020**	**09.30.2019**
Indian rupee	473,827	260,663
United States dollar	110,783	53,670
Brazilian real	92,912	59,654
Mexican peso	75,501	28,519
Chinese yuan	71,614	49,466
Other currencies	23,686	12,289
Total currency translation differences	**848,323**	**464,261**

24. Non–controlling interests

The development of the non-controlling interests from non-wholly owned subsidiaries in the fiscal years 2020 and 2019 is as follows:

Thousands of euros	
Balance at 10.01.2019	**2,701**
Profit for the year	(781)
Other movements	(1,152)
Balance at 09.30.2020	**768**

Thousands of euros	
Balance at 10.01.2018	**2,226**
Profit for the year	936
Other movements	(461)
Balance at 09.30.2019	**2,701**

These non-controlling interests are not material in relation to the assets, liabilities, profit and cash-flows of the Consolidated Financial Statements of SIEMENS GAMESA Group as of September 30, 2020 and 2019.

25. Financial reporting by segment

The reportable segments of SIEMENS GAMESA Group are adapted to the operating principles of the business units and to the financial and management information used by the Board of Directors of the Group, being the following in 2020 and 2019:

- Wind Turbines (*)
- Operation and Maintenance

(*) Wind Turbines segment includes the manufacturing of wind turbine generators and the development, construction and sale of wind farms (onshore and offshore).

The segments are Wind Turbines and Operation and Maintenance, since SIEMENS GAMESA Group is organisationally structured in this manner, and the internal information generated for the Board of Directors is also presented in this way.

A. INFORMATION BY SEGMENT

Revenue

The breakdown, by segment, of the "Revenue" for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Wind Turbines	7,714,823	8,733,498
Onshore	*4,907,043*	*5,225,124*
Offshore	*2,807,780*	*3,508,374*
Operation and Maintenance	1,768,386	1,493,381
Revenue	**9,483,209**	**10,226,879**

The performance obligations related to Wind Turbines and Operation and Maintenance are generally satisfied over time.

Net Income

The breakdown, by segment, of the contribution to the net income after tax for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Continuing Operations		
Wind Turbines	(1,242,330)	(22,434)
Operation and Maintenance	284,754	275,096
Total results of operations by segment	**(957,576)**	**252,662**
Unassigned results (*)	(60,356)	(63,170)
Income tax expenses	99,754	(49,490)
Net income attributable to the parent company	**(918,178)**	**140,002**

(*) This item includes financial results, results attributable to non-controlling interests and income (loss) from investments accounted for using the equity method.

Structure costs, which support both segments and whose amount is subject to allocation among both segments, are allocated to each segment according to the contribution of each segment to the Group's consolidated turnover.

Financial expenses and income, the results attributable to non-controlling interests and the results from investments accounted for using the equity method and income tax expense have not been assigned to the operating segments because those concepts are jointly managed by the Group.

B. GEOGRAPHICAL INFORMATION

SIEMENS GAMESA Group currently operates in several geographical markets. The main areas are EMEA (including Spain), AMERICA and APAC. The main countries included in each of those areas are the following:

- EMEA: UK, Germany and Denmark
- AMERICA: United States, Brazil and Mexico
- APAC: Taiwan, India and China

In this sense, the most significant figures detailed by geographical area are the following:

Revenue

The breakdown, by geographical area, of the "Revenue" for the years ended September 30, 2020 and 2019 is as follows:

	09.30.2020		09.30.2019	
Geographical area	**Thousands of euros**	**%**	**Thousands of euros**	**%**
Spain	617,459	6.5%	999,588	9.7%
EMEA	4,579,667	48.3%	5,653,797	55.3%
AMERICA	2,659,067	28.0%	2,030,644	19.9%
APAC	1,627,016	17.2%	1,542,850	15.1%
Total	**9,483,209**	**100%**	**10,226,879**	**100%**

In fiscal year 2020, the foreign country where the "Revenue" is more than 10% of the total heading is the United States with an amount of EUR 1,907,239 thousand. In fiscal year 2019, they were the United States with a "Revenue" amount of EUR 1,514,168 thousand, United Kingdom EUR 1,497,027 thousand, Denmark EUR 1,115,637 thousand and Germany EUR 1,037,575 thousand.

The Group's main clients are large utility groups such as the Iberdrola Group, Enel and Oersted, although as a general rule none of them individually considered does exceed 10% of the Group's revenue.

Total “Goodwill", "Other intangible assets" and "Property, plant and equipment"

The breakdown by geographic area of total non-current assets excluding financial instruments (that is, the items in the Consolidated Balance Sheet "Investments accounted for using the equity method" and "Other financial assets”), “Other assets” and the “Deferred tax assets” as of September 30, 2020 and 2019 is as follows:

	09.30.2020		09.30.2019	
Geographical area	**Thousands of euros**	**%**	**Thousands of euros**	**%**
Spain	2,576,084	30.1%	2,712,472	33.5%
EMEA	2,245,237	26.2%	1,178,370	14.6%
AMERICA	1,139,048	13.3%	1,261,986	15.6%
APAC	2,608,402	30.4%	2,932,956	36.3%
Total	**8,568,771**	**100%**	**8,085,784**	**100%**

(*) The detailed amounts refer to the headings "Goodwill", "Other intangible assets" and "Property, plant and equipment" of the Consolidated Balance Sheet.

As of September 30, 2020, foreign countries in which the total non-current assets excluding financial instruments, “Other assets” and “Deferred tax assets” exceed 10% of the total non-current assets detailed in the table above are India with an amount of EUR 1,730,517 thousand, Denmark with an amount of EUR 979,917 thousand and the United States with an amount of EUR 866,708 thousand. As of September 30, 2019, they were India with an amount of EUR 2,090,070 thousand, the United States with an amount of EUR 946,475 thousand and China with an amount of EUR 840,387 thousand.

Investment in assets

The breakdown, by geographical area, of the investments in “Other intangible assets” (Note 14) and “Property, plant and equipment” (Note 15), without considering leases or assets derived from the business combinations (Notes 1.B and 4), for the years ended September 30, 2020 and 2019 is as follows:

	09.30.2020		09.30.2019	
Geographical area	**Thousands of euros**	**%**	**Thousands of euros**	**%**
Spain	115,254	19.2%	86,869	17.5%
EMEA	369,202	61.4%	303,542	61.0%
AMERICA	51,705	8.6%	43,055	8.6%
APAC	65,124	10.8%	64,300	12.9%
Total	**601,285**	**100%**	**497,766**	**100%**

26. Income tax

Since 2002 SIEMENS GAMESA and some of its subsidiaries located in the Basque Country, subject to *Bizkaia´s* corporate tax regulations, are taxed under the Special Consolidated Tax Regime, being SIEMENS GAMESA the parent company of this Tax Group. This regime is now regulated under the chapter VI of the title VI of the *Norma Foral 11/2013* (Local Income Tax regulation)*,* of December 5, of the *Bizkaia* Historical Territory.

Moreover, since 2009, SIEMENS GAMESA and its subsidiaries which meet the requirements are subject to the application of the Special Regime of Value Added Tax for Group Entities included in chapter IX of Title IX of the *Norma Foral* 7/1994 of November 9 of *Bizkaia* which regulates this tax at its basic level, being SIEMENS GAMESA the parent company of the Tax Group.

The companies that integrate the Consolidated Tax Group under the Regional Regulations of Bizkaia for the purposes of Income tax for the fiscal year 2020 are the following:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Sistemas Energéticos Sierra de Valdefuentes, S.L.U.
Siemens Gamesa Renewable Energy Europa, S.L.U.	Sistemas Energéticos Fonseca, S.A.U.
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Sistemas Energéticos Balazote, S.A.U.
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	Adwen Offshore, S.L.U.
Siemens Gamesa Renewable Energy Invest, S.A.U.	Sistemas Energéticos Argañoso, S.L.U.
Sistemas Energéticos Tablero Tabordo, S.L.U.	Sistemas Energéticos Carril, S.L.U.
Sistemas Energéticos Tarifa, S.L.U.	Sistemas Energéticos Loma del Reposo, S.L.U.
Parque Eólico Dos Picos, S.L.U.	Sistemas Energéticos Cabezo Negro, S.A.U.
Sistemas Energéticos Sierra de Las Estancias, S.A.U.	International Windfarm Developments IX, S.L.U.
International Windfarm Developments II, S.L.U.	Sistemas Energéticos Cuerda Gitana, S.A.U.
Sistemas Energéticos Cuntis, S.A.U.	Sistemas Energéticos Tomillo, S.A.U.
Sistemas Energéticos La Cámara, S.L.U.	Sistemas Energéticos Ladera Negra, S.A.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Eolo, S.L.
Sistemas Energéticos Siroco, S.L.	Sistemas Energéticos Céfiro, S.L.
Sistemas Energéticos Boreas, S.L.	Sistemas Energéticos Argestes, S.L.
Sistemas Energéticos Terral, S.L.	Sistemas Energéticos Gregal, S.L.
Sistemas Energéticos Ábrego, S.L.	

The following companies are subject to the aforementioned Special Regime of Value Added Tax for Group entities in the year 2020:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.
Adwen Offshore, S.L.U.	Sistemas Energéticos La Cámara, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Cabezo Negro, S.A.U.

Also, since 2010 the subsidiaries located in the Autonomous Community of *Navarra* Siemens Gamesa Renewable Energy Eólica, S.L.U., Siemens Gamesa Renewable Energy Innovation & Technology, S.L.U. and Estructuras Metálicas Singulares, S.A.U. have filed consolidated tax returns pursuant to *Navarra* Corporation Tax Regulation 26/2016 of December 28, (*Ley Foral 26/2016, de 28 de diciembre, del impuesto de sociedades*).

In 2016, three more companies were incorporated to this Group, Siemens Gamesa Renewable Energy Latam, S.L., Siemens Gamesa Renewable Energy Apac, S.L.U. and Sistemas Energéticos El Valle, S.L.U. In 2020 Sistemas Energéticos El Valle, S.L.U gets out from that tax group as the shareholding in that entity has been sold by the Group (Note 2.C).

Since 2005, Siemens Gamesa Renewable Energy USA, Inc. and its subsidiaries were taxed by the Federal Income Tax under the Consolidated Tax of the United States, being Siemens Gamesa Renewable Energy USA, Inc. the parent company of the Tax Group. Since October 1, 2018 Siemens Gamesa Renewable Energy, Inc. is the parent company of such group after merging with Siemens Gamesa Renewable Energy USA, Inc.

From 2005 until September 28, 2020, Siemens Gamesa Renewable Energy A/S was part of a joint taxation group in Denmark, being Siemens A/S nominated as the administration company of that Group.

Since September 28, 2020, Siemens Gamesa Renewable Energy A/S and Siemens Energy A/S constitute a new Danish joint taxation group, with Siemens Renewable Energy A/S being the administration company of that group.

The rest of the Group´s companies are taxed on an individual return basis in accordance with the legislation in force in their respective jurisdictions.

The breakdown of income tax between current and deferred taxes is as follows:

Thousands of euros	09.30.2020	09.30.2019
Current tax	(136,837)	(114,894)
Deferred tax	236,591	65,404
Income tax income (expense)	**99,754**	**(49,490)**

The income tax income (expense) in the years ended September 30, 2020 and 2019 includes adjustments recognized for current tax of prior years amounting to EUR 18,721 thousand and EUR 8,664 thousand, respectively. The deferred tax income (expense) in the year ended September 30, 2020 and 2019 includes tax effects of the creation and reversal of temporary differences amounting to EUR 195,522 thousand and EUR 131,385 thousand, respectively.

Income tax expense (current and deferred) differs from the amounts computed by applying the tax rate corresponding to the parent company, of 24% in 2020 (26% in 2019), as follows:

Thousands of euros	09.30.2020	09.30.2019
Income before taxes	**(1,018,713)**	**190,428**
Expected income tax income (expense)	244,491	(49,511)
(Increase) decrease resulting from		
- Non-deductible losses and expenses	(17,279)	(52,896)
- Tax-free income	15,594	27,052
- Taxes from prior years	(2,357)	1,195
- Effects on corrections of realizability of deferred tax assets and tax credits	(159,641)	(40,435)
- Changes in tax rates	2,183	33,990
- Foreign tax rate differential	16,150	30,456
- Other, net	613	659
Income tax income (expense)	**99,754**	**(49,490)**

27. Deferred taxes

The balances recognized under “Deferred tax assets” and “Deferred tax liabilities” of the Consolidated Balance Sheet as of September 30, 2020 and 2019 arose as a result of the following circumstances:

- The different accounting and tax methods for recognising certain provisions.
- Temporary differences deriving from the limit for deductions of financial expenses for tax purposes.
- The Purchase Price Allocation (PPA) effect.

The breakdown of “Deferred tax assets” and “Deferred tax liabilities” on a gross basis in the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Assets		
Tax loss carryforwards	**382,001**	**381,884**
Tax credit carryforwards	**74,935**	**77,193**
Temporary differences – Assets	**796,592**	**650,860**
Deferred taxes from provisions	574,103	472,723
Deferred taxes from derivative financial instruments	8,759	9,931
Deferred taxes from pension plans and similar commitments	762	768
Deferred taxes from local goodwill	19,010	12,829
Other deferred tax assets	193,958	154,609
Deferred tax assets	**1,253,528**	**1,109,937**
Liabilities		
Temporary differences – Liabilities	**(953,521)**	**(1,029,845)**
Deferred taxes from PPA allocated in business combinations	(371,664)	(471,969)
Deferred taxes from derivative financial instruments	(9,352)	(7,145)
Deferred taxes from pension plans and similar commitments	(1,105)	(1,820)
Deferred taxes from intangible and tangible assets	(140,412)	(91,802)
Deferred taxes from inventories	(122,812)	(106,458)
Deferred taxes from account receivables	(62,616)	(76,550)
Deferred taxes from deferred income	(4,309)	(43,765)
Other deferred tax liabilities	(241,251)	(230,336)
Deferred tax liabilities	**(953,521)**	**(1,029,845)**
Total deferred tax assets (liabilities), net	**300,007**	**80,092**

The recoverability of deferred tax assets is assessed based on projected future taxable profits at the level of the different jurisdictions where the Group operates, which have been estimated based on the projections of future profits, growth rates and hypothesis for the next years that the Group works with, considering the assumptions of the Group regarding the current tax regulations and their foreseeable development in the different jurisdictions.

With regard to tax loss carryforwards and to tax credit carryforwards recorded, which are mainly registered in companies in Spain, in the United States and in Brazil, their recoverability is reasonably assured by the expected future taxable profits available for the utilization.

The reconciliation of the deferred tax asset (net) with the deferred tax income is as follows:

Thousands of euros	09.30.2020	09.30.2019
Opening balance	**80,092**	**2,799**
Business combinations (Note 1.B and 4)	7,337	-
First application of IFRS 9	-	1,808
Deferred tax (expense) income (Note 26)	236,591	65,404
(Charge) Credit in the equity	(2,670)	14,109
Variations due to exchange differences	(21,343)	(4,028)
Closing balance	**300,007**	**80,092**

On 20 September 2019, a Tax Ordinance was promulgated in India introducing new measures and sections in the Income Tax Act that was in force.

Prior to the Ordinance, domestic companies in India were liable to an effective tax rate ranged from 26% to 34.94% (including 10% surcharge and 4% as a health & education “cess").

With that Tax Ordinance, and with effect April 2019 the Indian companies had an option to pay income tax at the effective rate of 25.17% subject to certain conditions, including the not availing of specified tax exemption and incentives foreseen in the previous rule.

The Indian companies of SIEMENS GAMESA Group fulfilled the foreseen conditions and decided to opt for applying the new Tax Ordinance. Therefore, as of September 30, 2019, the deferred tax assets and liabilities of the Indian subsidiaries were measured at the new rate (25.17%) and, as a consequence of that, the income tax expense as of September 30, 2019 included a positive impact amounting to, approximately, EUR 27 million.

SIEMENS GAMESA Group recognizes deferred tax assets, tax loss carryforwards and unused tax credits and tax relief only to the extent that their future realisation or utilisation is sufficiently assured.

Deferred tax assets have not been recognized with respect of the following items (gross and net amounts):

Thousands of euros	09.30.2020	09.30.2019
Deductible temporary differences	372,360	223,991
Tax loss carryforwards	2,707,675	2,242,421
Total (gross amounts)	**3,080,035**	**2,466,412**

Thousands of euros	09.30.2020	09.30.2019
Tax credit carryforwards, net	196,308	193,789
Total (net amounts)	**196,308**	**193,789**

Out of the total amount of unrecognized tax loss carry-forwards as of September 30, 2020, an amount of EUR 1,104,534 thousand will expire in the following years until 2029 and EUR 1,127,949 thousand will expire in 2030 and onwards (as of September 30, 2019 an amount of EUR 60,880 thousand expired in the following years until 2028 and EUR 1,389,563 thousand expired in 2029 and onwards). The rest of the amounts has no expiration date.

Out of the unrecognized tax credits as of September 30, 2020 EUR 52,770 thousand will expire between the years 2021 and 2024, and an amount of EUR 140,829 thousand will expire after 2030 (EUR 190,327 thousand expiring in 2028 and subsequent years as of September 30, 2019). The rest of the amounts has no expiration date.

SIEMENS GAMESA Group has not recognized deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of EUR 378,518 thousand and EUR 844,292 thousand, respectively in fiscal years 2020 and 2019, because the earnings are intended to be permanently reinvested in the subsidiaries.

Including items charged or credited directly to equity and the income (expense) from continuing and discontinued operations, the income tax income (expense) consists of the following:

Thousands of euros	09.30.2020	09.30.2019
Continuing operations	99,754	(49,490)
Income (expense) recognized directly in “Total equity”	(2,670)	14,109
Total	**97,084**	**(35,381)**

28. Commitments, guarantees to third parties and contingent liabilities

As of September 30, 2020 and 2019, different financial and insurance entities have provided financial guarantees and guarantees provided to public entities amounting to EUR 87,301 thousand and EUR 101,960 thousand, respectively. The breakdown of these guarantees is as follows:

Thousands of euros	09.30.2020	09.30.2019
Financing guarantees	70,722	74,352
Guarantees provided to public entities	16,579	27,608
Total	**87,301**	**101,960**

SIEMENS GAMESA Group considers that liabilities, if any, which might arise from the obligations and guarantees shown in the table above, in addition to those for which provisions had been recognized as of September 30, 2020 and 2019, would not be significant.

In addition, SIEMENS GAMESA Group provides credit guarantees which cover the financial obligations of third parties generally in cases where SIEMENS GAMESA Group is the vendor and/or contractual partner or SIEMENS GAMESA Group is liable for obligations of associate companies accounted for using the equity method. As of September 30, 2020 and 2019, there are no outstanding credit guarantees.

Furthermore, SIEMENS GAMESA Group issues guarantees of third-party performance for project partners. In the event of non-fulfilment of contractual obligations by the partner, SIEMENS GAMESA Group will be required to pay up to an agreed-upon maximum amount. The total amount of guarantees of third-party performance as of September 30, 2020 is EUR 2,071 thousand (EUR 2,786 thousand as of September 30, 2019).

Additionally, in line with widespread industry practice, the Group obtains guarantees and commitments to cover its obligations arising from the ordinary course of its business, coming from the sale of assets and from potential risks of its activities. At the date of these Consolidated Financial Statements, the probability of a breach that would trigger a liability for these commitments to any material extent is remote.

29. Revenues and expenses

A. REVENUE

The detail of this heading of the Consolidated Statement of Profit and Loss for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Wind Turbines	7,714,823	8,733,498
Onshore	*4,907,043*	*5,225,124*
Offshore	*2,807,780*	*3,508,374*
Operation and Maintenance	1.768.386	1,493,381
Total revenue	**9,483,209**	**10,226,879**

B. PROCUREMENTS

The detail of procurements of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Supplies	6,975,930	6,821,582
Changes in inventories of finished products and work in progress	(22,866)	(35,937)
Total	**6,953,064**	**6,785,645**

C. STAFF COSTS

The detail of staff cost of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Wages and salaries	1,463,303	1,376,215
Social welfare contributions	195,321	173,044
Expenses related to pension plans and other social benefits	69,031	64,512
Total staff costs	**1,727,655**	**1,613,771**

During the year ended September 30, 2020, SIEMENS GAMESA Group has recognized personnel related restructuring costs amounting to EUR 54 million (mainly in Spain EUR 32 million, basically for the closure of the Aoiz plant), which form part of the total restructuring effort of EUR 273 million. Therefore, non-personnel related restructuring cost amounting to EUR 219 million are caused by the restructuring recorded in India.

During the year ended September 30, 2019, SIEMENS GAMESA Group recognized personnel restructuring costs amounting to EUR 32 million, of which EUR 16 million were related to the agreement signed with the workers council related to the ADWEN entities in Germany on October 15, 2018 and which affected 166 employees.

Denmark

In October 2019, an agreement was signed with the workers council in Denmark for the dismissal of 460 employees. This measure is due to a challenging market environment and a highly competitive landscape characterized by price pressures affecting the production of direct drive onshore turbines in Brande and the onshore blade production in Aalborg.

India

In the second quarter of fiscal year 2020, SIEMENS GAMESA's management approved a restructuring plan in the Wind Turbine segment, aimed at resizing and modifying the scope of business undertaken by its operation in India, in order to adapt the business model to the current market structure and the significantly reduced market outlooks in India.

As of September 30, 2020, staff-related restructuring costs of EUR 2 million have been recognized. Furthermore, as a direct result of the decisions and measures taken in the context of this restructuring plan, additionally to the staff costs indicated above, non-personnel related expenses have been recognized under inventory write-downs (EUR 126 million, Note 12), "Other intangible assets" impairment (EUR 82 million, Note 14) and "Property, plant and equipment" impairment (EUR 11 million, Note 15).

Spain

The need to improve the profitability of the Wind Turbines business is not confined to India but extends to all geographies. In the EMEA´s region (Note 25.B), the company continues to adapt its manufacturing footprint to demand in a market that requires ever-larger turbines (closure of the Aoiz plant) and more competitive costs.

The average number of employees in the years 2020 and 2019, by professional category, is as follows:

	2020			2019		
Average number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Executive and Top Management	224	28	252	287	31	318
Managers	2,777	658	3,435	2,548	599	3,147
Employees	17,674	4,097	21,771	16,549	3,855	20,404
Total	**20,675**	**4,783**	**25,458**	**19,384**	**4,485**	**23,869**

The increase in the number of employees is mainly due to the entry of the staff of Senvion companies into the Group (Notes 1.B and 4).

During the year ended September 30, 2020 the Board of Directors of SIEMENS GAMESA Group is formed on average by 12 members, 9 males and 3 females, and during 2019 by 13 members, 10 males and 3 females.

The Top Management of SIEMENS GAMESA Group is formed on average during the year ended September 30, 2020 and 2019 by 7 and 6 members, respectively, all of them male.

The distribution of employees by gender as of September 30, 2020 and 2019 is as follows:

	09.30.2020			09.30.2019		
Number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Executive and Top Management	219	29	248	298	34	332
Managers	2,791	677	3,468	2,616	625	3,241
Employees	18,205	4,193	22,398	16,944	3,936	20,880
Total	**21,215**	**4,899**	**26,114**	**19,858**	**4,595**	**24,453**

The Board of Directors is formed by 10 members, 7 males and 3 females as of September 30, 2020 and 13 members, 10 males and 3 females as of September 30, 2019.

The Top Management is formed by 6 and 7 members as of September 30, 2020 and 2019, respectively, all of them male.

The average number of employees of SIEMENS GAMESA Group in the years 2020 and 2019, with a disability equal to or greater than 33%, by category, is as follows:

Categories	**2020**	**2019**
Managers	11	13
Employees	17	19
Total	**28**	**32**

This average number of employees with a disability equal to or greater than 33% is referred to the employees of the Spanish companies of the consolidated scope.

D. OTHER OPERATING EXPENSES BY NATURE

The breakdown of other operating expenses of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Rent and royalties (Note 18.B)	186,483	280,852
Professional services	433,765	424,054
Insurance	54,827	64,109
Communications, security and advertising	89,651	67,284
Utilities	43,450	41,037
Travel expenses	73,464	115,100
Training and staff development	26,336	33,622
Other services	83,760	77,721
Taxes and other	26,742	13,664
Total other operating expenses	**1,018,478**	**1,117,443**

E. DEPRECIATION / AMORTIZATION CHARGE AND IMPAIRMENT OF INTANGIBLE AND FIXED ASSETS

The detail of depreciation / amortization charge and impairment of intangible and fixed assets of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Intangible asset amortization charge (Note 14)	321,062	294,504
Property, plant and equipment depreciation charge (Note 15)	412,568	326,703
Amortization and depreciation charge of intangible and fixed assets	**733,630**	**621,207**
Intangible asset impairment (Note 14)	82,291	13,932
Property, plant and equipment impairment (Note 15)	28,276	11,652
Impairment of intangible and fixed assets	**110,567**	**25,584**
Amortization / depreciation and impairment of intangible and fixed assets	**844,197**	**646,791**

F. INTEREST INCOME

The detail of “Interest income” of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Interest income of operations	9,018	11,851
Other interest income	1,091	1,959
Total interest income	**10,109**	**13,810**

G. INTEREST EXPENSES

The “Interest expenses” detail of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Interest expenses of operations	24,234	27,043
Leases interest expenses (Note 18.B)	6,423	-
Other interest expenses	35,773	25,897
Total interest expenses	**66,430**	**52,940**

Therein:

Thousands of euros	2020	2019
Interest expense on debts and interest paid to banks and Interest related expenses	55,540	48,471
Leases interest expenses (Note 18)	6,423	-
Interest expense related to trade accounts payables	2,017	3,788
Other interest expenses	2,450	681
Total interest expenses	**66,430**	**52,940**

Related to "Interest expense on debts and interest paid to banks and Interest related expenses", this chapter is affected by the increase of gross debt in certain foreign currencies, mainly indian rupees bearing a significantly higher interest rate (Note 18).

H. OTHER FINANCIAL INCOME (EXPENSES), NET

The "Other financial income (expenses), net" detail of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Income (expenses) from equity instruments	(1,437)	8,468
Other financial and similar income / (loss)	(870)	(30,093)
Total other financial income (expenses), net	**(2,307)**	**(21,625)**

Therein:

Thousands of euros	2020	2019
Income (expenses) from equity instruments	**(1,437)**	**8,468**
Other financial and similar income (loss)	**(870)**	**(30,093)**
Therein "Interest income from measurement of provisions"	(1,170)	(27,627)
Therein "Gains and losses on financial and other receivables from subsidiaries and liabilities to subsidiaries denominated a foreign currency"	2,171	(1,280)
Therein "Others"	(1,871)	(1,185)
Total other financial income (expenses), net	**(2,307)**	**(21,625)**

30. Related party balances and transactions

All the balances between the consolidated companies and the effect of the transactions between them during the year are eliminated in the consolidation process. The breakdown of the balances with related parties which are not eliminated in consolidation in the years 2020 and 2019 is as follows:

	09.30.2020							
Thousands of euros	**Contract Assets**	**Receivables**	**Other financial assets**	**Non-current Financial debt**	**Current Financial debt**	**Payables**	**Other financial liabilities**	**Contract liabilities**
SIEMENS ENERGY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other SIEMENS ENERGY Group entities	**-**	631	**-**	3	67	8,121	**-**	**-**
Group SIEMENS ENERGY (Note 1.D)	**-**	**631**	**-**	**3**	**67**	**8,121**	**-**	**-**
SIEMENS	-	30,699	8,668	-	-	5,652	1,551	-
Other SIEMENS Group entities	-	158	159	3,870	1,592	238,578	343	--
Group SIEMENS	**-**	**30,857**	**8,827**	**3,870**	**1,592**	**244,230**	**1,894**	**-**
Windar Renovables	-	323	-	-	-	7,586	-	-
VejaMate Offshore Project GmbH	12,843	3,900	-	-	-	-	-	34,952
Galloper Wind Farm Limited	20,866	-	-	-	-	-	-	19,956
ZeeEnergie C.V. Amsterdam	-	-	-	-	-	-	-	28,913
Buitengaats C.V. Amsterdam	-	-	-	-	-	-	-	28,913
OWP Butendiek GmbH & Co. KG	-	-	-	-	-	-	-	67,488
Tromsoe Vind AS	-	15,012	-	-	-	-	-	13,182
Stavro Holding I AB	66,995	-	-	-	-	-	-	7,793
Other	-	101	17,486	-	-	7,606	1,997	-
Total	**100,704**	**50,824**	**26,313**	**3,873**	**1,659**	**267,543**	**3,891**	**201,197**

Thousands of euros	09.30.2019 Contract Assets	Receivables	Other financial assets	Payables	Other financial liabilities	Contract liabilities
SIEMENS	-	19,914	-	272,452	-	-
Other SIEMENS Group entities	-	1,602	-	13,238	-	-
Group SIEMENS	**-**	**21,516**	**-**	**285,690**	**-**	**-**
Iberdrola Group	72,316	14,769	-	555	1,374	29,018
Windar Renovables	-	1,359	-	77,604	-	-
VejaMate Offshore Project GmbH	14,492	-	-	-	-	25,040
Galloper Wind Farm Limited	26,412	4,082	-	1,042	-	6,716
ZeeEnergie C.V. Amsterdam	-	-	-	-	-	21,395
Buitengaats C.V. Amsterdam	-	-	-	-	-	21,395
OWP Butendiek GmbH & Co. KG	-	-	-	-	-	55,455
Tromsoe Vind AS	55,178	5,457	-	-	-	8,850
Other	365	1,403	17,880	4,813	-	-
Total	**168,763**	**48,586**	**17,880**	**369,704**	**1,374**	**167,869**

The breakdown of the transactions with related parties which are not eliminated in consolidation in the fiscal years 2020 and 2019 is as follows:

Thousands of euros	2020 Sales and services rendered	Purchases and services received	2019 Sales and services rendered	Purchases and services received
SIEMENS ENERGY	-	-	-	-
Other SIEMENS ENERGY Group entities	-	-	-	-
SIEMENS ENERGY Group (Note 1.D) (*)	**-**	**-**	**-**	**-**
SIEMENS	278	210,108	662	339,610
Other SIEMENS Group entities	1,655	330,921	1,653	273,743
SIEMENS Group	**1,933**	**541,029**	**2,315**	**613,353**
Iberdrola Group (**)	340,048	2,357	716,352	5,905
Windar Renovables	160	47,848	1,214	114,871
VejaMate Offshore Project GmbH	8,823	33	24,338	-
Galloper Wind Farm Limited	28,161	-	26,900	1,017
ZeeEnergie C.V. Amsterdam	14,643	-	16,189	-
Buitengaats C.V. Amsterdam	14,643	-	16,189	-
OWP Butendiek GmbH & Co. KG	16,869	-	43,512	-
Tromsoe Vind AS	39,845	1,567	246,274	-
Stavro Holding I AB	108,645	-	-	-
Raudfjell Vind AS	43,161	557	-	-
Other	764	22,418	34,552	20,021
Total	**617,695**	**615,809**	**1,127,835**	**755,167**

(*) The change of SIEMENS GAMESA´s significant shareholder took place on September 25, 2020. During fiscal year 2020, there have been transactions with companies of the current SIEMENS ENERGY Group, but these have been carried out before September 25, 2020 and are therefore included in the table above within the operations carried out with SIEMENS Group.
(**) The transactions carried out with the Iberdrola Group are reported from October 1, 2019 to February 5, 2020 (Note 1.C).

All transactions with related parties have been carried out under market conditions.

A. TRANSACTIONS WITH SIEMENS GROUP

Goods and services purchased

On June 17, 2016, SIEMENS GAMESA and SIEMENS signed a Strategic Alliance Agreement, relating to the framework for the supervision of the strategic relationship between the parties and which included, as part of the strategic partnership established, the intention of the parties to conclude the so called “Implementation Agreements”.

One of such signed “Implementation Agreements” is the Strategic Supply Agreement by virtue of which SIEMENS became the strategic SIEMENS GAMESA supplier of gears, segments, and other products and services offered by SIEMENS for the wind power business. The award system set out therein ensures that the supplies will be

carried under market conditions, as well as the involvement of and access to other suppliers. In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS signed in May 2020 an Extension and Amendment Agreement to the Strategic Supply Agreement (as further detailed below).

On March 31, 2017, SIEMENS GAMESA and SIEMENS entered into a Trademark and Name Use License Agreement by virtue of which SIEMENS GAMESA was entitled to use the SIEMENS brand during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as SIEMENS holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Accordingly, in the context of SIEMENS ENERGY Spin-Off, this Trademark and Name Use License Agreement has expired.

On May 4, 2017 SIEMENS GAMESA and SIEMENS signed a Framework Agreement concerning the relationship between the parties. In the context of SIEMENS ENERGY Spin-Off, this Framework Agreement is no longer in force.

On August 1, 2018, SIEMENS GAMESA and SIEMENS entered into an external services agreement (hereinafter, "ESA") (as amended in September 2019) by which SIEMENS provides procurement services enabling SIEMENS GAMESA Group to benefit from collective bargaining power. The initial term of the ESA was 1 year for operational procurement services while the initial term for other procurement services was 2 years from effective date, both extendable for 2 additional years. ESA was as of September 2019 extended until end of July 2022, although certain services will terminate in March/April 2021 as a result of a termination notice issued by SIEMENS GAMESA to SIEMENS.

On August 20, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy GmbH & Co. KG and SIEMENS entered into a contractual agreement (in the form of a memorandum of understanding) by which both parties cooperate in the development and deployment of thermal energy storage systems. The project is co-funded by the Federal Ministry of Economic Affairs and Energy of Germany.

On September 3, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy LLC, and SIEMENS, through its subsidiary OOO Siemens Gas Turbine Technologies, entered into a contract manufacturing agreement for the assembly of wind turbines for the Russian market. The initial term is set to 3 years.

On October 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on specific accounting related topics. This agreement has expired on September 30, 2020.

On January 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support for administration of Intellectual Property related matters.

On April 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides licenses for Teamcenter software maintenance and original equipment manufacturer support utilized for managing the product development process. This agreement has been extended until September 30, 2021.

During fiscal years 2020 and 2019, SIEMENS GAMESA Group has purchased supplies for the Wind Turbine construction from SIEMENS Group, from the SIEMENS divisions "Process Industries and Drives" and "Energy Management". In addition, SIEMENS Group provided services to SIEMENS GAMESA Group based on Transitional Service Agreements for IT services, tax services, selling support, human resources, legal, treasury services and corporate finance services, among others.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on manpower for United States onshore projects.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into service agreements by which SIEMENS provides sales support and government affairs support.

During fiscal years 2020 and 2019, SIEMENS GAMESA and SIEMENS extended same existing office lease agreements and also new office lease agreements have been signed.

During fiscal year 2020, SIEMENS GAMESA and SIEMENS extended several existing license agreements, and license maintenance and service agreements.

On May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an "umbrella" for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements covered under the Umbrella Agreement:

Agreements signed with SIEMENS

- Trademark and Name Use (Sub-) Licensing Agreement with a fixed initial term of 10 years for a worldwide, fully paid up right – and also obligation - to use the trademark and designation "SIEMENS" to SIEMENS GAMESA and as long as SIEMENS has a trademark licensing agreement with SIEMENS ENERGY and provided, inter alia, that SIEMENS ENERGY remains the controlling shareholder of SIEMENS GAMESA.

- Amendment Agreement to the Service Agreement regarding the use of SIEMENS´s cash management tool, in order to continue using that tool after the Spin-off.

- Amendment of the contractual conditions of the Guarantee Facility Agreements (hereinafter, "GFA") for the existing guarantee portfolio with SIEMENS to adapt to new conditions applicable for SIEMENS not being a majority shareholder of SIEMENS GAMESA. Essentially the agreement is continued until the expiration of the guarantees. Although the level of fees to be paid for the guarantees does increase especially during the first two years (compared to the period during which SIEMENS GAMESA was still part of SIEMENS), the fee level has been substantially reduced compared to the original applicable contractual stipulations for that scenario.

- Extension and Amendment Agreement to the Strategic Supply Agreement for future supply of components and services from SIEMENS. The scope of the Strategic Supply Agreement includes, inter alia, the supply by SIEMENS to SIEMENS GAMESA of segments and gears.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS also signed the following agreements:

- On August 13, 2020, Preferred Financing Agreement which provides a framework whereby the parties collaborate in the development and execution of financial solutions - through Siemens Financial Services ("SFS") and related Financing Entities - towards customers using SIEMENS GAMESA technology and/ or services.

- On August 20, 2020, US Government Affairs & Lobbying Support for government affairs support from Siemens Corporation in Washington DC.

- On September 24, 2020, Service Contract for the SIEMENS common Remote Service Platform classic ("cRSP") which is a Siemens proprietary platform used to provide secure remote access to Wind Turbines equipment and it is used by SIEMENS GAMESA to get remote access to legacy Siemens Wind Power wind farm systems and components.

- On September 1, Service Contract for the SIEMENS Extensible Security Testing Appliance ("SiESTA") which is an appliance box for extensive security testing of industrial IT systems that provides vulnerability scanning services.

Agreements signed with SIEMENS ENERGY

Detailed below in Section E.

Guarantees provided between SIEMENS GAMESA Group and SIEMENS Group

As of September 30, 2020, SIEMENS Group has provided guarantees to third parties for the performance of SIEMENS GAMESA Group amounting to EUR 11,414 million (EUR 21,204 million as of September 30, 2019).

In December 2018, SIEMENS GAMESA and SIEMENS entered into an agreement by which SIEMENS GAMESA issued a technical guarantee to SIEMENS related to several repowering projects in United States involving tax equity investment from SIEMENS.

Share-based payments

Certain employees of SIEMENS GAMESA Group that have transferred from other SIEMENS Group entities participate in share-based payment awards implemented by SIEMENS. SIEMENS delivers the respective shares on behalf of SIEMENS GAMESA. Due to the limited extent of participation in the share-based programs, the effect on the Consolidated Financial Statements is not significant in the periods presented. These programs are ended as of September 30, 2020.

Hedging and derivatives

SIEMENS GAMESA Group's hedging activities were partially performed via SIEMENS and Siemens Capital Company LLC on an arm's length basis until March 2020. The consideration was based on the market rates. The outstanding portfolio of hedges with SIEMENS and Siemens Capital Company LLC was terminated and transferred to external banks during September 2020 (Note 17), before SIEMENS ENERGY Spin-off. As of September 30, 2020, there is no amount for this concept recorded in "Other financial assets" and "Other financial liabilities" (EUR 133,320 thousand and EUR 126,225 thousand, respectively as of September 30, 2019).

On February 2019, SIEMENS GAMESA, issued a guarantee to SIEMENS regarding the provided hedging services amounting to approximately 3% of the outstanding hedging volume. The parent company guarantee expiration was linked to the termination of the hedging contracts with SIEMENS and Siemens Capital Company LLC, which are already finished as of September 30, 2020.

Insurance program

At the end of September 2017, SIEMENS GAMESA, as a company member of SIEMENS Group, adhered, with effective date from October 1, 2017, to a global stand-alone insurance program including all-risk property damages insurance policies, civil liability insurance policies, transport, chartering of ships and all-risk construction insurance policies. Siemens Financial Services acts as insurance broker and service provider for the Global Insurance Program. This ended on September 30, 2019.

B. AGREEMENTS WITH THE IBERDROLA GROUP RELATED TO THE WIND TURBINES AND OPERATIONS AND MAINTENANCE SEGMENTS

On February 4, 2020, Iberdrola Participaciones sold all its shares at SIEMENS GAMESA to SIEMENS. At the same date, Iberdrola, SIEMENS and SIEMENS GAMESA signed a cooperation agreement that covers certain wind power projects. For these projects, Iberdrola, as a customer of SIEMENS and SIEMENS GAMESA, will grant these companies exclusive negotiation rights for a limited period of time.

From February 5, 2020, Iberdrola is no longer a related party of SIEMENS GAMESA (Note 1.C).

SIEMENS GAMESA Group, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U. and Iberdrola, S.A., concluded on December 21, 2011 a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, SIEMENS GAMESA Group and Iberdrola, S.A. assumed the following commitments:

- Iberdrola, S.A. shall acquire from SIEMENS GAMESA Group a quota of megawatts equivalent to 50% of the total onshore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the framework agreement.

  This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola Group from SIEMENS GAMESA Group totals 3,800 MW, whichever occurs first.

  Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), no sales were made in the framework of the abovementioned contract (approximately 110 MW during the first half of fiscal year 2019).

- SIEMENS GAMESA and Iberdrola, S.A. will closely collaborate with new opportunities relating to the offshore wind business.

- SIEMENS GAMESA and Iberdrola, S.A. will collaborate within the area of maintenance services so that Siemens Gamesa Renewable Energy Eólica, S.L.U. will become a company of reference with respect to wind farm maintenance throughout the Iberdrola Group's business.

- Likewise, during the period different minor components have been delivered, mainly spare parts.

In April 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U., closed an agreement with the Iberdrola Group for the maintenance of wind farms in the Iberian Peninsula of about 1,265 MW for a period of 2 years plus another optional year.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), the total of MW under maintenance in the Iberdrola Group’s wind farms approximately amounted to 4,200 MW. An agreement for the supply of spare parts and repairs was currently in force, with an end date of December 2020.

In addition, in October 2015, SIEMENS GAMESA Group and the Iberdrola Group reached an agreement to implement the product Energy Thrust, aimed to increase the efficiency of the turbines and their production ratios, for a total of 1,602 MW.

In December 2016, a later addendum to the previous contract was signed extending it by additional 612 MW for the 2 MW platform. Moreover, for different companies in the Iberdrola Group an additional 795 MW was negotiated.

In July 2018, an agreement has been reached with the Iberdrola Group for the installation and activation of the Energy Thrust product in 941 wind turbines of the Avangrid Fleet, and in August 2018, for the installation and activation of the same product in part of the Scottish Power’s fleet. The former, finalized in December 2018 and the latter was still ongoing at the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C).

In December 2018, SIEMENS GAMESA signed an agreement with Iberdrola Group for the sale of two special purpose vehicles for two windfarms in Spain with a total of approximately 70 MW. In July 2019, SIEMENS GAMESA closed an agreement with the Iberdrola Group for the sale of one special purpose vehicle for a windfarm in Spain with a total of approximately 49 MW.

In January and February 2019, SIEMENS GAMESA signed several long-term service agreements with the Iberdrola Group for several windfarms in Spain with a total of 106 MW.

Finally, in May 2019, SIEMENS GAMESA signed a supply agreement contract for high voltage electricity with Iberdrola in Spain for a 3 years period.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), several sales were made amounting to 202 MW. Additionally, several short and mid-term service agreements were made.

C. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND WINDAR RENOVABLES, S.L.

On June 25, 2007 SIEMENS GAMESA Group (through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U.) signed a tower supply agreement with Windar Renovables, S.L. On September 4, 2019, both parties signed a tower supply agreement for fiscal year 2020, in which SIEMENS GAMESA Group guaranteed Windar Renovables, S.L. 90% of the tower demand in region SE&A (included in EMEA geographical area).

In 2020, SIEMENS GAMESA Group and Windar Renovables, S.L. have signed a tower supply agreement for an offshore windfarm.

The conditions for transactions with associates are equivalent to those carried out with independent parties.

D. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND SCHAEFFLER TECHNOLOGIES AG & CO. KG

On September 28, 2018, SIEMENS GAMESA Group reached a settlement agreement with Schaeffler Technologies AG & Co. KG regarding a previous supply contract. This agreement consisted mainly of a payment to SIEMENS GAMESA Group in amount of EUR 4,000 thousand. During 2019 this amount was collected while other aspects of the settlement were modified mainly to components supply.

SIEMENS GAMESA Group and Schaeffler Technologies AG & Co. KG have a Master Framework Agreement for the price and volume of procurements entered into before the Merger effective date (through SIEMENS).

During fiscal year 2020, SIEMENS GAMESA and Schaeffler Technologies AG & Co. KG signed purchase agreements for components, spare parts and services.

E. TRANSACTION WITH SIEMENS ENERGY GROUP

Agreements signed with SIEMENS ENERGY Group

As mentioned above (Note 30.A), on May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an “umbrella” for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements between SIEMENS GAMESA and SIEMENS ENERGY covered under the Umbrella Agreement:

- External Service Agreement for the provision of software licenses and software license-related services by which SIEMENS ENERGY will manage specific software products and related services centrally to provide cost-effective and compliant services.

- Agreement on Siemens Guarantees with SIEMENS ENERGY as a joint and several guarantors in favor of SIEMENS under the GFA (as defined in the Note 30.A). As of September 30, 2020, SIEMENS ENERGY has provided counter-guarantees to SIEMENS in amounting of EUR 11,414 million to counter-guarantee the Parent Company Guarantees (PGC) and Corporate bonds issued by SIEMENS to SIEMENS GAMESA Group companies.

- Agreement on Netting and Settlement of Group Internal receivables and Payables for Goods and Services. The aim is to continue participating in SIEMENS Group internal netting and settlement system.

- Strategic Alliance Agreement (hereinafter, “SAA”) with SIEMENS ENERGY as successor to existing SAA with SIEMENS. Scope of the SAA provides a framework for the supervision of the strategic relationship between the parties and follows the evolution of three agreements:

    - Strategic Supply Agreement for future supply of transformers and related services from SIEMENS ENERGY.

- Key Account Management Service Agreement under which SIEMENS ENERGY and SIEMENS GAMESA provide sales support services to each other for a list of agreed common key customers.

- Regional Support Agreement with the possibility for SIEMENS GAMESA to benefit from SIEMENS ENERGY worldwide country setup in the area of sales and marketing such as customer relationship management, proposal management, sales support and administration, sales consulting, marketing, market research and analysis, outbound marketing, promotion and event management.

- Framework Agreement setting forth certain rights and obligations concerning the relationship between the parties.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS ENERGY also signed the following agreements:

- Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of IT-related services to cover a small subset of the original service portfolio that SIEMENS GAMESA was receiving from SIEMENS.

- On 31 August 2020, a Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of HR-related services for the "Workday" and "Concur" platforms.

On October 1, 2020, SIEMENS GAMESA and SIEMENS ENERGY entered into a service agreement by which SIEMENS will provide corporate accounting support services until September 30, 2022.

31. Directors' remuneration

In the years 2020 and 2019, the Directors of SIEMENS GAMESA earned compensations for membership and assistance to the Board and Board´s Committees, when applicable, salary, severance, variable compensation in cash, long-term savings system and other concepts amounting to approximately EUR 4,885 thousand and EUR 3,498 thousand, respectively. The breakdown of Directors' compensation is as follows:

Thousands of euros	2020	2019
Members of the Board of Directors		
Type of remuneration		
Compensation for membership of the Board and Board´s Commissions	1,714	1,808
Salaries	908	1,027
Severance payment	1,623	-
Variable compensation in cash	402	428
Long-term savings system	215	167
	4,862	**3,430**
Other concepts	**23**	**68**
Total	**4,885**	**3,498**

The amount "Severance Payment" in fiscal year 2020 corresponds to the compensations received by the previous Chief Executive Officer for the following concepts: (i) non-competition covenant amounting EUR 718 thousand, (ii) no advance notice amounting EUR 179 thousand, (iii) housing expenses amounting EUR 9 thousand and (iv) severance payment as such amounting EUR 718 thousand.

The amount of "Other concepts" for the year 2020 corresponds to the amount of the premiums paid for the coverage of death and disability insurances amounting EUR 23 thousand. In 2019, the amount "Other concepts" amounting EUR 68 thousand included additionally the allocation of the Group insurance for executives, directors and other employees, which is not included in the table above for fiscal year 2020 as it does not strictly constitute a remuneration for tax purposes.

No advances or loans are given to current or prior Board members, and there are no pension obligations with them. Only the Chief Executive Officer receives contributions for pensions amounting EUR 215 thousand (includes EUR 167 thousand of the outgoing Chief Executive Officer) and EUR 167 thousand, respectively, during the financial years 2020 and 2019. Those amounts are included in the long-term savings system section in the table above.

Likewise, derived from his previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), the previous Chief Executive Officer has recognized rights on shares of SIEMENS derived from incentives granted before the Merger. During the fiscal year ended 2020 and 2019 the payment has amounted to EUR 771 thousand and EUR 873 thousand, respectively, which is not included in the table above since there is no cost for the Company.

Also, within the remunerations to the Chief Executive Officers as of September 30, 2020 and 2019, the provision recorded for the three cycles of the Long-Term Incentive Plan 2018-2020 has not been included, which amounts to EUR 488 thousand in 2020 (out of which EUR 383 thousand correspond to the outgoing Chief Executive Officer´s profit accrual) and EUR 337 thousand in 2019. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the objectives of the first cycle of the Long-Term Incentive Plan, which will result in the delivery of: 41,685 shares to the CEOs (current and former). These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 984 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with IFRS 2, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Finally, the current Chief Executive Officer has a contractual agreement to receive a financial compensation in the event of termination for reasons attributable to the Company. The financial compensation agreed for such termination consists of the payment of a compensation up to a maximum of his annual fixed cash compensation according to the Board members remuneration policy approved in the General Shareholders meeting of March 27, 2019 and modified in the General Shareholders meeting of July 22, 2020.

At the end of 2020 the members of the Board of Directors of SIEMENS GAMESA and certain people related to them as defined in the Spanish Companies Act held ownership interests in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. Also, following is a breakdown of the positions held and functions discharged at those companies:

Owner	Investee company	Line of Business	Number of Shares	Functions
Nauen, Andreas	SIEMENS ENERGY AG	Power & Utilities	100	-
Nauen, Andreas	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	200	-
Nauen, Andreas	NKT A/S	Power & Utilities	-	Member of the Supervisory Board
Tacke, Markus [(1)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	10,195	-
Sen, Michael [(2)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	13,904	Member of the Managing Board of Siemens AG (until March 2020) and Chairman of the Supervisory Board, Chairman of the Chairman's Committee, Member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019)
López Borrego, Miguel Ángel	SIEMENS ENERGY AG	Power & Utilities	7,662	-
López Borrego, Miguel Ángel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	15,324	Chairman and CEO of Siemens, S.A., and Chairman of Siemens Holding, S.L.U., and Member of the Board of Directors of Siemens, S.A. (Portugal) and Siemens Rail Automation S.A.U, and Member of the Advisory Board of Siemens Healthineers, S.L.U.
von Schumann, Mariel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	17,161	Member of the Board of Directors of Siemens Ltd. India and Siemens Stiftung (Siemens Foundation)
Hoffmann, Andreas C.[(3)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	31,489	General Counsel and Head of Legal and Compliance of Siemens AG, Member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Energy Global GmbH & Co. KG, Member of the Supervisory Board of Siemens Healthcare GmbH and Member of the Board of Directors of Siemens Ltd., China, and Member of the Board of Trustees of Siemens Stiftung (Siemens Foundation)
Thomas, Ralf [(4)]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	23,241	Member of the Managing Board and CFO of Siemens AG, Member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG (valid mandates in Siemens Healthineers AG at his resignation as director of Siemens Gamesa) and Siemens Aktiengesellschaft Österreich
Rosenfeld, Klaus	Schaeffler AG	Automotive and Industrial Sector	-	CEO

Owner	Investee company	Line of Business	Number of Shares	Functions
Davis, Lisa [5]	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	-	Member of the Managing Board of Siemens AG (until February 2020) and Chairwoman of Siemens Proprietary Ltd., South Africa
Azagra Blázquez, Pedro [6]	Iberdrola S.A.	Power & Utilities	176,275	Member of the Management Committee and Corporate Development Director of Iberdrola, S.A., and Member of the Managing Board and Audit and Compliance Committee of Neoenergía, S.A. (Brazil)
Holt, Tim Oliver	SIEMENS ENERGY AG	Power & Utilities	1,181	Member of the Managing Board of Siemens Energy AG, Member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, Member of the Board of Directors of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi and Member of the Board of Trustees the Siemens Foundation US.
Holt, Tim Oliver	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	2,362	Member of the Board of Directors of Siemens Ltd. India
Dawidowsky, Tim	SIEMENS ENERGY AG	Power & Utilities	849	Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG
Dawidowsky, Tim	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	1,697	Member of the Board of Directors of Siemens Pakistan
Ferraro, Maria	SIEMENS ENERGY AG	Power & Utilities	1,873	Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH.
Ferraro, Maria	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	3,746	CFO of Siemens AG Digital Industries and CDO (Chief Diversity Officer) of Siemens AG Digital Industries (both posts until April 2020); Vice President of the Board of Directors of Siemens S.p.A., Italia, Member of the Board of Directors of Siemens Ltd. Seoul, Korea, Member of the Board of Directors of Siemens S.A., Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu, Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd, Member of the Supervisory Board of IBS Industrial Business Software (Shanghai), Ltd., Member of the Supervisory Board of TASS International Co. Ltd., Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou, Member of the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd., Company

Owner	Investee company	Line of Business	Number of Shares	Functions
				Supervisor of Siemens Numerical Control Ltd., Nanjing, Member of the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited, and Member of the Governing Board of Siemens AB, Sweden

(1) Markus Tacke has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on June 17, 2020.
(2) Michael Sen has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on March 31, 2020.
(3) Andreas C. Hoffmann has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on September 28, 2020.
(4) Ralf Thomas has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on November 27, 2019.
(5) Lisa Davis has ceased her position as Member of the Board of Directors of SIEMENS GAMESA on February 10, 2020.
(6) Pedro Azagra Blázquez has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on February 5, 2020.

On the other hand, the members of the Board of Directors have been affected by the following conflicts of interest during 2020:

Sen, Michael. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and December 17, 2019, and it happened also in the meetings of the Board of Directors of November 4 and 27 and December 16, 2019, and February 3 and 19 and March 18 and 26, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

von Schumann, Mariel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

López Borrego, Miguel Ángel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

Holt, Tim Oliver. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of February 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of April 16 and 30, 2020, and it happened also in the meetings of said Committee of March 17, April 20 and May 4, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Azagra Blázquez, Pedro. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Iberdrola, S.A. and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, December 17, 2019 and February 3, 2020.

Ferraro, Maria. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of May 11, June 9, July 9 and 23, and September 25, 2020.

Thomas, Ralf. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and November 4, 2019.

Rosenfeld, Klaus. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions including Schaeffler AG, where he holds the post as CEO, were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of March 26 and June 17 2020, and it happened also in the meetings of the Board of Directors of November 4, 2019 and February 3, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Davis, Lisa. According to the procedure established in article 31 of the Regulations of the Board of Directors of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 4 and 27, and December 17, 2019 and February 3, 2020, and it happened also in the meetings of the Board of Directors of October 24 and December 16, 2019, where she was represented by a proxy and her proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

Hoffmann, Andreas C. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17 and September 16, 2020, and it happened also in the meeting of the Board of Directors of July 29, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

32. Remuneration of Top Management

Excluding those who are simultaneously members of the Board of Directors (whose remuneration is detailed in the Note 31), the compensation for the year, paid or payable, to members of Top Management for employment services rendered before the closing of the years 2020 and 2019 is disclosed in the following table:

Thousands of euros	2020	2019
Compensation received by the Top Management	6,514	6,752
Total	**6,514**	**6,752**

Likewise, deriving from their previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), certain members of the Top Management have recognized rights on shares of SIEMENS derived from incentives granted before the Merger to be paid in cash during the next years. During this year the payment to members of Top Management (one of which has ceased the position before the year ended) has amounted to EUR 483 thousand (EUR 261 thousand in the fiscal year 2019).

Also, the remunerations to the Top Management, do not include, as of September 30, 2020 and 2019, the provision accrued for the three cycles of the Long-Term Incentive Plan 2018-2020 in the amount of EUR 1,310 thousand and EUR 762 thousand, respectively. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the FY2018 Cycle objectives of the Long-Term Incentive Plan, which will result in the delivery of: 58,766 shares to the Top Management. These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 1,387 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with IFRS 2, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Contributions to pension Plans have been made in amount of EUR 221 thousand and EUR 200 thousand included as remuneration in the table above, as of September 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019, there have been no transactions with Top Management other than those carried out in the ordinary course of the business.

33. Earnings per share

As of September 30, 2020, the average number of ordinary shares used for the calculation of earnings per share is 679,517,035 (679,490,974 average number of ordinary shares as of September 30, 2019), given that SIEMENS GAMESA has held a weighted average of 1,626,347 treasury shares (1,652,408 as of September 30, 2019).

The basic earnings per share from continuing operations attributable to the parent company as of September 30, 2020 and 2019 is as follows:

	09.30.2020	09.30.2019
Net profit from continuing operations attributable to the parent company (thousands of euros)	(918,178)	140,002
Average number of outstanding shares	679,517,035	679,490,974
Total basic earnings per share (euros)	**(1.35)**	**0.21**

As of September 30, 2020 and 2019, SIEMENS GAMESA, the parent company of SIEMENS GAMESA Group, had not issued financial instruments or other contracts that entitle the holder thereof to receive ordinary shares of the Company. Consequently, diluted earnings per share coincide with basic earnings per share.

34. Information regarding the deferral of payments made to suppliers

In accordance with the requirement of the Resolution of January 29, 2016, of the Accounting and Audit Institute in Spain, about the information to include in the notes to the Financial Statements related to the deferral of payments made to suppliers in commercial operations.

The average payment period to suppliers in the fiscal year 2020 and 2019 is the following:

Days	**2020**	**2019**
Average payment period	64	55
Settled operations ratio	63	51
Pending operations ratio	75	97
Thousands of euros	**2020**	**2019**
Total settled payments	1,317,536	1,546,373
Total pending payments	90,043	148,538

This average payment period refers only to the suppliers of the Spanish companies included in the consolidation scope of SIEMENS GAMESA, where the nature of transactions is that of trade payables for the supply of goods and services, and is therefore related to amounts included in the line items “Trade payables”, “Payables to SIEMENS ENERGY Group” (“Payables to SIEMENS Group as of September 30, 2019) and “Other current liabilities” of the current liabilities of the Consolidated Balance Sheet.

The Group has implemented measures in place to continue adjusting the average payment period, in order to meet the payment terms established in the current legislation.

35. Fees for the services rendered by the auditors of the Financial Statements

During the fiscal years 2020 and 2019 the fees for the financial audit and other services provided by the auditor of the Group’s Consolidated Financial Statements and the fees invoiced by the auditors of the separate Statutory Financial Statements of the companies included in the consolidation, and by entities related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	2020	
Thousands of euros	**Services rendered by EY**	**Services provided by other audit firms**
Audit services	4,449	23
Attest services related to the audit	235	-
Other attest services	291	-
Total audit and related services	**4,975**	**23**
Tax advisory services	-	-
Other services	-	-
Total other services	**-**	**-**
Total professional services	**4,975**	**23**

	2019	
Thousands of euros	**Services rendered by EY**	**Services provided by other audit firms**
Audit services	4,044	14
Attest services related to the audit	235	-
Other attest services	313	-
Total audit and related services	**4,592**	**14**
Tax advisory services	-	-
Other services	-	-
Total other services	-	-
Total professional services	**4,592**	**14**

Out of the amount related to the services rendered by the main auditor, EUR 962 thousand correspond to audit services and attest services related to the audit provided to SIEMENS GAMESA in the fiscal year 2020 (EUR 880 thousand in the fiscal year 2019). The attest services related to the audit mentioned in the previous table, correspond to SIEMENS GAMESA in its entirety. Likewise, taking into account the corresponding amount related

to other attest services provided by the main auditor, EUR 135 thousand correspond to SIEMENS GAMESA in the fiscal year 2020 (EUR 251 thousand in the fiscal year 2019).

36. Subsequent events

No significant events have occurred since the end of the fiscal year until the date of issuance of these Consolidated Financial Statements.

37. Explanation added for translation to English

These Financial Consolidated Statements are presented on the basis of IFRS, as adopted by the European Union. Certain accounting practices applied by the Group that conform to IFRS may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Appendix Siemens Gamesa Company List - 09/30/2020

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
A) FULLY CONSOLIDATED COMPANIES							
Jalore Wind Park Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Mathak Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Tirupur Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Beed Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Tuljapur Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Rangareddy Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Nellore Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Gamesa Wind GmbH	Holding company	-	Germany	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Gadag Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Channapura Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Kutch Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Wind Power SpA	Service and distribution company	EY	Chile	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Adwen Blades GmbH	Production and distribution company	EY	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Siemens Gamesa Renewable Energy Pty Ltd	Service and distribution company	EY	Australia	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy d.o.o.	Service and distribution company	EY	Croatia	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Uppal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy GmbH	Service and distribution company	-	Austria	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
International Wind Farm Development IV Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Deutschland GmbH [1]	Holding company	EY	Germany	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Eolica, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Canada	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Japan K.K.	Service company	EY	Japan	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
International Wind Farm Development I Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Sierra de Valdefuentes, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
International Wind Farm Development II Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy PA, LLC	Other	EY	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
International Wind Farm Development VII Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Singapore Private Limited	Service company	-	Singapore	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	Production and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Thailand	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	55%
Sistemas Energéticos de Tarifa, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos La Cámara, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Offshore Wind Limited	Project company	-	Taiwan, Province of China	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Sp. z o.o.	Production and distribution company	EY	Poland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Estructuras Metalicas Singulares, S.A. Unipersonal	Production and distribution company	-	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD	Production and distribution company	EY	South Africa	70%	Siemens Gamesa Renewable Energy, S.A.	Spain	70%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	-	Korea, Republic of	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERJI ANONIM SIRKETI	Production and distribution company	EY	Turkey	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sistemas Energéticos Finca San Juan, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Iberica S.L.	Production and distribution company	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	Philippines	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy S.A.S.	Service and distribution company	EY	France	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy NV	Service and distribution company	EY	Belgium	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy B.V.	Production and distribution company	EY	Netherlands	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Gamesa Energy Transmission, S.A. Unipersonal	Production company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY S.A.S.	Project Company	-	Colombia	100%	Siemens Gamesa Renewable Energy Latam, S.L.	Spain	100%
Siemens Gamesa Renewable Energy S.A.C.	Production and distribution company	-	Peru	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY INSTALLATION & MAINTENANCE COMPAÑÍA LIMITADA	Service and distribution company	-	Guatemala	100%	Siemens Gamesa Renewable Energy Latam, S.L.	Spain	99%
Siemens Gamesa Renewable Energy AB	Production and distribution company	EY	Sweden	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Maindoie SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gudadanal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sistemas Energéticos La Plana, S.A.	Project company	Attest	Spain	90%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	90%
Haveri Renewable Power Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Limited	Production and distribution company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Nirlooti Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Gerr Grupo Energético XXI, S.A. Unipersonal	Holding company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Neelagund Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Kft.	Production and distribution company	EY	Hungary	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Hungund Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Ireland	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sistemas Energéticos del Sur S.A.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Saunshi Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Italia S.r.l.	Production and distribution company	EY	Italy	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Pouilly-sur-Vingeanne SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Chikkodi Renewable Power Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Umrani Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
SIEMENS GAMESA RENEWABLE ENERGY AS	Production and distribution company	EY	Norway	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gesa Renewables Energy Services S. de R.L. de C.V.	Service company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Zalki Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sistemas Energéticos Monte Genaro, S.L.U.	Project company	-	Spain	60%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	60%
Hattarwat Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	United States	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Europa S.L.	Holding company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Siemens Gamesa Renewable Energy LLC	Service company	-	Ukraine	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Cedar Cap Wind, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Société d'Exploitation du Parc Eolien de Vernierfontaine SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Messeix SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gesa Oax I Sociedad Anomima de Capital Variable	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Siemens Gamesa Renewable Energy Engineering Centre Private Limited	Production and distribution company	EY	India	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Belle Dame SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gesa Oax III Sociedad Anomima de Capital Variable	Project company	-	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Siemens Gamesa Energy Tajdidpazir SSK	Service and distribution company	-	Iran, Islamic Republic of	100%	Siemens Gamesa Renewable Energy A/S	Denmark	100%
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gesa Oax II Sociedad de Responsabilidad Limitada de Capital Variable	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Champlong SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Broyes SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy SARL	Production and distribution company	-	Morocco	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	99%
Sistemas Energéticos Sierra de Las Estancias, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Viet Nam	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Sistemas Energéticos Cuntis, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Sistemas Energéticos Tomillo, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy (Private) Limited	Other	-	Pakistan	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Windkraft Trinwillershagen Entwicklungsgesellschaft mbH	Project company	-	Germany	100%	Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	100%
Société d'Exploitation du Parc Eolien des Fontaines SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Sistemas Energéticos Tablero Tabordo, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Carril, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
CARMODY'S HILL INVESTMENT COMPANY PTY LTD	Project company	-	Australia	100%	Siemens Gamesa Renewable Energy Pty Ltd	Australia	100%
Sistemas Energéticos Fonseca, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Argañoso, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Pocahontas Prairie Holdings, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Siemens Gamesa Renewable Energy A/S	Production and distribution company	EY	Denmark	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Diversified Energy Transmission, LLC	Development and distribution company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Champsevraine, SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Other	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
International Wind Farm Developments IX, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Innovation & Technology, S.L.	Research and develpoment company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Lindom Vindenergi AB	Project company	-	Sweden	100%	Siemens Gamesa Renewable Energy AB	Sweden	100%
Siemens Gamesa Renewable Energy Wind Limited	Holding company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy UK Limited	Project company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY, S.R.L.	Service company	-	Costa Rica	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Margny SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy AE	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	Service company	-	Honduras	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Sistemas Energéticos Mansilla, S.L.	Project company	-	Spain	78%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	78%
Adwen Offshore, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Parque Eolico Dos Picos, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Service GmbH	Service company	EY	Germany	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Egypt LLC	Service and distribution company	EY	Egypt	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy B9 Limited	Service company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Limited	United Kingdom	100%
Siemens Gamesa Renewable Energy 9REN, S.L.	Service company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	51%
Sistemas Energéticos Cabezo Negro, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Invest, S.A.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Wind Portfolio Memberco, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Société d'Exploitation du Parc Eolien d'Omécourt SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
International Wind Farm Developments II, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gesa Renewable Energy, S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Russian Federation	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Energy Limited Liability Company	Service company	-	Azerbaijan	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Energy Wind SARL	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Balazote, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy EOOD	Service company	EY	Bulgaria	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Megújuló Energia Hungary Kft	Service company	EY	Hungary	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
EcoHarmony West Wind, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
GER Baneasa, S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Siemens Gamesa Renewable Energy Djibouti SARL	Service and distribution company	-	Djibouti	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Real Estate company	-	Germany	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sellafirth Renewable Energy Park Limited	Project company	-	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Ladera Negra, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Romania S.R.L.	Service company	EY	Romania	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Power Private Limited	Holding company	EY	India	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	90%
Société d'Exploitation du Parc Eolien de Saint-Lumier en Champagne SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gamesa Dominicana, S.A.S.	Service company	EY	Dominican Republic	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Eolien de Saint Amand SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Wind Farms S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	99%
Siemens Gamesa Renewable Energy Australia Pty Ltd	Service company	-	Australia	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de la Monchot SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
GER Independenta, S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Gesacisa Desarolladora, S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	88%
Société d'Exploitation du Parc Eolien du Mont Égaré SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Gamesa Eólica VE, C.A.	Service company	-	Venezuela, Bolivarian Republic of	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
ENERGIAKI MAVROVOUNIOU IDIOTIKI KEFALEOUCHIKI ETERIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Arinaga, S.A. Unipersonal	Project company	-	Spain	100%	Adwen Offshore, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Mailly-le-Camp SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Smardzewo Windfarm Sp. z o.o.	Project company	-	Poland	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Osiek Sp. z o.o. w Likwidacji	Project company	-	Poland	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Brie des Etangs SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Ireland Limited	Service company	EY	Ireland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Boyal, S.L.	Project company	-	Spain	60%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	60%
Siemens Gamesa Renewable Energy Wind S.R.L.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
GER Baraganu, S.R.L	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Siemens Gamesa Energia Renovável Ltda.	Distribution and service company	EY	Brazil	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Lingbo SPW AB	Project company	EY	Sweden	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kadapa Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy, Sociedad Anónima	Service company	-	Nicaragua	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Kurnool Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Souvans SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Ltd	Service company	EY	Israel	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
RSR Power Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Rajgarh Windpark Private Limited	Development and distribution company	-	India	99%	Siemens Gamesa Renewable Power Private Limited	India	99%
SIEMENS GAMESA YENILENEBILIR ENERJI IC VE DIS TICARET LIMITED SIRKETI	Service and distribution company	-	Turkey	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Champeaux SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Pringy SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Maski Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
ENERGIAKI VELANIDIAS SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy New Zealand Limited	Service company	-	New Zealand	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Gangavathi Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
ENERGIAKI MESOVOUNIOU SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kanigiri Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V.	Service company	-	Mexico	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Siemens Gamesa Renewable Energy France SAS	Other	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kollapur Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Gesan I S.A.P.I de C.V.	Other	-	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	75%
Société d'Exploitation du Parc Eolien de Chaintrix-Bierges SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Jamkhandi Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Digital Services, S.L.	Service company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Morocco SARL	Other	-	Morocco	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Photovoltaique de Messeix SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Rayachoty Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service Limited	Service company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
SIEMENS GAMESA RENEWABLE ENERGY SWEDEN AB	Other	EY	Sweden	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Shivamogga Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Ria Blades S.A.	Production company	EY	Portugal	100%	Siemens Gamesa Renewable Energy, S.A.	Portugal	100%
Siemens Gamesa Renewable Energy Limited	Other	EY	Kenya	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Eolien de Bouclans SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Nandikeshwar Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service S.A.S.	Service company	EY	France	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy (Thailand) Co., Ltd.	Other	EY	Thailand	100%	Siemens Gamesa Renewable Energy Limited	Thailand	100%
Sindhanur Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service S.R.L.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Latam, S.L.	Other	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Pocahontas Prairie Wind, LLC	Other	EY	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Vempalli Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Senvion Austria GmbH	Service company	EY	Austria	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Société d'Exploitation du Parc Eolien de la Gartempe SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Service Sp.z.o.o	Service company	EY	Poland	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Oy	Service company	EY	Finland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Anantapur Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Senvion Scandinavia AB	Service company	EY	Sweden	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien des Voies de Bar SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy II Service Unipessoal, Lda.	Service company	EY	Portugal	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Sp. z o.o.	Project company	EY	Poland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gamesa Wind South Africa (Proprietary) Limited	Service company	-	South Africa	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Trépot SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Apac, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad	Service company	-	Serbia	100%	Senvion Austria GmbH	Austria	100%
Central Eólica de México S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	60%
Société d'Exploitation du Parc Eolien des Six Communes SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, S.A.	Project company	EY	Portugal	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Siemens Gamesa Renewable Energy (Beijing) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY SARL	Service and distribution company	-	New Caledonia	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Gamesa Electric, S.A. Unipersonal	Production company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Sceaux SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, Ltd	Service company	EY	Mauritius	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Guerfand SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Vaudrey SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien d'Orchamps SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
SPV Parco Eolico Aria del Vento, Srl	Project company	-	Italy	100%	Siemens Gamesa Renewable Energy Italy, S.P.A.	Italy	100%
Société d'Exploitation du Parc Eolien du Vireaux SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Dampierre Prudemanche SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Orge et Ornain SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Ganquan Chaiguanshan Wind Power Co., Ltd.	Other	-	China	100%	International Wind Farm Development IV Limited	Hong Kong	100%
Parco Eolico Manca Vennarda S.r.l.	Project company	EY	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Yongzhou Shuangpai Daguping Wind Power Co., Ltd.	Other	-	China	100%	International Wind Farm Development II Limited	Hong Kong	100%
Société d'Exploitation du Parc Eolien de Germainville SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Moulins du Puits SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Parco Eolico Banzy S.r.l.	Project company	-	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Gamesa Blade (Tianjin) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Shuangpai Majiang Wuxingling Wind Power Co., Ltd	Project company	-	China	100%	International Wind Farm Development VII Limited	Hong Kong	100%
Siemens Gamesa Renewable Energy Italy, S.P.A.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Lanka (Private) Limited	Service company	-	Sri Lanka	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Eolo, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Chile SpA	Service company	-	Chile	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Jilin Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Technology (China) Co., L	China	100%
Inner Mongolia Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Technology (China) Co., L	China	100%
Sistemas Energéticos Céfiro, S.L	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Bonboillon SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Sistemas Energéticos Siroco, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Saint Loup de Saintonge SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Boreas, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY S.R.L.	Service company	EY	Uruguay	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Sistemas Energéticos Argestes, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Greece E.P.E.	Service company	EY	Greece	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Terral, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Ábrego, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, SARL	Service company	Others	Mauritania	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Gregal, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Tête des Boucs SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Chepniers SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
SANTALPUR RENEWABLE POWER PRIVATE LIMITED	Other	-	India	99%	Siemens Gamesa Renewable Power Private Limited	India	99%
Siemens Gamesa Renewable Energy Limited	Service company	EY	Cyprus	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Fanbyn2 Vindenergi AB	Project company	-	Sweden	100%	Siemens Gamesa Renewable Energy AB	Sweden	100%
Devarabanda Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Ghatpimpri Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Management GmbH	Other	-	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Poovani Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Kod Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Viralipatti Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
PT Siemens Gamesa Renewable Energy	Service and distribution company	-	Indonesia	95%	Siemens Gamesa Renewable Energy, S.A.	Spain	95%
Siemens Gamesa Renewable Energy Blades, SARL AU	Production and distribution company	-	Morocco	100%	Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	100%
Gagodar Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Thoothukudi Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sankanur Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Osmanabad Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Dhone Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy GmbH & Co. KG	Production and distribution company	EY	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Bhuj Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Bapuram Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Koppal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
B) COMPANIES ACCOUNTED BY EQUITY METHOD							
Windar Renovables, S.L.	Production and distribution company	PWC	Spain	32%	Siemens Gamesa Renewable Energy, S.A.	Spain	32%
Energía Eólica de Mexico S.A. de C.V.	Project company	-	Mexico	50%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	50%
Sistemes Electrics Espluga, S.A.	Project company	-	Spain	50%	Gerr Grupo Energético XXI, S.A. Unipersonal	Spain	50%
Energías Renovables San Adrián de Juarros, S.A.	Project company	-	Spain	45%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	45%
Baja Wind US LLC	Venture Capital Investment	-	United States	50%	Siemens Gamesa Renewable Energy, Inc.	United States	50%
Energia Renovable del Istmo S.A. de C.V.	Operation of Wind Farms	-	Mexico	50%	Energia Eólica de Mexico S.A. de C.V.	Mexico	100%

(1) Exemption pursuant to Section 264 (3) German Commercial Law

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222, WITH EMPLOYER IDENTIFICATION NUMBER A -01011253.

HEREBY CERTIFY:

That the text of the consolidated annual accounts for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A., authorised for issue by the Board of Directors at its meeting held on November 27, 2020, is the content of the preceding 116 sheets of unstamped paper, on the obverse only, in respect of balance sheet, statement of profit and loss, statement of changes in equity, statement of other comprehensive income, statement of cash flows and the consolidated notes and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

_____
Mr. Miguel Angel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

The Secretary of the Board of Directors states for the records:

(i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.

(ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

_____
Mr. Miguel Ángel López Borrego
Chairman

_____
Mr. Juan Antonio García Fuente
Secretary of the Board of Directors

1. Introduction

The fiscal year from October 2019 to September 2020 (FY20) was one of intense activity and organizational changes in Siemens Gamesa[1], with the appointment of a new CEO, Andreas Nauen, in June, the presentation of a new management team in July[2], and the development of a business plan for the fiscal years 2021 (FY21) through 2023 (FY23) which was unveiled to the market in late August. Externally, the year was shaped by the COVID-19 pandemic and the decline of the Indian Onshore market, both of which had material unforeseen effects on the Group's financial performance. That performance was also hampered by cost overruns caused by the execution challenges in Onshore projects in Norway and Sweden, which at the date of this report have been delivered to the customers.

The impact of COVID-19 was concentrated in the second quarter (Q2 20), with disruptions to the supply chain located in China, and the third quarter (Q3 20) of the fiscal year, due to temporary closures of plants (mainly in Spain and India) and borders, with an impact on the movement of people and goods. The effect of COVID-19 tailed off in the fourth quarter of the fiscal year (Q4 20) and resulted mainly in execution delays in Onshore projects; at the date of this report, both the supply chain and manufacturing activities are operating as normal. However, given the uncertainty about how the pandemic will evolve, the company is maintaining the measures implemented in FY20, designed by the global crisis management task force, to ensure both employee safety and business continuity and serving the needs of customers: strict health and safety protocols in offices, factories and wind farms, telework for office staff, inventory management to avoid bottlenecks in components at risk, and acting on eligible contract terms towards customers and vendors, among others.

In this context, Group revenues in FY20 fell by 7% to €9,483m while EBIT pre PPA and before integration and restructuring costs was -€233m, equivalent to an adjusted EBIT margin of -2.5% on revenues, including a cumulative impact of the pandemic in the amount of €181m. As the company had predicted, the positive performance in Q4 20 was not enough to offset the losses accumulated in the first nine months of the year (9M 20). Revenues in Q4 20 decreased by 2.6% y/y to €2,868m and EBIT pre PPA and before integration and restructuring costs was €31m, i.e. an adjusted EBIT margin of 1.1%, including the direct negative impact of COVID-19 in the amount of €31m. The performance of the Service activities has been sound despite the impact of the pandemic.

Integration and restructuring expenses amounted to €462m in the year (€110m in Q4 20); in addition to the expenses predicted at the beginning of the year, that figure also includes the cost of executing up an extensive restructuring process in India to respond to the sharp adjustment in short- and medium-term demand prospects, and the integration and restructuring costs related to the acquisition of Senvion assets, none of which were foreseen when the year began. Including integration and restructuring expenses and the impact of PPA on the amortization of intangible assets (€262m in FY20 and €59m in Q4 20), reported EBIT in FY20 amounted to -€958m (-€139m in Q4 20) and net income to -€918m (-€113m in Q4 20).

As for the balance sheet, Siemens Gamesa ended the year with a net debt position of €49m, i.e. €328m below the net cash position at the beginning of the year[3]. The debt position reflects the impact of the net loss on cash generation, partly offset by the positive trend in working capital, which ended the year at -€1,976m, equivalent

[1]Siemens Gamesa Renewable Energy (Siemens Gamesa) is the result of merging Siemens Wind Power, which was the wind power division of Siemens AG, with Gamesa Corporación Tecnológica (Gamesa). The Group engages in wind turbine development, manufacture and sale (Wind Turbine business) and provides operation and maintenance services (Service business).

[2]In addition to CEO Andreas Nauen, the Siemens Gamesa management team comprises Beatriz Puente as CFO, Lars Bondo Krogsgaard as Onshore CEO, Pierre Bauer as Offshore CEO (acting), Juan Gutierrez as Service CEO, Christoph Wollny as COO and Jürgen Bartl as Secretary/General Counsel.

[3]The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the retrospective approach without restating comparative figures. As a result, the beginning balance sheet as of October 1, 2019 was modified. The main impacts of the first-time application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in property, plant and equipment corresponding to the right-of-use assets amounting to €679m, a decrease in advance payments recognized under "Other non-current assets" and "Other current assets", for an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of net financial debt) for €583m. See Note 2.D.3 to the consolidated financial statements for FY19. As of September 30, 2020, lease liabilities amounted to €611m: €115m short term and €496m long term.

to -21% of revenues in the last twelve months. As of September 30, 2020, Siemens Gamesa had over €4,200m in authorized funding lines, against which it had drawn c. €1,100m.

Siemens Gamesa maintained record commercial activities despite the pandemic's impact on the Onshore market, evidencing the resilience of its business. The Group ended FY20 with a backlog amounting to €30,248m, i.e. €4,742m more than at the end of September 2019. Of that backlog, 79% is in activities with performance in line with the Group's long-term vision, and longer duration: Offshore (28%) and Service (50%), enhancing the visibility of the Group's future performance. The value of the order book at September 30, 2020 was reduced by about 4% as a result of currency depreciation.

Order intake in FY20 amounted to a record €14,736m, due to strong performance by Offshore and Service that offset lower order intake in Onshore, which was affected by the pandemic and, above all, by the slowdown in the Indian market. This resulted in a book-to-bill ratio of 1.6. Order intake in Q4 20 totaled €2,564m, reflecting the normal volatility of the Offshore market which did not practically register any new orders in this quarter after a strong order intake in Q3 20. The commercial activities in the Onshore market recovered. The company signed Onshore orders for 2.7 GW in Q4 20, catching up in winning the business it had lost in Q3 20 and enabling total Onshore order intake in FY20 to reach 8.1 GW. This is in line with the company's projections of an average of 2 GW per quarter in new orders. Onshore platforms of over 4 MW continue to gain in importance, having accounted for 45% of Onshore order intake in the full year. In the Offshore division, the new SG 14-222 DD turbine unveiled in Q3 20 achieved very good customer reception, having gained 4.3 GW in preferential supply agreements and conditional orders signed to date.

It is important to note that, despite the significant impact of the pandemic, the energy market continues the transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental role thanks to its growing competitiveness. Consequently, any negative impact on the volume of wind installations projected for 2020 will not only be offset but will actually be exceeded in the coming years. Obviously, the industry's long-term demand prospects have improved in the last twelve months, driven by the role that renewable energy will play not only in the economic recovery but also in the development of a sustainable socio-economic model, which has been shown to be increasingly necessary during the pandemic. Additionally, a growing number of countries and companies announced that the plan to achieve net zero emissions by 2050. In order to achieve this objective worldwide wind installations need to rise to 280 GW per year by 2030, according to the latest report of the International Energy Agency (October 2020). Moreover, the increase in consumption of renewable energy since the beginning of the pandemic, despite a sharp decline in electricity demand, shows not only the industry's resilience but also the capacity of existing electricity systems to handle growing levels of renewable energy output.

In the course of improvement of its sustainable socio-economic models, Siemens Gamesa accelerated its commitment to ESG (environment, social and governance) commitments in FY20. During the year, the company:

- Achieved carbon neutrality, ahead of the target to reach this goal in 2025.
- Has reached a 100% renewable electricity consumption.
- Introduced criteria of sustainability in its entire funding strategy, ranging from the syndicated loan through guarantee lines to currency hedges.
- Obtained AENOR certification that its Tax Compliance System conforms to the UNE 19602:2019 standard.
- Has launched a global crisis management task force with one workstream focused on the development and implementation of enhanced strict safety protocols for offices, plants and wind farm sites, including testing, traceability and quarantine strategies, all to protect employees, suppliers, clients and communities where the company operates.

These actions were recognized by ESG rating agencies and by the indices. MSCI upgraded the company's sustainability rating by two notches to A; Vigeo-Eiris[4] ranked it #1 among the 25 companies in the Electric Components & Equipment sector for its ESG performance, and SGRE was included in the Bloomberg Gender

[4]Vigeo Eiris is a rating and research agency that evaluates organizations' integration of social, environmental and governance factors into their strategies, operations and management – with a focus on promoting economic performance, responsible investment and sustainable value creation.

Equality Index, which measures the financial performance of listed companies that are committed to gender equality. In Q4 20, FTSE Russell[5] and Sustainalytics[6] completed an assessment of Siemens Gamesa's ESG profile. According to FTSE Russell, SGRE attained a general score of 4.5 out of 5 in its industry and is in the 100th percentile within the Oil & Gas sector, with a very prominent position in the Renewable Energy Equipment subsector. According to Sustainalytics, the company attained a low ESG risk profile and score 3 out of 166 companies within the Electrical Equipment industry.

Main consolidated figures for FY20

- Revenues: €9,483m (-7% y/y)
- EBIT pre PPA and before integration and restructuring costs[7]: -€233m (% not applicable)
- Net income: -€918m (% not applicable)
- Net cash/(Net financial debt – NFD)[8]: -€49m
- MWe sold: 9,968 MWe (+5% y/y)
- Order book: €30,248m (+19% y/y)
- Firm order intake in Q4: €2,564m (-17% y/y)
- Firm order intake in the last twelve months: €14,736m (+16% y/y)
- WTG order intake in Q4: 2,713 MW (-16% y/y)
- Firm WTG order intake in the last twelve months: 12,260 MW (+7% y/y)
- Installed fleet: 107,502 MW
- Fleet under maintenance: 74,240 MW

Markets and orders

Despite the effects of the pandemic, solid sales efforts continue to drive the company's performance. Siemens Gamesa signed orders worth €14,736m (+16% y/y) in the twelve months to September 2020, when the order book stood at €30,248m[9] (+19% y/y). That figure is €4,742m more than at the end of fiscal year 2019 (FY19). The order book now includes the Service backlog associated with the assets acquired from Senvion in January 2020, amounting to c. €1,500m. Order intake in the year amounted to 1.6 times revenues in the fiscal year.

At the end of Q4 20, 50% of the order book (€15,138m) was in the Service division, which has higher margins and grows 27% year-on-year. The WTG order book is split into €8,614m Offshore (+32% y/y) and €6,496m Onshore (-8% y/y).

[5]FTSE Russell is a global provider of benchmarks, analytics and data solutions owned by the London Stock Exchange.

[6]Sustainalytics is a Morningstar company that rates sustainability in listed companies based on their environmental, social and corporate governance (ESG) performance.

[7]EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of €462m and the impact of fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of €262m.

[8]Cash / (Net financial debt) is defined as cash and cash equivalents less financial debt (both short- and long-term). The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the retrospective approach without restating comparative period figures. As a result of the forgoing, the opening balance sheet as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in Property, plant and equipment corresponding to the assets for the right of use in the amount of €679m, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of Net Financial Debt) amounting to €583m. Lease liabilities as of September 30, 2020 amounted to €611m: €115m short term and €496m long term.

[9]Currency devaluation had a negative impact on the backlog in the amount of c. €1,391m. Excluding the currency effect, the backlog would have increased by 24% y/y to c. 31,639m.

Figure 1: Order book at 09.30.20 (€m)

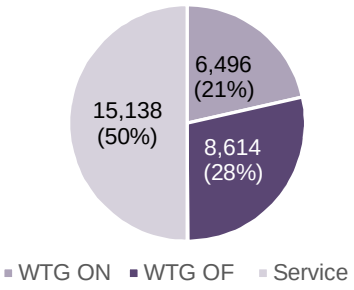
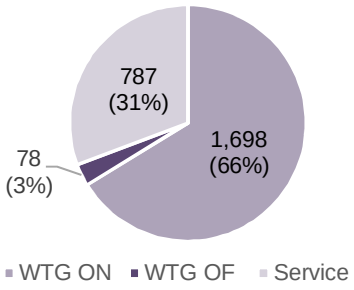


Figure 2: Order intake Q4 20 (€m)



Order intake for the Group in Q4 20 amounted to €2,564m, reflecting the recovery in Onshore commercial activities after weak performance in the second and third quarters, and the normal volatility in the Offshore activities, with very few orders in the quarter, after strong order intake in the first nine months of FY20.

Onshore commercial activities, with 2,713 MW in firm orders signed in Q4 20, i.e. 2.3 times the figure for Q3 20, evidences a recovery following two quarters that were impacted by the pandemic. In addition, the year-on-year change, -14% with respect to the fourth quarter of fiscal year 2019 (Q4 19), also reflects persisting weakness in the Onshore market in India, where firm orders totaled 473 MW, compared with 1,188 MW in Q4 19. Orders signed in the quarter totaled €1,698m, down 24% on the year-ago quarter. Order intake in the last twelve months amounted to 8,121 MW, 13% less than in FY19. This reduction with respect to the record performance in 2019 is attributable not only to the pandemic delaying the signature of orders in certain markets but also to the aforementioned weakness of the Indian market. Despite that decline, order intake in FY20 amounted to €5,531m, i.e. a book-to-bill ratio of 1.1 times ON WTG sales in the period. The book-to-bill ratio in Q4 20 was 1.1 times revenues in the period.

Figure 3: WTG ON order intake (€m) LTM (%)

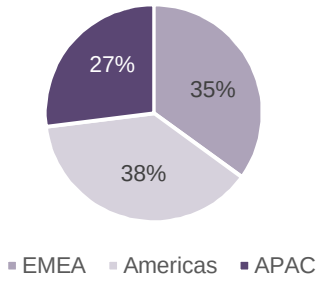
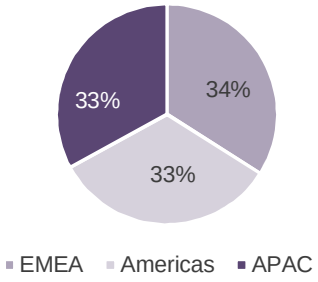


Figure 4: WTG ON order intake (€m) Q4 20 (%)



Of the 45 countries that contributed new Onshore orders in the last twelve months, the largest are US (18% of volume in €m), Brazil (9%), Spain (8%) and India (8%). They are followed by Poland (6%), Vietnam (6%) and Sweden (5%). The main sources of new orders in Q4 20 were US (35%), India (16%), Morocco (12%), Pakistan (7%) and Vietnam (7%). Commercial activities are now more diversified in APAC after the company strengthened its position in Vietnam and Pakistan in FY20.

Platforms with capacity of 4 MW or higher accounted for 45% of order intake in FY20 (c. 20 p.p. more than in FY19), including 755 MW in orders for the 5.X Onshore platform. In October 2020, Siemens Gamesa signed the largest contract to date for the SG 5.X platform: 372 MW for the Björnberget wind farm in Sweden. This contract raises the orders signed for this platform since its launch to over 1 GW.

Table 1: WTG ON order intake (MW)

WTG ON order intake (MW):	FY20	Q4 20
Americas	3,109	913
US	1,454	913
Brazil	804	0
Chile	330	0
Mexico	122	0
EMEA	2,514	766
Spain	592	31
Morocco	301	301
Sweden	459	107
APAC	2,498	1,035
India	628	473
China	634	130
Pakistan	431	273
Vietnam	453	90
Total (MW)	**8,121**	**2,713**

Offshore attained a record 4,139 MW of new orders in FY20, twice the FY19 figure (2,076 MW). Order entry in this market is normally very volatile; contract signatures were concentrated in the first and third quarters of FY20. Orders signed in FY20 include notably those to supply the HKZ I, II, III and IV wind farms, a total of 1,540 MW (140 units of the SG 11.0-200 DD Offshore turbine), which, once built, will be the first unsubsidized Offshore wind farms in the world. Contracts signed amounted to €5,053m, +63% y/y, i.e. 1.8 times revenues in the period.

In addition to firm order intake, the company's commercial activities also resulted in a considerable increase in the conditional pipeline, which ended FY20 at 9.3 GW after the signature of 5.6 GW of conditional orders and the conversion of 4.1 GW into firm orders. Among the conditional orders signed in FY20 were those for 4.3 GW of the new SG 14-222 DD Offshore turbine, reflecting Siemens Gamesa's technological lead in the Offshore market: US (2.6 GW for Dominion Energy), the UK (1.4 GW for Innogy) and Taiwan (300 MW for Hai Long Offshore Wind). The company also registered strong performance in new markets, with 4.4 GW in US, 2.5 GW in France and a combined 2.2 GW in Taiwan and Japan (all figures include firm orders and preferential supply agreements).

The Service division also achieved strong commercial performance, with €4,152m in order intake in FY20, 53% more than in FY19 and equivalent to 2.3 times revenues in the year. The intense commercial activities in the Service division included Offshore contracts signed in France, Taiwan, The Netherlands or Scotland, and 1,155 MW of Senvion technology contracts outside the acquisition perimeter, including a contract to maintain 200 MW in the Offshore Trianel Windpark Borkum II for at least five years and up to 15 years.

Table 2: Order intake (€m)

	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20
WTG	2,195	1,717	3,735	2,386	**10,034**	3,158	1,424	4,227	1,776	**10,584**
Onshore	1,799	1,200	1,695	2,240	**6,934**	1,611	1,350	872	1,698	**5,531**
Offshore	396	517	2,040	146	**3,100**	1,547	74	3,355	78	**5,053**
Service	346	749	931	690	**2,715**	1,470	779	1,115	787	**4,152**
Group	**2,541**	**2,466**	**4,666**	**3,076**	**12,749**	**4,628**	**2,203**	**5,342**	**2,564**	**14,736**

The transition towards affordable, reliable and sustainable energy systems is being accompanied not only by better demand prospects for renewable installations but also by a demand for greater competitiveness in the supply chain: more productive wind turbines at better prices. The introduction of auctions as a mechanism for allocating renewable capacity or production in electricity markets, pressure from alternative renewable sources to wind energy, and the

competitive pressure among wind turbine manufacturers themselves are the main reasons for the reduction in prices.

This decline in prices, which became particularly visible after the first auctions in Mexico, India and Spain during 2016 and 2017, has gradually stabilized since the beginning of FY18, a trend that was maintained in FY19 and FY20.

In this way, the WTG market went from initial high single-digit/low double-digit declines to low single-digit (<5%) declines, which are in line with the historical price trend associated with improvements in manufacturing productivity.

However, as noted in previous quarters, the average selling price[10] is influenced by other factors apart from turbine prices, including the country, the contract scope and the machine mix, and that it is not directly correlated with profitability. The main factors pressuring the average selling price in FY20 were the larger contribution from higher nominal capacity rating platforms and the narrower scope of contracts. In Q4 20 the decline in ASP is also due to a negative currency effect, together with the previous factors.

Figure 5: Average sale price (ASP) - Onshore order intake (€m/MW)

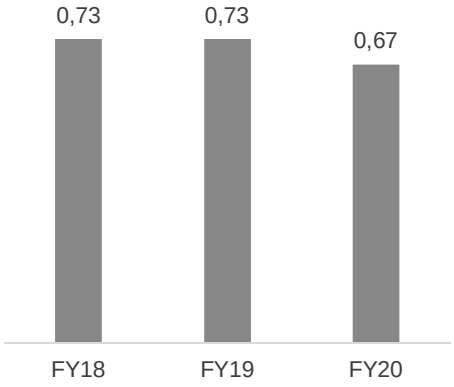
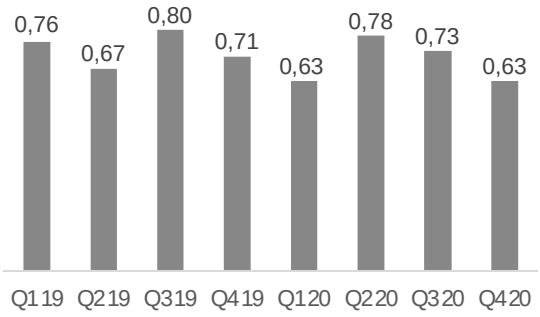


Figure 6: Average sale price - Onshore order intake (€m/MW)



[10]Average selling price excludes solar orders.

Key financial performance metrics

The table below shows the main financial aggregates for FY20 and FY19 and for the fourth quarter (July-September) of fiscal year 2020 and 2019, as well as the change between years and quarters.

Table 3: Key figures

€m	FY19	FY20	Var. y/y	Q4 19	Q4 20	Var. y/y
Group revenues	10,227	9,483	-7.3%	2,944	2,868	-2.6%
WTG	8,733	7,715	-11.7%	2,527	2,325	-8.0%
Service	1,493	1,768	18.4%	417	543	30.3%
WTG volume (MWe)	9,492	9,968	5.0%	2,585	3,226	24.8%
Onshore	6,936	7,704	11.1%	2,009	2,433	21.1%
Offshore	2,556	2,264	-11.4%	576	793	37.7%
EBIT pre PPA and before I&R costs	725	-233	N.A.	250	31	-87.6%
EBIT margin pre PPA and before I&R costs	7.1%	-2.5%	-9.5 p.p.	8.5%	1.1%	-7.4 p.p.
WTG EBIT margin pre PPA and before I&R costs	4.4%	-8.2%	-12.6 p.p.	5.9%	-4.3%	-10.2 p.p.
Service EBIT margin pre PPA and before I&R costs	23.0%	22.7%	-0.3 p.p.	24.1%	24.0%	-0.1 p.p.
PPA amortization[1]	266	262	-1.5%	67	59	-10.7%
Integration and restructuring costs	206	462	2.2x	116	110	-5.5%
Reported EBIT	253	-958	N.A.	67	-139	N.A.
Net profit attributable to SGRE shareholders	140	-918	N.A.	52	-113	N.A.
Net profit per share attributable to SGRE shareholders[2]	0.21	-1.35	N.A.	0.08	-0.17	N.A.
Capex	498	601	104	181	249	68
Capex/revenues (%)	4.9%	6.3%	1.5 p.p.	6.2%	8.7%	2.5 p.p.
Working capital (WC)	-833	-1,976	-1,143	-833	-1,976	-1,143
Working capital/revenues LTM (%)	-8.1%	-20.8%	-12.7 p.p.	-8.1%	-20.8%	-12.7 p.p.
Net (debt)/cash[3]	863	-49	-912	863	-49	-912
Net (debt)/EBITDA LTM	0.96	N.A.	N.A.	0.96	N.A.	N.A.

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q4 19: 679,504,347; Q4 20: 679,517,513; FY19: 679,490,974; FY20: 679,517,035.
3. The introduction of IFRS 16 in FY20 affected the opening net cash/(debt) position, reducing it from €863m to €280m. The variation in the net cash/(debt) position in the fiscal year, in comparable terms amounts to €301m: net cash as of September 30, 2019 (€863m), lease liabilities as of September 30, 2020 (€611m); net debt as of September 30, 2020 (€49m).

The Group's financial performance in FY20 was the result principally of:

- The impact of the pandemic, which mainly impacted Onshore activities.
- Additional costs as a result of the challenges in executing the Onshore pipeline in Northern Europe, which was also indirectly affected by the pandemic.
- The impact of volatility and the slowdown in the Onshore market in India, also accentuated by the pandemic, resulting in one of the longest lockdowns in the world.

The financial effect of the pandemic on the Group's results was due mainly to: (i) delays in executing Onshore projects, which in some cases have been carried over into FY21, due to commercial activities delays, to supply chain disruptions and also to temporary plant closures in India and Spain (in a very small number of cases, the execution delays triggered penalty clauses); (ii) costs of idle capacity; (iii) higher costs due to project prolongation, and higher transport expenses; and (iv) the increase in the price of certain commodities, such as balsa wood, due to supply chain disruptions. The impact commenced in the second quarter, peaked in the third quarter and tailed off sharply in the fourth quarter of FY20. Both the supply chain and manufacturing were operating normally in the fourth quarter.

In this context, Group revenues amounted to €9,483m in FY20, 7% lower than in FY19[11]. The decline in revenues reflects not only the impact of the pandemic on project execution and lower demand in India (neither of which were foreseen at the beginning of the year) but also the expected decline in Offshore sales and with a positive impact, the integration of the Service assets acquired from Senvion. COVID-19 impact on Group revenues due to the lower commercial activities and the delays on projects execution amounts to c. €1,000m. Revenues in Q4 20 amounted to €2,868m, 3% less than in Q4 19[12].

EBIT pre PPA and before integration and restructuring costs in FY20 amounted to -€233m, i.e. a 9.5 p.p. y/y reduction in the EBIT margin, to -2.5%. The effect of COVID-19 cut 1.9 p.p. off the margin in the fiscal year. EBIT pre PPA and before integration and restructuring costs in Q4 20 amounted to €31m, equivalent to an EBIT margin of 1.1%, i.e. 7.4 p.p. less than in the year-ago quarter. The effect of COVID-19 cut 1.1 p.p. off the margin in the Q4 20.

The trend in EBIT pre PPA and before integration and restructuring costs in FY20 reflects the impact of the following factors:

(-) The price cuts included in the order book (Onshore, Offshore and Service) at the beginning of the fiscal year.

(+) Improvements in productivity and fixed costs under the L3AD2020 program, which offset the price reduction.

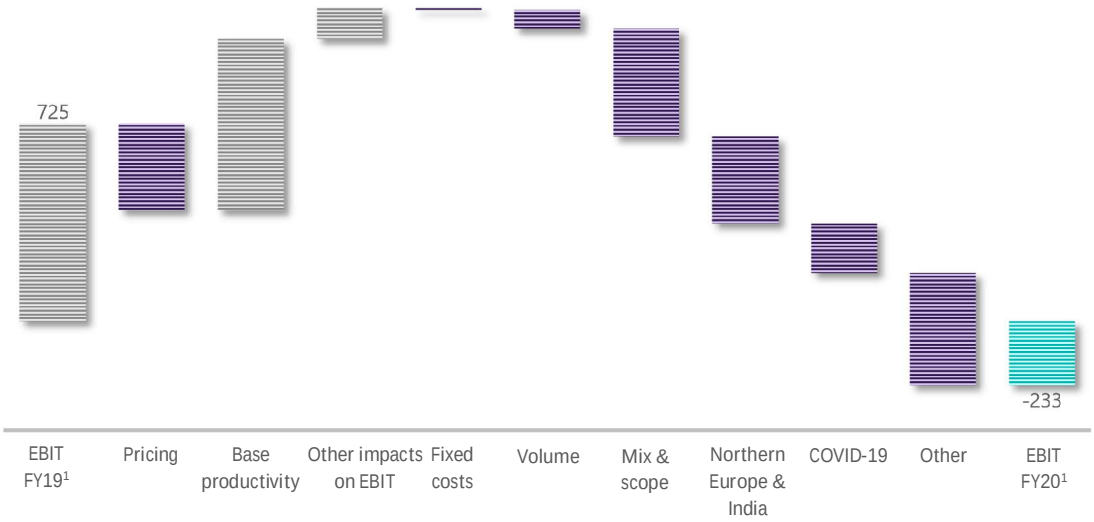
(-) The Group's project mix.

(-) Lower Offshore sales volume.

[11]At constant currency, revenues amount €9,657m. The impact of the weighted average annual depreciation of the currencies in which the Group operates amounts to €174m in FY20.

[12]At constant currency, revenues in Q4 20 amount €3,011m. The impact of the weighted average annual depreciation of the currencies in which the Group operates amounts to €144m in Q4 20.

Figure 7: EBIT pre PPA and before I&R costs (€m)



1. EBIT pre PPA and before integration and restructuring (I&R) costs.

It is important to note that, on conclusion of the FY18 - FY20 business plan, the synergies and productivity improvements achieved under the L3AD2020 transformation program surpassed the €2,000m target set by the company in 2018.

In addition to the aforementioned four factors, whose impact in FY20 was in line with the company's forecasts, the year-on-year variation was impacted by the continuing slowdown in the Indian market and cost overruns on project execution in Northern Europe, all negatively influenced by the impact of COVID-19. Regarding the costs associated with India and Northern Europe, Siemens Gamesa recognized €95m and €183m in cost deviations against EBIT pre PPA and before integration and restructuring costs in FY20, all incurred in the first nine months of FY20, with no impact in Q4 20.

EBIT pre PPA and before integration and restructuring costs in Q4 20 reflected a negative impact of €69m in Q4. Of these, €31m are recorded for provisions for warranty and onerous contracts. The remainder results from higher expected contract cost which reduced profit of projects which are in the execution phase and go with a reversal of revenue, both factors associated with preventive and corrective actions in the SG 4.X gearbox. This impact is partially in the “Others” category in the previous graph (Figure 7). This category also includes the negative currency effect in FY20, mainly in Q4 20, and the positive impact in FY19 of better fleet performance and product improvements on ordinary provisions (with no impact in FY20).

The impact of the PPA on amortization of intangible assets was €262m in FY20 (€59m in Q4 20), while integration and restructuring (I&R) expenses amounted to €462m in the same period (€110m in Q4 20).

I&R costs included notably the following items:

- Restructuring of operations in India to adjust capacity to the lower demand projected for the first half of the decade.
- Restructuring of capacity in EMEA with the closure of the Aoiz plant and the discontinuation of the Onshore blade manufacturing in Aalborg.
- In addition to the IT integration costs, the integration and restructuring costs associated with the acquisition of Service assets from Senvion and the Vagos blade plant.

In FY20, restructuring costs associated with the deterioration of the Indian market amounted to €219m including €82m in impairment of intangible assets, €126m write-off of inventory (including the landbank), and €11m in impairment of property, plant and equipment. Of that amount, €24m were booked in Q4 20. Although short- and medium-term demand prospects in India have declined, the long-term prospects remain intact, and have even improved recently to an average of 8 GW of installations per year in the second half of the decade. These long-term prospects support the company's commitment to the Indian market.

Financial expenses amounted to €59m in FY20 (€15m in Q4 20). Losses in the year resulted in a corporate tax income in the amount of €100m (€40m in Q4 20) driven by the recognition of additional net deferred tax assets in amount of €237m.

As a result, the Group ended the year with a negative net profit, which includes the impact on amortization of the PPA and integration and restructuring costs, both net of taxes, totaling €519m in FY20, that amounted to €918m (-€113m in Q4 20), whilst the net profit of the Group was €140m in FY19 (€52m in Q4 19). The net loss per share for equity holders of Siemens Gamesa is €1.35 (€0.17 in Q4 20).

The working capital management policies implemented in FY19 and the strong commercial activities resulted in an improvement in working capital despite the effect of the pandemic on project execution and on the need to maintain inventories of critical components to ensure business continuity. As of September 30, 2020, working capital amounted to -€1,976m, equivalent to -20.8% of revenues in the last twelve months, an improvement of €1,143m or 12.7 percentage points of revenues on the figure in FY19.

Table 4: Working capital (€m)

Working capital (€m)	Q1 19[1]	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Var. y/y
Accounts receivable	1,135	1,171	1,460	1,308	1,108	1,073	1,211	1,141	-167
Inventories	1,925	2,006	2,044	1,864	2,071	2,115	2,064	1,820	-44
Contract assets	2,033	1,771	1,952	2,056	1,801	1,808	1,715	1,538	-518
Other current assets	417	464	651	461[2]	578	466	584	398	-63
Accounts payable	-2,557	-2,505	-2,733	-2,886	-2,471	-2,544	-2,781	-2,694	-79
Contract liabilities	-2,340	-1,991	-2,267	-2,840	-3,193	-3,101	-3,362	-3,148	-308
Other current liabilities	-641	-706	-869	-798	-833	-682	-929	-761	36
Working capital (WC)	**-27**	**211**	**238**	**-833**	**-939**	**-865**	**-1,498**	**-1,976**	**-1,143**[2]
Change q/q	515	238	28	-1,071	-106[2]	74	-633	-477	
Working capital/revenues LTM	**-0.3%**	**2.2%**	**2.4%**	**-8.1%**	**-9.4%**	**-8.8%**	**-15.7%**	**-20.8%**	

1. For the purposes of comparison after the application of IFRS 9, which impacted the opening balance sheet in FY19: the foregoing table shows a €3m decline in "Trade and other accounts receivable" and a €3m decline in "Contract assets", with a corresponding €4.6m reduction in Group equity (including the tax effect).
2. The application of IFRS 16 modified the opening balance of the "Other current assets" account by €10m: from €461m at the end of FY19 to €451m at the beginning of FY20. Working capital at the beginning of FY20 amounted to -€843m, €10m less than at the end of FY19. Considering the impact of IFRS 16, working capital decreased by €95m during the first quarter of FY20 and €1,132m in FY20.

Capital expenditure amounted to €601m in FY20, in line with the guidance for the year announced in November 2019. Investment was concentrated in developing new services and Onshore and Offshore platforms, in tooling and equipment, and in the blades and nacelles factory in Le Havre. Offshore required investment to tap demand growth in coming years, represents more than half of the investment in the fiscal year.

The application of IFRS 16 in FY20[13] increased gross interest-bearing debt by €583m (see note 2.D.3 to the Group's consolidated financial statements for FY19). As a result, the net cash position went from €863m as of September 30, 2019 to €280m at the beginning of FY20 (October 1, 2019). Adjusting for this accounting change, the net cash

[13]The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019 using the full retrospective approach without restating comparative figures. As a result of the forgoing, the opening balance sheet as of October 1, 2019 has been modified. The main impacts of the first-time application of IFRS 16 on the consolidated balance sheet as of October 1, 2019 are an increase in Property, plant and equipment corresponding to the assets for the right-of-use in the amount of €679m, a decrease in advance payments recorded under "Other non-current assets" and "Other current assets", for an amount of €85m and €10m, respectively, and the corresponding increase in current and non-current liabilities (components of Net Financial Debt) amounting to €583m. Lease liabilities as of September 30, 2020 amounted to: €115m short term and €496m long term.

position from the beginning of the fiscal year was reduced by c. €301m[14], to a net debt position of €49m at the end of the FY20. This reduction came after payments related to the acquisition of Service and manufacturing assets from Senvion in Q2 20 and Q3 20 for a net total of €177m and after Adwen-related cash outflows in the amount of €140m.

In the first quarter of FY20, Siemens Gamesa strengthened its funding structure by extending the maturity of the syndicated loan to December 2024 for the €2,000m tranche and to December 2022 for the €500m tranche, and by arranging more flexible terms as a result of achieving an investment grade rating. The maturity extension enables the company to address the impact of the pandemic and the related uncertainties with a strong liquidity position of c. €4,700m including available credit lines and cash. At September 2020, the company had c. €4,200m in credit lines, against which it had drawn c. €1,100m.

WTG

Table 5: WTG (€m)

€m	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Var. y/y
Revenues	1,904	2,060	2,242	2,527	**8,733**	1,634	1,808	1,947	2,325	**7,715**	-11.7%
Onshore	1,103	1,243	1,229	1,650	**5,225**	1,116	1,149	1,143	1,499	**4,907**	-6.1%
Offshore	801	817	1,013	877	**3,508**	518	660	805	826	**2,808**	-20.0%
Volume (MWe)	2,129	2,383	2,394	2,585	**9,492**	1,932	2,183	2,627	3,226	**9,968**	5.0%
Onshore	1,520	1,707	1,699	2,009	**6,936**	1,747	1,649	1,876	2,433	**7,704**	11.1%
Offshore	609	676	694	576	**2,556**	185	534	751	793	**2,264**	-11.4%
EBIT pre PPA and I&R costs	51	106	76	149	**382**	-224	-54	-256	-99	**-634**	N.A.
EBIT margin pre PPA and I&R costs	2.7%	5.1%	3.4%	5.9%	**4.4%**	-13.7%	-3.0%	-13.2%	-4.3%	**-8.2%**	-12.6 p.p.

WTG division revenues in FY20 amounted to €7,715m, 12% less than in FY19. Revenues in Q4 20 amounted to €2,325m, a decline of 8% with respect to the year-ago quarter.

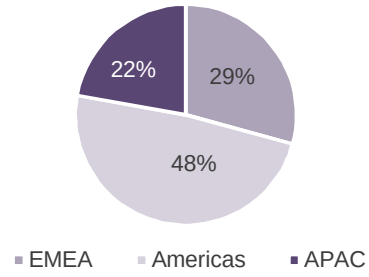
WTG revenues declined in FY20 mainly as a result of a reduction in Offshore revenues (-20% y/y). That was due to a slower pace of manufacturing (-11% y/y), in line with project planning for the year, and reduced installation activities, which fell 38% y/y (from 2,646 MW installed in FY19 to 1,652 MW in FY20).

The decline in Onshore revenues (-6% y/y) was due mainly to the geographic mix, with a larger contribution from the Americas and APAC (71% in FY20, vs. 51% in FY19, in MWe), where the scope is lower than in EMEA, as well as lower prices and a negative currency effect. The pandemic's impact on project execution was visible in the second and (above all) the third quarter, triggering a significant decrease in installation activities, followed by a partial recovery in the fourth quarter, as expected.

The main sources of Onshore sales (MWe) in FY20 were the US (30% of the total), China (10%), India (9%), Chile (8%) and Brazil (7%).

[14]Net cash as of September 30, 2019: €863m, increase in debt due to adoption of IFRS 16 in FY20, as of September 30, 2020: €611m, net debt as of September 30, 2020: €49m.

Figure 8: WTG ON sales volume (MWe) FY20 (%)



EBIT pre PPA and before integration and restructuring costs declined to -€634m in FY20, equivalent to an EBIT margin of -8.2%, i.e. 12.6 percentage points below the comparable figure in FY19. EBIT pre PPA and before integration and restructuring costs in Q4 20 declined to -€99m, equivalent to a -4.3% margin on revenues, i.e. 10.2 percentage points below the comparable figure in Q4 19.

The WTG division's profit margin reflects the effect of the following expected factors, whose impact was completely in line with expectations:

- Lower prices, offset by the results of the L3AD2020 transformation program.
- The cost of Offshore underproduction due to the reduction in volume.
- The sales mix, with a lower contribution from Offshore and a lower contribution by EMEA in Onshore.

However, in addition to these factors, there were events, some outside the company's control, whose impact could not be offset in the short term:

- The pandemic delayed execution of certain projects and raised costs by slowing the supply chain and the pace of manufacturing and execution. Moreover, some commodity prices and transport costs increased.
- A slowdown in some of Siemens Gamesa's major markets, such as India and Mexico, with an effect on contract signatures and on sales.
- Costs in excess of original estimates as a result of challenges encountered in executing 1.1 GW in Northern Europe, negatively influenced by the impact of the pandemic, particularly on the movement of people.

As indicated in the third quarter, the company took measures to regain profitability in Onshore operations; those measures, which are part of the FY21 - FY23 business plan, include:

- A full review of the business in India, consolidating capacity to actual demand, reducing the risk profile by limiting development activities and focusing operations on wind power, ceasing solar activities.
- Additional adjustment of Onshore manufacturing capacity to optimize from a product and competitive perspective.
- Launch of the LEAP program, unveiled to the market in August 2020, which is a continuation of the L3AD2020 program with a much broader scope and a clear focus to One SGRE that relies on three levers — innovation, productivity and asset management, and operational excellence — with the goal, among others, of restoring profitability in Wind Turbine activities.
- Appointment of Lars Bondo Krogsgaard as CEO of the Onshore division, to take office in November 2020.

Operation and Maintenance Service

Table 6: Operation and maintenance (€m)

€m	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Var. y/y
Revenues	358	330	390	417	**1,493**	366	395	464	543	**1,768**	18.4%
EBIT pre PPA and before I&R costs	87	73	83	100	**343**	88	87	96	130	**401**	16.9%
EBIT margin pre PPA and before I&R costs	24.3%	22.0%	21.3%	24.1%	**23.0%**	24.1%	21.9%	20.6%	24,0%	**22.7%**	-0.3 p.p.
Fleet under maintenance (MW)	56,828	56,875	58,708	60,028	**60,028**	63,544	71,476	72,099	74,240	**74,240**	23.7%

Service division revenues increased by 18% year-on-year to €1,768m. This growth was driven by the integration of the Service assets acquired from Senvion in January 2020. Revenues increased by 30% y/y in Q4 20, also reflecting the integration of Senvion assets in Q2 20.

The fleet under maintenance stands at 74.2 GW, 24% more than in FY19. The Offshore fleet under maintenance, 12 GW, expanded by 7% y/y, while the Onshore fleet expanded by 27% y/y to 62.2 GW, mainly as a result of integrating the fleet acquired from Senvion. It is important to highlight the success of the Service unit with respect to the operation and maintenance of the Senvion fleet, which closed the year with availability ratios similar to the SGRE fleet.

The contract renewal rate was over 70% in FY20, in line with the FY19 rate. In Q4 20, the renewal rate was 75% (71% in Q4 19). The fleet of third-party technologies under maintenance stands at 11 GW[15] as of September 30, 2020.

EBIT pre PPA and before integration and restructuring costs in the Service division amounted to €401m in FY20, equivalent to an adjusted EBIT margin of 22.7%, practically the same as in FY19 (23.0%).

EBIT pre PPA and before integration and restructuring costs in Q4 20 amounted to €130m, equivalent to an adjusted EBIT margin of 24.0%, in line with the figure in Q4 19 (24.1%).

[15]The fleet of third-party technology under maintenance has been redefined to exclude the technology of companies acquired before the merger between Siemens Wind Power and Gamesa Corporación Tecnológica (MADE, Bonus and Adwen).

Sustainability

The table below shows the main sustainability figures for FY19 and FY20 periods, and the annual variation.

Table 7: Main sustainability figures

	09.30.19	09.30.20 (*)	Var. y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR)[1]	1.67	1.36	-18%
Total Recordable Incident Rate (TRIR)[2]	4.71	3.14	-33%
Environment			
CO_2 direct (scope 1) emissions (kt)[3]	26.4	26.0	-2%
CO_2 indirect (scope 2) emissions (kt)[3]	44.3	1.9	-96%
Primary (direct) energy used (TJ)	455	472	4%
Secondary (indirect) energy use (TJ)	801	730	-9%
of which, Electricity (TJ)	707	655	-7%
from renewable sources (TJ)	435	655	50%
from standard combustion sources (TJ)	272	0.5	-100%
renewable electricity (%)	62	99.9	61%
Fresh water consumption (thousand m3)	450	454	1%
Waste production (kt)	59	68	15%
of which, hazardous (kt)	8	10	25%
of which, non-hazardous (kt)	51	58	14%
Waste recycled (kt)	45	49	9%
Employees			
Number of employees (at year-end)[4]	24,453	26,114	7%
employees aged < 35 (%)	37.4	36.7	-2%
employees aged 35-44 (%)	36.9	37.4	1%
employees aged 45-54 (%)	18.7	19.0	2%
employees aged 55-60 (%)	5.2	4.6	-11%
employees > 60 (%)	1.8	2.3	28%
Women in workforce (%)	18.8	18.8	-
Women in management positions (%)	10.2	11.7	15%
Supply chain			
No. of Tier 1 suppliers	17,890	18,932	6%
Purchase volume (€m)	8,238	7,365	-11%

1. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one work day loss.
2. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.
3. Emissions are reported annually, with fiscal year end closing.
4. Headcount totals include for the first time, the recent acquisition of Senvion.

Note: TJ=Terajoules; 1Terajoule= 277.77 MWh; kt=thousand tons

(*) Non-audited preliminary figures.

Health and safety

Workplace health and safety are key pillars for Siemens Gamesa and constitute a core component of the Group's risk management and internal control. At the end of fiscal year 2020, both the Lost Time Incident Frequency Rate (LTIFR: 1.36 in FY20 and 1.67 in FY19) and the Total Recordable Incident Rate (TRIR: 3.14 in FY20 and 4.71 in FY19) have decreased, illustrating that health and safety programs are in good track. Nevertheless, at the end of FY20 we regret a cumulative count of four fatalities, one SGRE employee and three contractors. Siemens Gamesa works proactively to analyze the causes of the accidents, including safety inspections, safety observations and health and safety audits, and has management indicators that track the degree of fulfilment of this work philosophy in day by day performance. Following the progress of the coronavirus pandemic, Siemens Gamesa maintains strict health and safety measures in offices, factories and wind farms to ensure maximum protection and minimize the risk for employees, customers, suppliers and, in general, the communities where the company operates.

Environment

Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard, which covers all locations. Total internal energy consumption amounted to 1,201,643 gigajoules (4% lower than in 2019). Hence, the figure for energy consumption per employee and year could be estimated to 46 GJ/employee in FY20. Total electricity consumption in 2020 amounted to 655,497 GJ, of which the share of renewable electricity amounted to 99.9%. Siemens Gamesa's electricity consumption is now covered by Energy Attribution Certificates (EACs), which guarantee that the origin of the electricity is from renewable sources. This has impacted on the drastic reduction of CO2 emissions. Natural gas is the most relevant primary energy source, representing 60 % of the total primary energy demand. The total volume of waste amounted to 68,311 t in FY20 (58,506 in FY19). The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:6, and the waste overall recycling rate was 72%, so that most of waste is recycled.

Employment

The workforce totaled 26,114 employees (24,453 in FY19). Most of them located in Europe, the Middle East and Africa region (68%), followed by Asia and Australia (19%) and the Americas (13%). From a gender perspective, women account for 18.8% of the total workforce in FY20, similar to FY19. Specifically, women represent 21% of the workforce in Europe, Middle East and Africa, 20% in America and 11% in Asia and Australia. Siemens Gamesa had 248 employees in management positions at the end of FY20, 11.7% of them women (10.2% in FY19).

Suppliers

Procurement volume in FY20 amounted to €7,365 m, from above 18,000 tier 1 suppliers. Those suppliers benefit from an impartial selection process and they are evaluated to ensure that they fulfil the high-quality standards required by our approach to excellence. As a foundation on sustainability for suppliers, and compliant to the Group policy, the Code of Conduct for Suppliers and Third-Party Intermediaries is compulsory and sets out the Group’s binding requirements.

ESG indexes

At the end FY20, Siemens Gamesa is a constituent member of prestigious international sustainability indexes, such as Dow Jones Sustainability Indices®, FTSE4Good®, Ethibel Sustainability Index® and Bloomberg Gender Equality Index®. The company attained ESG rating A (on a scale of AAA-CCC) in the MSCI ESG ratings assessment, enabling the company´s inclusion in the MSCI indices and with an investment grade rating. Vigeo-Eiris confirmed Siemens Gamesa Renewable Energy was ranked 1 out of 25 in the sector Electric Components & Equipment. Due to our company’s ESG performance, Siemens Gamesa Renewable Energy is currently included within the Euronext indices and Ethibel Sustainability Index-Excellence Europe powered by Vigeo Eiris. Finally, our company received a FTSE Russell ESG Rating of 4.5 out of 5 (Top Percentile Rank:100 in Alternative Energy - Renewable Energy Equipment sector) and, additionally, SGRE obtained from Sustainalytics a Low Risk ESG Rating (15.3) and ranked 3 out of 166 (top 2nd percentile) in the Electrical Equipment industry.

2. Outlook

Economic situation

The year 2020 has been marked by the COVID-19 coronavirus pandemic, which, in addition to the high cost in human lives, is having a significant impact on the global economy, affecting production, supply chains and companies' financial stability while also curtailing consumer and capital spending. The uncertainty about the pandemic, the scale of additional lockdowns required to contain it, and about the effectiveness of the proposed economic measures make it difficult to estimate the economic impact reliably.

According to the IMF's latest World Economic Outlook[16], the global economy will shrink by 4.4% in 2020 and resume growth in 2021, at 5.2% y/y, when global GDP will be just slightly higher than in 2019. The improvement in the IMF's projections for 2020 with respect to its June estimates is underpinned by better performance in China and the developed economies in the second quarter and by better prospects for the third quarter. The reduction in the growth projection for 2021 with respect to the June estimate is due not only to a smaller decline in 2020 but also to the persistence of social distancing, which will tail off as vaccines and better treatments become available. In the medium term, with local infection rates expected to be very low in 2022, economic growth is expected to stabilize around 3.5%. It's important to note that these projections carry a high degree of uncertainty.

The advanced economies are expected to shrink by 5.8% in 2020, i.e. less severely than had previously been anticipated, driven by a better performance in the second quarter of 2020 both in US and in the euro area. This group is expected to attain 3.9% growth in 2021.

However, in the emerging economies (excluding China), the recovery is proving to be weaker than expected. Faster growth in infections coupled with higher debt and higher funding costs mean that the amount of aid is proportionately lower than in the advanced economies. These economies are expected to shrink by 3.3% in 2020 and rebound to 6.0% growth in 2021 (excluding China in both cases). In particular, the Indian economy is expected to shrink due to sharp curtailment of consumer spending and a slump in capital expenditure, meaning that it is one of the few economies where the impact of the pandemic is even greater than initially expected, while Mexico's economy will also contract notably due to the continuing spread of the virus.

Having rebounded more robustly than expected, China is the only economy that will grow in 2020.

Table 8: IMF growth projections (%; calendar year)

	2020	2021
Global	-4.4%	5.2%
Advanced economies	-5.8%	3.9%
US	-4.3%	3.1%
Euro area	-8.3%	5.2%
Germany	-6.0%	4.2%
Spain	-12.8%	7.2%
UK	-9.8%	5.9%
Emerging economies	-3.3%	6.0%
China	1.9%	8.2%
India	-10.3%	8.8%
Brazil	-5.8%	2.8%
Mexico	-9.0%	3.5%

[16]International Monetary Fund. World Economic Outlook. October 2020.

Due to the nature of this pandemic, it is having a more severe impact on the services sector, which is more dependent on face-to-face interactions, than on industry.

Because of the uncertainty surrounding these projections, due to such factors as the duration of the pandemic, its impact on domestic and international economic activities, and how the financial markets react, the IMF considers two alternative scenarios:

- Scenario 1 – containing the virus proves to be more complicated and takes longer, until a vaccine becomes available worldwide: world GDP is expected to shrink by 0.75 p.p. in 2020 and 3.0 p.p. in 2021 with respect to the baseline scenario, with a greater impact on the emerging economies.
- Scenario 2 – the fight against the virus goes better than expected in all dimensions: global growth accelerates 0.5 p.p. above the baseline scenario in 2021.

As discussed in previous quarters, the major human and economic impact of the pandemic has highlighted the need to implement sustainable economic development models. In this connection, and as noted by the IMF, this crisis could represent an opportunity for the authorities to fulfill their climate change mitigation commitments, as the European Union, for example, is doing. Moreover, investment in "green" infrastructure could help revive global economic activities.

Long-term worldwide prospects for wind

The outlook for wind power over the long term has improved slightly since the pandemic began, further emphasizing the need to design sustainable economic models, in which renewable energy takes pride of place. In the last six months, governments and supranational bodies have made sustainability a core component of economic recovery plans. They have also announced plans to step up their emission reduction targets. The European Parliament voted to raise the 2030 emission reduction target from 40% to 60%. China has announced a goal of zero emissions by 2060, with emissions set to peak in 2030.

However, these commitments need concrete action policies, investment, and clear funding mechanisms that extend beyond those currently in place. As indicated in the latest World Energy Outlook[17] from the International Energy Agency (IEA), the current stated policies will lead to a considerable increase in wind and solar energy output in 2030, which will account for up to one-third of total power generation in the advanced economies and 25% in the emerging economies, but it will still be far from achieving the stated goal of zero emissions. With this scenario of stated policies, accumulated wind capacity at the end of the period (2040) will amount to 1,914 GW, equivalent to a sustained average of 60 GW of new installations each year, nearly 16% more than the average of recent years (2012-2019: 52 GW according to the Global Wind Energy Council – GWEC).

Investment in clean energy needs to increase substantially more in order to achieve net zero emissions worldwide. This increase, reflected in the sustainable development scenario, would lead to an accumulated global wind fleet of 3,000 GW by 2040, i.e. over 1,000 GW more than in the previous scenario, entailing 145 GW of installations per year in 2030 and 160 GW in 2040. In this scenario, Offshore wind power will be the top generation source in 2050, accounting for 25% of total electricity supply, followed by Onshore wind, nuclear and solar photovoltaic. The cost of generating power from wind, which has fallen by about 40% in the last decade, will continue to slide due to technology improvements and low funding costs, to reach about USD 50/MWh within 5 years. Nevertheless, even in this sustainable development scenario, the net zero emissions goal would not be achieved until 2070.

Achieving the goal of net zero emissions worldwide by 2050 would require even more ambitious and broader ranging measures, which must be implemented during this decade (2020 - 2030). These measures are set out in a new scenario, called "Net zero emissions by 2050" or NZE2050, in the IEA's latest report, WEO 2020. Broadly speaking, primary energy demand needs to be cut by 17% between 2019 and 2030, while the economy doubles in size, CO_2 emissions by the energy industry must be reduced by 60%, and end user emissions need to be cut by one-third. To attain these goals, by 2030:

- Renewable energies' share of electricity production must rise to 60%, from 27% in 2019, and there must be no coal-fired plants operational without systems for capturing, reusing and storing CO_2 emissions. This

[17] IEA. World Energy Outlook 2020 (WEO 2020). October 2020.

requires investment in the electricity system to triple, to USD 2.2 trillion in 2030, with one-third of that being allocated to expanding, modernizing and digitalizing the electricity grids.

- About 50% of buildings in developed countries and one-third in the rest of the world need to have been modernized to achieve energy efficiency, and close to 50% of passenger vehicles must be electric.
- Approximately 25% of the heat used in industrial processes must be obtained from electricity or low-emission combustion. Battery manufacture must double every two years, and hydrogen production and the related distribution infrastructure must expand substantially.
- Changes are required in consumer habits and in the use of transport — changes which the pandemic has shown are possible.

In this NZE2050 scenario, average annual wind installations must rise from 60 GW in 2019 to 160 GW in 2025 and 280 GW in 2030.

BloombergNEF, in its latest NEO 2020[18] report reaches similar conclusions. Just considering the economic fundamentals of the energy transition, and putting climate targets aside, wind installations would average 147 GW per year by 2050. Adding the necessary installations to allow global warming to be substantially below 2°C, an average of approximately 375 GW per year would be achieved.

Figure 9: Wind installations (cumulative GW_e)

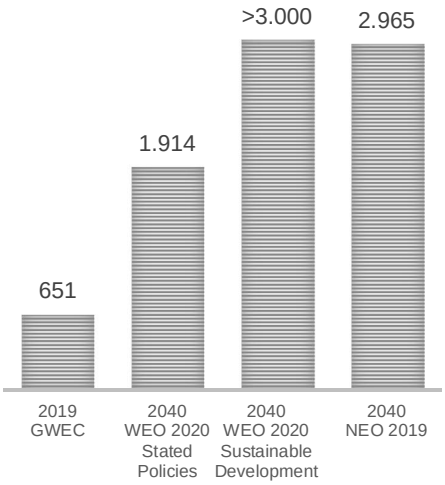
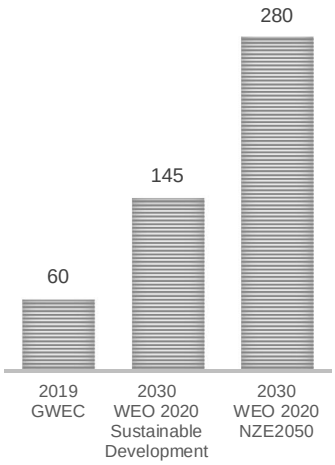


Figure 10: Annual installations 2019-30E ($GW/year_e$)



Quarterly update of short- and medium-term demand

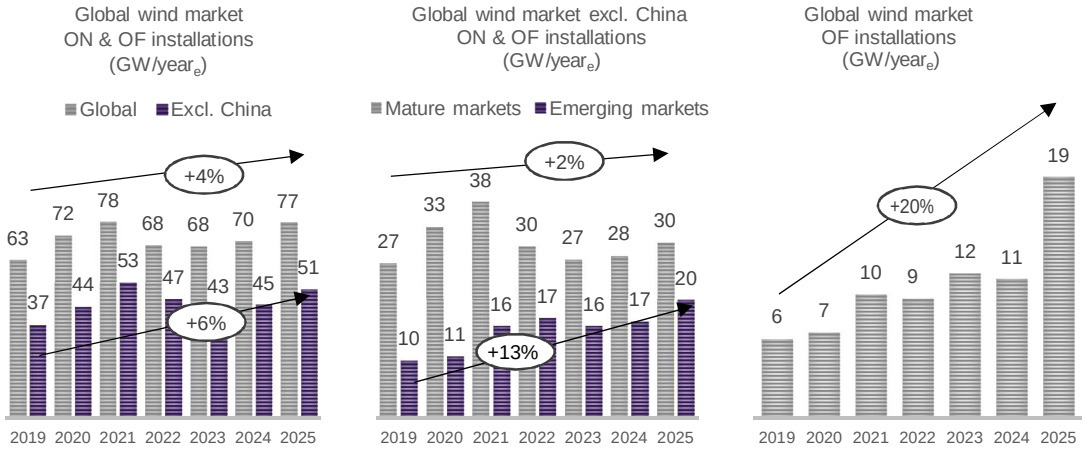
However, in the short and medium term, renewable energy is not immune to the pandemic, although it is proving to be much more resilient than any other energy source. This is particularly the case with Offshore wind, where demand and installation projections for the short and medium term have barely been affected. This low impact can be explained by the long development and execution times, and by the greater geographic concentration of demand and of supply chains. Conversely, in the Onshore wind market, which is much more diversified in geographic terms, with shorter lead times and dependent on a global supply chain, the disruptions to the supply chain and constraints on the movements of people and goods have jeopardized project execution in 2020, and shifted part of the planned

[18]BloombergNEF. New Energy Outlook 2020 (NEO 2020). October 2020.

volume to 2021, when the peak annual installations (in MW) formerly projected for 2020 is now expected to be attained.

The following figures present projections for installations in the medium term (2020-2025) and final installations reported for 2019[19] (the figures in the bubbles are compound annual growth rates for 2019-2025).

Figure 11: World wind market (GW installed/year)[20]



These projections factor in a lower impact of the pandemic on demand and execution of wind projects than had been projected the previous quarter. Wood Mackenzie (WM)[21] estimates that worldwide installations will amount to 72.0 GW in 2020 and 77.5 GW in 2021, which represents an increase of 1.3 GW for 2020 with respect to its forecast the previous quarter, concentrated almost entirely in Onshore (1.2 GW), while projections for 2021 are maintained stable.

The projection for global installations in 2020-2025 is up 7.0 GW, again almost entirely within the Onshore market (6.7 GW). The updated demand projections include increases in the Onshore markets in China (+2.0 GW), US (+1.3 GW), Vietnam (+1.1 GW) and Brazil (+0.7 GW). The improvement in China is driven by the rapid recovery in manufacturing and installations after the economy rebounded; in the US, by rapid project execution coupled with the positive impact of the extension of the Production Tax Credits (PTC); in Vietnam, by the potential elimination of feed-in tariffs (FiT) in November 2021; and, in Brazil, by the strength of the free market despite the impact of the pandemic in that country. The slump in India (-1.1 GW) is due to the pandemic's impact being greater than projected in the previous quarter.

Variations during fiscal year 2020 in the cumulative projections for the period 2020-2025 (between WM publications in Q3 19 and Q3 20, both calendar years) amount to an increase of just 0.2 GW, including Onshore (0.8 GW) and Offshore (-0.6 GW), evidencing the industry's resilience in the face of the pandemic. However, there has been a major change in the geographic composition, including a notable increase in Onshore installations in the United States (7.9 GW) and Spain (1.6 GW), offset by a sharp cut in the projections for India (-8.3 GW). The geographic variation in Offshore is much smaller, though it includes an increase in projections for US (0.7 GW) despite the uncertainty about project development, and in Europe (1.7 GW), headed by the UK (2.5 GW), with a reduction in projections for China (-2.6 GW).

China (127 GW), US (52 GW), India (23 GW) and Germany (16 GW) are expected to retain their positions as the largest Onshore markets, accounting for almost 60% of the total accumulated installations projected for 2020-2025. Brazil, France, Sweden, Spain and Australia, with cumulative installations of between 6 GW and 12 GW per country, will contribute more than 12% in the same period.

[19]According to the GWEC's Global Wind Report 2019, ON + OF installations worldwide in 2019 amounted to 60 GW overall and to 34 GW excluding China; there were 25 GW in mature markets and 9 GW in emerging markets; 6 GW in OF (similar to the Wood Mackenzie installation figures).

[20]Wood Mackenzie. Global Wind Power Market Outlook Update: Q3 2020. September 2020. The balloons indicate compound annual growth rates.

[21]Wood Mackenzie. Global Wind Power Market Outlook Update: Q3 2020. September 2020. All projections in this section referring to Q4 19, Q3 20 and Q4 20 (fiscal quarters) are from the Wood Mackenzie quarterly Global Wind Power Market Outlook.

Although new markets are steadily being added, Offshore is still much more concentrated. China, with 23 GW of installations in 2020-2025, will account for 33% of total installations in the period. Europe, led by UK (12 GW of installations in the same period), will install 26 GW, accounting for 39% of the total. They are followed by US (9 GW in 2020-2025) and Taiwan (5 GW in that period).

Beyond the pace of installations, price dynamics are unchanged with respect to the previous quarter and Onshore prices continue to stabilize, reflecting mainly the stabilization of auction prices but also the commercial dynamic in the US, cost inflation, and the pressure on margins in the supply chain. According to BloombergNEF[22], the average price per Onshore MW for contracts signed in the first half of 2020 is USD 0.77m/MW considering the standard scope in the US (which normally excludes installation and commissioning), and USD 0.85m/MW considering the standard scope in Europe and Latin America (which normally includes installation and commissioning), which is slightly higher than the average price of contracts signed in the first half of 2019 in both cases, although the increase in the rated capacity of the wind turbines continues to drive the price per MW of wind turbines downwards. In terms of product, the >3 MW category practically dominates the market, while the average capacity in contracts for delivery in 2021 is now over 4 MW.

Summary of the main events relating to wind power in Q4 20 and FY20[23]

During the fourth quarter of fiscal year 2020, the following information was published and the following measures were adopted in connection with government commitments and actions aligned with the transition towards a more sustainable energy model.

Measures related to COVID-19

- There is a steady flow of announcements of new measures in support of renewable energy as a means of driving the recovery in many economies. As an example, the Chinese premier Xi Jinping recently spoke of the need to work on a greener economic recovery.
- The pandemic has created further delays and changes to planned auctions, as in the case of Chile and India, where project execution deadlines have been extended once again.

European Union

- In the European Green Deal framework, the heads of state and government of the European Union agreed to implement “Next Generation EU”, a recovery plan presented by the European Commission, as described in the Q3 20 activity report. Member States must present their recovery and resilience plans and establish an investment and reform agenda for the period 2021-2027. These plans must contribute to the goal of making the EU climate-neutral by 2050 and attain by 2030 the targeted emission reduction with respect to the 1990 baseline. The European Parliament voted to increase the 2030 target from the current 40% to 60%. For this new target to be binding, it must be approved by the Member States and the European Council.
- Also in the framework of the European Green Deal, the European Commission is drafting legislation to achieve the 2030 emission reduction target, which will be presented in the first half of 2021. The proposals include stepping up renewable energy policy and providing a border adjustment mechanism for carbon emissions, to be implemented no later than 1 January 2023[24]. Additionally, the European Commission has called for proposals for research and innovation projects that drive the green and digital transition, with a budget of €1bn. The goal is to achieve clear tangible results in the short and medium term in 9 of the EU's priority areas, one of which is "clean, affordable and secure energy".

[22]BloombergNEF. 1H 2020 Wind Turbine Price Index. June 2020.

[23]This section is a non-exhaustive list of government commitments and actions aligned with the energy transition towards a sustainable model.

[24]The goal of this mechanism is for the price of imported products to better reflect their carbon emission impact, so as to prevent production from being shifted to areas with less ambitious climate policies.

Germany

- A law has been passed under which infrastructure planning or construction processes cannot be halted by pending litigation, the goal being to accelerate growth of Onshore wind capacity.
- The results of the fourth and fifth wind auctions in 2020 were released, as well as the outcome of the first innovation auction (Table 9), and the sixth specific auction in 2020 and a sixth neutral auction were announced (Table 10).

Ireland

- The European Union approved the Renewable Electricity Support Scheme (RESS) with a budget of between €7.2bn and €12.5bn. The outcome of the first auction under this scheme was published (Table 9).

The Netherlands

- The Hollandse Kust Noord 700 MW unsubsidized project was assigned to Crosswind, a joint venture between Shell and Eneco. The project will include new technologies, such as hydrogen, short-term storage and floating solar photovoltaic, to test the capabilities of these technologies and their contribution to system stability. The outcome of the spring 2020 wind auction was reported (Table 9).

Norway and Sweden

- The joint green subsidy scheme was formally concluded (Sweden had already announced this, as noted in the Q1 20 activity report). It is estimated that there will be sufficient capacity to attain the production target (46.4 TWh) by 2021, 10 years ahead of schedule. If it is not attained, the scheme would be extended by two years.

Russia

- It has been proposed to amend the renewable energy support scheme, using energy output rather than capacity as the basis for calculating remuneration. Additionally, the local content requirement would be increased to 75% (currently 65% for projects installed through 2024).

South Africa

- In line with the Integrated Resource Plan (IRP), which was described in the Q1 20 activity report, South Africa plans to acquire 6.8 GW of new wind and solar photovoltaic capacity. This will occur through a series of auctions, including the fifth round of the Renewable Energy Independent Power Producer Procurement (REIPPP) program, for 1.6 GW of wind capacity, which is expected in the second quarter of calendar 2021.

UK

- The government confirmed that round 4 of the CfD (contracts for differences) auction will be held in 2021, as planned.

Brazil

- The draft National Energy Plan 2050, released for public consultation, envisages wind attaining between 110 GW and 195 GW of installed capacity, up from 16 GW at present. The draft refers to 597 GW of potential at sites with wind speeds of over 7 m/s.

US

- New Jersey announced the second Offshore wind auction (Table 10) targeting between 1.2 and 2.4 GW.
- New York announced its second Offshore wind auction (Table 10) targeting up to 2.5 GW (minimum: 1 GW), with a budget of USD 200 million to support new port infrastructure. It also announced an auction for 1.5 GW of Onshore wind and solar photovoltaic capacity, with the option of including storage (Table 10).

China

- China announced the goal of achieving carbon neutrality by 2060, with emissions peaking before 2030. This goal will require RMB 100 trillion in investment over the next 30 years in renewable energy, nuclear energy, storage and other energy infrastructure. In response, the Chinese wind industry proposes installing 50 GW per year between 2021 and 2025, and 60 GW per year between 2026 and 2030, compared with 26 GW installed in 2019[25]. In this way, China's wind industry plans to reach 800 GW installed by 2030 and 3,000 GW by 2060.
- A total of 11.4 GW of unsubsidized wind projects were approved, with the requirement that construction must start before the end of 2020 and that the capacity must be operational by the end of 2022. A total of 64 GW of unsubsidized renewable energy projects have been approved since 2017.

India

- The results of the SECI IX auction were announced (Table 9) and the SECI hybrid III and SECI RTC II auctions were postponed once again (Table 10).
- India has commenced the process of privatizing electricity distribution companies (DISCOM) with the goal of improving the electricity system's efficiency and restoring its finances.

Pakistan

- The government announced a system of tax exemptions to support Alternative and Renewable Energies (AREs) and increase their share of the energy supply to 20% by 2025 and to 30% by 2030, from the current 5%.

FY20 Conclusions

- Fiscal year 2020 was marked by the COVID-19 pandemic and the lockdown measures imposed by governments, whose impact highlighted the need to design sustainable development models in which renewable energy plays a central role. In Europe, the recently approved recovery plan requires that all measures be aligned with the European Green Deal presented in December 2019 and with the target to achieve carbon neutrality by 2050. Additionally, at least 30% of the recovery plan budget must be "green". Chinese premier Xi Jinping also spoke of the need to work on a greener economic recovery while announcing the goal of making China carbon neutral by 2060.
- Offshore wind installation targets were increased substantially during this fiscal year as a core means of achieving decarbonization, both in new markets (US and Taiwan) and in Europe. Despite the short-term uncertainty about project development in the US, Virginia (5.2 GW by 2034) and New Jersey (7.5 GW by 2035) announced new installation targets, in addition to targets set by New York (9 GW by 2035), Massachusetts (3.2 GW by 2035), Connecticut (2 GW by 2030) and Maryland (1.2 GW by 2030). European countries that increased their targets were the United Kingdom (40 GW by 2030), Germany (20 GW by 2030 and 40 GW by 2040), Denmark (approximately 9 GW by 2030), France (between 5.2 GW and 6.2 GW by 2028) and Poland (3.8 GW by 2030 and 8 GW by 2040), in addition to the objectives set by The Netherlands (11.5 GW by 2030), Ireland (3.5 GW by 2030) and Italy (0.9 GW by 2030). Taiwan set a new objective of 15 GW by 2035, having declared that attainment of the previous target of 5.7 GW set for 2025 is now assured.
- Additionally, the potential for Offshore installations is supported by Europe's strategy for the development of green hydrogen, published by the European Commission in July 2020, with the goal of installing at least 6 GW of renewable hydrogen electrolyzers between 2020 and 2024, and up to 40 GW between 2025 and 2030. Between 80 GW and 120 GW of renewable capacity will be required to power those electrolyzers. Hydrogen is classified as a priority for achieving the goals of the European Green Deal, while countries such as Germany, France, Spain and the United Kingdom have published their national strategies.

[25]Source: Global Wind Energy Council (GWEC) “Global Wind Report 2019”. March 2020.

- On the negative side, the pandemic is having a major impact on markets such as India, where auction delays and cancellations, coupled with pre-existing problems with project development and the low auction prices, have resulted in installation projections between 2020 and 2025 being cut by over 8 GW. However, the market is expected to recover in the medium and long term, with a slight increase in installation projections[26]. Mexico has taken a number of measures that are detrimental to renewable projects, but the projections have not been reduced substantially. The same can be said of Brazil, where auction suspensions have been offset by agreements and auctions (Copel and Engie) in the free market, resulting in a slight improvement in installation projections.

Auction summary

Table 9: Summary of auction results published in Q4 20

Auction	Type	Technology	MW[1]	Average price €/MWh[2]	COD
Germany, IV – 2020	Specific	ON	191	61	2022
Germany, V – 2020	Specific	ON	285	62	2022
Germany, I – Innovation	Neutral (ON, solar and storage)	ON	11	45[3]	2023
Australia – ACT	Hybrid ON and battery	ON	200	31	2022-2024[4]
Greece	Specific	ON	472	56	2023
India – SECI IX[5]	Hybrid ON + solar	ON	776	34	2022
Ireland – RESS 1	Neutral (renewable)	ON	479	74	2023
Italy	Neutral	ON	218	68	2023
Netherlands – SDE+ Spring 2020	Neutral	ON	116	24[6]	2024

1. MW awarded to ON or OF.
2. Using the exchange rate on the date the results were announced.
3. Weighted average premium of all winning projects.
4. Estimated. It is assumed that 100 MW will enter into operation and 100 MW will commence construction in 2022.
5. Hybrid, with 80% wind and 20% solar specified.
6. Weighted average premium.

[26]In its Global Wind Power Market Outlook Update: Q3 2020, Wood Mackenzie estimates a total of 23 GW in India in 2020-2025 and 24 GW in 2026-2028, 18 GW in Brazil in 2020-2028, and 5 GW in Mexico in the same period. In its Global Wind Power Market Outlook Update: Q3 2019, it estimated 31 GW in India in 2020-2025 and 22 GW in 2026-2028, 16 GW in Brazil in 2020-2028 and 5 GW in Mexico in the same period (Onshore installations in all cases).

Table 10: Auctions announced or amended in Q4 20 (includes previous auctions that are not yet finalized)

Auction	Type	Technology	Target	Expected date[1]
Germany, VI – 2020	Specific	ON	825 MW	October 2020
Germany - neutral VI	Neutral	ON and solar	200 MW	November 2020
Australia – Queensland - Renewables 400	Neutral	ON, solar and hybrid (storage optional)	400 MW	2021
Canada – Saskatchewan	Specific	ON	300 MW	November 2020
Chile[2]	Neutral	Renewable and thermal	2.7 TWh/year	January 2021
Denmark – Thor	Specific	OF	1 GW	December 2020[3]
US – New Jersey 2	Specific	OF	1.2 GW – 2.4 GW	December 2020
US – New Jersey – 4 auctions[4]	Specific	OF	1.2 GW – 1.4 GW	2022 – 2028
US – New York	Neutral	ON and solar (storage optional)	1.5 GW	September 2020
US – New York 2	Specific	OF	≤2.5 GW	October 2020
US – Virginia[5]	Neutral	ON, solar and storage	1 GW[5]	Sept. 2020 and March 2021[5]
US – AES + Google	Neutral	ON, OF, solar and storage	1 GW	July 2020
France – VI	Specific	ON	250 MW	July 2020
France – VII	Specific	ON	500 MW	November 2020
India – SECI Hybrid III	Specific	Hybrid: ON and solar (storage optional)	1,2 GW	Postponed - October 2020
India – SECI RTC II[6]	Neutral	ON and/or solar + coal	5 GW	Postponed – November 2020
Italy	Neutral	ON and solar	1.15 GW	October 2020
Netherlands – SDE++ Autumn 2020	Neutral	Renewables	€5,000m	Postponed - December 2020
Netherlands – Hollandse Kust West	Specific	OF	1.4 GW	2021
Netherlands – North of the Frisian Islands	Specific	OF	700 MW	2022
Netherlands – Ijmuiden I+II	Specific	OF	2 GW	2023
Turkey	Specific	ON	2 GW	October 2020

1. Deadline for proposals. In some cases, the outcome will be published later.
2. Initially planned for November 2020, with 5.9 TWh.
3. Deadline for presenting proposals for pre-qualification.
4. The schedule of auctions has been published, allocating between 1.2 GW and 1.4 GW per auction, to achieve the target of 7.5 GW. The auctions are scheduled for Q3 2022, Q2 2024, Q2 2026 and Q1 2028 (calendar quarters).
5. Request for proposals from Dominion Energy to acquire projects or sign power purchase agreements (PPA) for a total of 1 GW of Onshore wind and solar, and 250 MW of storage. Proposals for the sale of projects are due by September 2020, and for PPAs by March 2021.
6. Round the clock. 5 GW renewables (ON and/or solar), complemented by thermal plants to ensure 80% annual availability.

FY21 - FY23 business plan

FY20 saw the conclusion of Siemens Gamesa's first business plan (FY18 - FY20) and marks the beginning of a new era for the Group, with goals and lines of action set out in the FY21 - FY23 business plan that was presented to the capital markets on August 27, 2020.

During the period that has just concluded (FY18 - FY20), Siemens Gamesa achieved a sizeable proportion of the goals set in the previous business plan for the Group, including savings tied to the L3AD2020 transformation program with an overachievement of the €2,000m productivity target, strengthening the balance sheet and the Group's funding, and the commercial activities. It also advanced in areas, such as sustainability, that were not specifically set out in the plan. The Group made progress with its Offshore strategy by strengthening its lead in mature and emerging markets, and in Service through the acquisition of Senvion assets. At the same time, the company had to deal with market conditions that were more complex than at the time the plan was drafted, particularly in Onshore, including: i) trade tensions between US and China (which impacted commodity and component prices); ii) the deterioration of the Indian market (one of the company's key markets); and iii) commencing March 2020, the COVID-19 pandemic, which once again had a greater impact on the Onshore

activities. These conditions, plus the cost overruns caused by challenges executing five Onshore projects in Northern Europe, are the reasons for the negative bottom line this year.

In this context, the company is implementing the new business plan, leveraged on the LEAP program, with the goal to turn around the Onshore activities, and to maintain profitable growth in the Offshore and Service activities, Siemens Gamesa will achieve this with a strong plan and robust monitoring of the LEAP program's execution. In addition, the Group maintains its clear commitment to prioritize profits (over volume), cash generation and sustainability.

Onshore performance improvement will be achieved by developing cutting-edge technology incorporating cost criteria, reducing complexity in the supply chain and optimizing in-house production capacity, strengthening project execution capabilities, and reorganizing and standardizing processes. All these actions will support the new commercial strategy focused on profitable orders.

Profitable growth in Offshore will be maintained through technology leadership and differentiation as well as operational excellence while entering into new markets through early interaction with customers. To date, SGRE has been able to capture the bulk of preferential supply contracts that have been awarded in new markets by adapting its products and services, localizing content where required, and delivering market- and customer-specific solutions.

In the Service division, this goal will be achieved by developing new business models, working with customers, and landing maintenance contracts for third-party technology, all while maintaining productivity and operational excellence.

The LEAP program, which is the core of the business plan, operates through three levers — innovation, productivity and asset management, and operational excellence — implemented in a sustainable way and using digitalization as an enabler and differentiator feature:

- Innovation aimed at achieving or maintaining technology leadership and developing innovative business models for the benefit of our customers.
- Productivity and asset management aimed at cost reduction and optimizing and managing cash flow.
- Operational excellence focused on strengthening processes and attaining industry-leading levels of quality and safety.

Within the innovation lever, the SG 5.X Onshore platform (SG 5.8-155/170), with over 1 GW in firm orders[27], plays a key role to achieve the objectives in terms of both market share and profitability. With flexible capacity of up to 6.6 MW, it will offer our customers over 32% more annual energy production than its predecessor. Introduction of cost criteria into the product design made it possible to reduce weight using a compact drive train (the lightest in its class) and blades made of pultruded carbon and fiberglass, which, coupled with the turbine's higher productivity, optimize the cost of energy for the customer. Moreover, its modular flexible design and the option of segmented blades will facilitate transport and site access, construction and maintenance. Innovation in Offshore has enabled

[27]As of October 12, 2020.

the company to make the first unsubsidized offshore wind farms possible using the SG_11.0-200 DD turbine, which will be installed in Vattenfall's HKZ I, II, III and IV wind farms. The path to cost of energy optimization continues with the last product unveiled, the new SG_14-222_DD turbine, that can reach up to 15 MW capacity with the Power Boost option and will increase annual energy production by up to 25% compared to the previous model. In the Service division, innovation will play a key role in developing business models that adapt to emerging conditions, more competitive, in the markets in which our customers operate, such as the revenue-based availability warranty.

In the area of productivity, the company will continue to build on the achievements of the L3AD2020 transformation program with the goal of achieving more than 5% improvement in third-party spend each year and maintaining strict control over fixed costs. In Onshore, productivity will be enhanced by optimizing in-house manufacturing operations to adapt to demand in terms of volume, product and cost, strengthening relations with key suppliers, including joint development of components, and maintaining a strategy that combines vertical integration with outsourcing for critical components. These measures include the closure of the Aoiz and Aalborg Onshore blade production plants and the Brande nacelles plant. In the Service business, digitalization and the use of data will drive the increase in productivity, with services and solutions such as the "Service Train" to cater for Offshore plants owned by different customers that are in close proximity, the "Digital Troubleshooter", or the assets integrity analysis using drones.

The operational excellence lever plays a very important role in the new business plan, particularly in Onshore. This lever is vital for achieving the business plan profitability objective. The measures that the company has adopted will enable it to resolve challenges like those encountered in executing the pipeline in Northern Europe in FY20, by avoiding material cost overruns. Actions being taken in this connection include:

- Establishment of an organization-wide common operational framework for project management (PM@SGRE) that includes measures such as bringing project execution teams on board from the outset so as to identify risks and opportunities in new businesses.
- Strengthening project managers' resources and capabilities and the process of approving subcontractors.
- Implementing a common project management manual throughout the Group.

Moreover, the organization is pooling best practices and improving control over the order book following a full-scale review of risks and costs.

Apart from these levers, in order to improve Onshore performance, it is necessary to put returns before volume, with strict price control, and to reduce the operational risk profile by limiting the wind farm development business and strengthening EPC capabilities.

Financial framework and guidance for FY21 - FY23

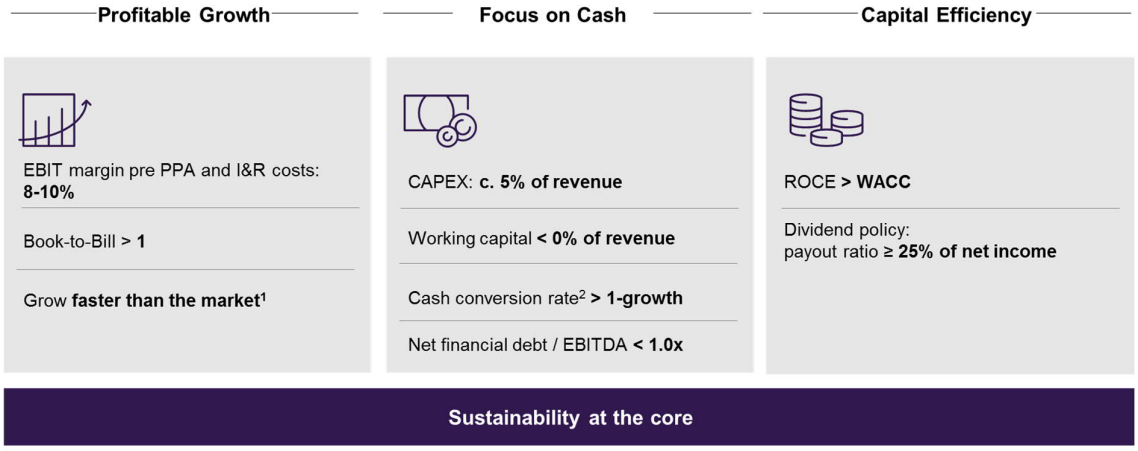
The financial framework for the strategy to resume value creation for all the company's stakeholders is supported by three lines of action:

- Profitable growth through innovation, productivity and operational excellence. The goal of profitable growth is supported also by the organic development of the company's business, with growing exposure to the faster-growing, more profitable Offshore and Service areas. Executing LEAP coupled with the natural development of the company's businesses will enable the Group to grow faster than the market and achieve the vision of an EBIT margin pre PPA and before integration and restructuring costs of between 8% and 10%.
- Focus on cash with strict control of working capital and capital expenditure. Working capital performance is one of the company's major achievements in the FY18 - FY20 business plan, having reduced working capital by over €1,700m. Maintaining a low, but risk-free working capital level will remain a target for the Group in the current plan, by optimizing payment and collection terms, the delivery cycle and inventory management. Related to investments, in the early years of the plan, in order to launch new Onshore and Offshore products, globalize Offshore by entering into new markets and expand the top line, capital expenditure will increase to more than 5% of revenues, but it is expected to fall back to that level by FY23. Capital expenditure is expected to reach around 6% of revenues in the first two years of the plan.

  Combining the first two levers — profitable growth and a focus on cash management — will enable the company to deliver its commitment to regain free cash flow within the plan's time-scale.

- Efficiency in the use of capital based on the requirement that ROCE exceeds WACC, and an attractive dividend policy for shareholders.

All executed under criteria of sustainability.



1. In MW and EUR.
2. Before Adwen-related payments; growth measured in terms of order intake volume (MW) growth.

Considering the expected performance of the markets in which the Group operates, the lines of action presented, and the financial criteria defined, the targets set by the Group for FY21 and FY23[28] are as follows:

- Revenue between €10,200m and €11,200m in FY21, and faster-than-market growth through FY23. The order book as of September 30, 2020 provides a 91%[29] revenue coverage for FY21. Revenue growth in FY21 includes the positive impact of executing part of the Onshore projects that were postponed in FY20 because of the pandemic. That impact will not exist in subsequent years, in which the Onshore market is expected to decrease until 2024. Offshore revenue will grow in the period in line with the expected growth in the market, with annual performance dependent on project execution and delivery plans.
- The EBIT margin pre PPA and before integration and restructuring costs will be between 3% and 5% in FY21, normalizing between 8% and 10% in FY23. FY21 margin guidance assumes no impact from potential factory closures or supply chain disruptions due to pandemic lockdown measures in FY21, but it does include operating conditions under the new normal, with strict health and safety conditions in manufacturing and services, continuing telework for office staff, and management of critical component stocks in order to avoid disruptions in manufacturing and project execution. Moreover, profitability in the first year of the plan reflects only a partial benefit of the ongoing Onshore restructuring.

The total integration and restructuring expenses estimated to be necessary to complete the FY21 - FY23 business plan will amount to up to €500m, with a cash effect mainly in FY21 and FY22. Thereof, the company expects integration and restructuring expenses of c. €300m in FY21. By FY23 these effects are deamed to be non-material.

In addition to the impact of integration and restructuring expenses, cash generation and the net debt/(cash) position will be impacted by the usage of the Adwen provisions, estimated at a cumulative total of €250m til 2023. A usage of €125m is estimated in FY21.

The impact of the PPA on amortization of intangible assets is estimated at €250m in FY21.

[28]These targets are given at constant currency and exclude charges related to legal and regulatory matters.

[29]Revenue coverage calculated on the mid-point of the revenue guidance for FY21: €10,200m - €11,200m.

Conclusions

Fiscal year 2020 saw the completion of the FY18 - FY20 business plan, with achievements in the area of productivity and costs under the transformation program, with savings of over €2,000m accumulated over the three years; in the commercial area with a backlog of €30,248m as of September 30, 2020, i.e. 46% more than as of September 30, 2017; in financing, with liquidity of more than €4,700m, and an investment grade rating, and, in the area of sustainability, where the company attained a two-notch upgrade to an A rating from MSCI, among many other achievements. It was also an intense year for corporate activities and organizational changes, with the appointment of a new CEO, Andreas Nauen, and a new executive team, and the definition of a new business plan for FY21 - FY23 with the goal of resuming profitable growth, cash generation and value creation for all stakeholders.

However, financial performance in FY20 was marked by external events outside the company's control, such as the COVID-19 pandemic and the shrinkage of the Onshore market in India, and by internal events, such as the one-time cost overruns on executing five Onshore projects in Northern Europe. All these factors resulted in negative net income, within the adjusted guidance announced in July 2020.

Revenues in the year amounted to €9,483m, -7% y/y, and revenues in Q4 20 amounted to €2,868m, -3% y/y, reflecting the impact of COVID-19 on project execution (particularly Onshore), the expected reduction in Offshore project volumes in FY20, and, on the positive side, the integration of the Service assets acquired in January. Negative currency effects also impacts FY20 revenues, especially during Q4 20: at constant currency revenues for FY20 would amount €9,657m.

EBIT pre PPA and before integration and restructuring costs was negative in FY20 in the amount of €233m, i.e. an adjusted EBIT margin of -2.5% on revenues, as a consequence of the aforementioned factors. Apart from those non-recurring factors, the impact of the price cuts is still being fully offset by the productivity gains, whose results are in line with expectations for the fiscal year. In Q4 20, EBIT pre PPA and before I&R costs amounted to €31m, equivalent to 1.1% of revenues. Hence, the negative impact of the pandemic on EBIT pre PPA and before I&R costs was significantly reduced. However, Q4 20 was affected by preventive and improvements actions on the SG 4.X gearbox, which had an impact of €69m in the form of higher estimated project costs and increased provisions.

Reported EBIT in FY20, including the impact of PPA on the amortization of intangibles in the amount of €262m (€59m in Q4 20) and the impact of integration and restructuring expenses amounting to €462m (€110m in Q4 20), was -€958m (-€139m in Q4 20).

Despite the losses incurred in the year, the company had a solid balance sheet at year-end, with €49m in net debt, including €611m associated with capitalizing lease contracts under IFRS 16[30], thanks to strong working capital performance, which resulted in a negative working capital of €1,976m at year-end, i.e. -21% of revenues. This position was attained despite the acquisition of service and manufacturing assets from Senvion. In addition to its solid balance sheet, Siemens Gamesa has a very sound liquidity position: c. €4,200m in funding lines, of which it has drawn c. €1,100m.

Despite the difficult market situation, which has been affected by the pandemic, Siemens Gamesa Renewable Energy ended fiscal 2020 with a record order book: €30,248m, +19% y/y. Moreover, 79% of the order book as of September 30, 2020 was in markets with a sound track record, returns in line with the company's long-term vision, and longer duration. This record backlog was achieved after signing €14,736m in orders in the last twelve months, +16% y/y, equivalent to a book-to-bill ratio of 1.6x times revenues in the period. This includes the service contracts acquired from Senvion in January 2020. The €2,564m in orders signed in the fourth quarter (a book-to-bill ratio of 0.9x times revenues in the quarter) reflect a recovery in commercial activities in the Onshore market, strong commercial activities in Service, and the normal volatility in Offshore, which signed only very few contracts in Q4.

In the current context, Siemens Gamesa continues to strengthen its commitment to sustainability. This was reflected in Q4 20 when it obtained an ESG rating of 4.5 out of 5 from FTSE Russell, having ranked prominently in the renewable energy equipment sector, and in the low ESG risk rating awarded by Sustainalytics, ranking 3 out of 166 companies in the electrical equipment sector.

[30]Net cash as of September 30, 2019: €863m, increase in debt due to implementation of IFRS 16 in FY20, as of September 30, 2020: €611m (€115m short term and €496m long term), net debt as of June 30, 2020: €49m.

3. Main business risks

The SIEMENS GAMESA Group is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The management and limitation of financial risk is executed in a coordinated manner between SIEMENS GAMESA's Corporate Management and the business units, through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are responsibility of each business unit, together with the Corporate Management.

The risk associated with changes in exchange rates assumed for SIEMENS GAMESA's transactions involve the purchase and sale of products and services relating to its activities, that are denominated in various currencies.

In order to mitigate this risk, the SIEMENS GAMESA Group has entered into financial hedging instruments with several financial institutions (Note 10 of the Consolidated Financial Statements and Note 14 to the Individual Financial Statements as of September 30, 2020).

4. Use of financial instruments

The SIEMENS GAMESA Group uses financial hedges which allow the Group to mitigate risks involving exchange rates, interest rates, and equity volatility that could affect the Groups' estimated results, based on estimates of expected transactions in its various areas of activities.

5. Subsequent events

At the date of formal preparation of the Consolidated and Individual Financial Statements of SIEMENS GAMESA as of September 30, 2020 no issue has been revealed that might modify them or give rise to disclosures additional to those already included.

6. Research and development activities

Technological Development is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year, and to which a budget is finally assigned.

During the years 2020 and 2019, the main increase in the "Internally generated technology" of "Other intangible assets" in the Consolidated Balance Sheet of SIEMENS GAMESA Group is due to the development of new wind turbine models, software and the optimization of the components´ performance for an amount of EUR 182 million and EUR 159 million, respectively. These additions are mainly capitalized in our subsidiaries in Denmark amounting to EUR 107 million during 2020 (EUR 123 million during 2019) and our Spanish entities amounting to EUR 72 million during 2020 (EUR 29 million during 2019).

7. Treasury shares operations

As of September 30, 2020 SIEMENS GAMESA holds a total of 1,625,869 treasury shares, representing 0.24% of share capital.

The total cost for these treasury shares amounts EUR 23,929 thousands, each with a par value of EUR 14.718.

A more detailed explanation of transactions involving treasury shares is set out in Note 23.E of the Consolidated Financial Statements and Note 12.D to the Individual Financial Statements as of September 30, 2020.

8. Capital structure

The capital structure, including securities that are not traded on a regulated ECC market, the different classes of share, the rights and obligations conferred by each and the percentage of share capital represented by each class:

In accordance with Article 7 of Siemens Gamesa Renewable Energy, S.A.'s bylaws, reflected in the version approved by the shareholders in general meeting held June 20, 2017, "Share capital amounts to ONE HUNDRED FIFTEEN MILLION SEVEN HUNDRED NINETY FOUR THOUSAND, THREE HUNDRED SEVENTY FOUR EUROS AND NINETY FOUR CENTS (115,794,374.94 EUR), represented by 681,143,382 ordinary shares of seventeen euro cents of nominal value each, in numbers from 1 to 681,143,382, comprised of a sole class and series, all entirely subscribed and paid in."

9. Restrictions on the transfer of securities

According to public information for Siemens Gamesa Renewable Energy, S.A., its share capital structure as of September 30, 2020 is as follows:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Number of voting rights linked to the exercise of financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	-	456,851,883	-	67.071%

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named SIEMENS GAS AND POWER GMBH & CO. KG)	456.851.883	67,071%

10. Significant % of direct or indirect ownership

See Point 8.

11. Restrictions on voting rights

There are no legal or bylaw stipulated restrictions on exercising voting rights.

12. Side agreements

In fulfillment of article 531 of the restated text of the Corporate Enterprises Act, approved by the RLD 1/2010, of July 2 (the "Capital Companies Law"), IBERDROLA, S.A. ("IBERDROLA") informed Gamesa Corporación Tecnológica, S.A. ("GAMESA") on June 17, 2016 of the signature of a shareholders' agreement between IBERDROLA and Iberdrola Participaciones, S.A. (Sociedad Unipersonal), as shareholders (non-direct and direct, respectively) of GAMESA, on one hand, and Siemens Aktiengesellschaft ("SIEMENS AG"), on the other hand (significant events number 239899 from June 17, 2016, and number 255530 from August 1, 2017). The contract was signed in the context of the process of combination of the wind energy businesses of GAMESA and SIEMENS AG through the merger by absorption of Siemens Wind Holdco, S.L. (Sociedad Unipersonal) by GAMESA

("Merger"). This shareholders' agreement governs, among other matters, the relationships of the parties as future shareholders of GAMESA after the Merger, which became effective on April 3, 2017.

The Shareholders' Agreement included terms which qualify it as a side agreement under the terms set forth in Article 530 of Capital Companies Law, even when the effectiveness of certain agreements was contingent upon the Merger taking place.

On February 4 and 5, 2020, IBERDROLA communicated to the CNMV through significant events (number 286473 and 286526) the sale and closing and settlement of the stake owned by Iberdrola Participaciones, S.A. in SIEMENS GAMESA to SIEMENS AG and the termination of the shareholders agreement with SIEMENS AG, taking into consideration that as a consequence of the agreement Iberdrola Participaciones S.A. was no longer a shareholder of SIEMENS GAMESA, The Parties have terminated the aforementioned without any compensations or claims for either of the Parties or any of their respective affiliates.

As of September 30, 2020 Siemens Gamesa Renewable Energy, S.A. is not aware of the existence of any side agreement.

13. Rules governing the appointment and replacement of directors and the amendment of the company´s bylaws[31]

Article 30 of the SIEMENS GAMESA bylaws states that the members of the Board of Directors are "appointed or approved by the shareholders in general meeting," and that "If there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held.," in accordance with the terms reflected in Capital Companies Law and bylaws which might be applicable.

In conformity with Article 13.2 of the Regulations of the Board of Directors, *"the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remuneration Committee; and (b) in other cases, a report from the aforementioned committee." Article 13.3 of the Board of Directors Regulations states that "when the Board of Directors declines the proposal or the report from the Appointments and Remuneration Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes." Next, Article 13.4 of the referred Regulations states that "the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors"*

Article 14 of the same regulations states that "the Board of Directors and the Appointments and Remuneration Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience.

Concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."

Finally, Article 7.4 of the Regulations of the Appointments and Remunerations Committee grant it the responsibility "To ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, competencies, personal skills and sector knowledge, international experience or geographical origin".

As regards the re-election of the Directors, Article 15 of the Regulations of the Board of Directors indicates that "proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must

[31] References to internal Regulations are made those in force by September 30, 2020. Following fiscal year 2020 closing, Regulations of the Board of Directors, Regulations of the Audit, Compliance and Related Party Transactions Committee, and Regulations of the Appointments and Remunerations Committee are being reviewed.

be adopted upon proposal of the Appointments and Remuneration Committee, while the re-election of other Directors must have a prior favorable report from this committee.

Directors that are part of the Appointments and Remuneration Committee must abstain from taking part in the deliberations and votes that affect them.

The re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.

Board member removal and resignation is regulated by Article 16 of the Regulations of the Board of Directors , which states that "directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."

The steps and criteria established in this regard are set forth in Capital Companies Law and the Mercantile Register Regulations.

Article 16.2 of the Regulations of the Board of Directors states that *"Directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remuneration Committee in the following cases:*

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.

b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.

c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.

d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.

e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.

f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.

g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."

In accordance with Sections 3, 4, and 5, "in any of the events indicated in the previous section, the Board of Directors shall require the Director to resign from his/her post, and propose, as appropriate, his/her resignation to the General Shareholders' Meeting. As an exception, the foregoing shall not be applicable in the events of resignation provided in letters a), d), f) and g) above when the Board of Directors considers that reasons exist to justify the continuity of the Director, without prejudice of the occurrence that any new and sudden circumstances may have on his/her qualification.

The Board of Directors may only propose the removal of an Independent Director before the expiration of the period for which they were appointed when just cause is found by the Board of Directors, based on the proposal from the Appointments and Remuneration Committee. Specifically, for having failed to fulfill the duties inherent to his/her

position or have unexpectedly incurred in any of the circumstances established by law as incompatible with assignment to such category.

Directors who resign from their position before the end of their term must send a letter explaining the reasons for the resignation to all the members of the Board of Directors."

Rules governing bylaw amendments

Amendments made to the Siemens Gamesa bylaws are governed by the terms of Articles 285 to 290 of Capital Companies Law approved by Royal Decree Law 1/2010 of July 2 ("Capital Companies Law").

Additionally, amendments made to the Siemens Gamesa bylaws are covered by the terms outlined in the Company's bylaws and the Regulations for the General Meeting of Shareholders.

As regards the competencies for making amendments, Articles 14. h) of bylaws and 6.1 h) of the Regulations for the General Meeting of Shareholders indicate that this role corresponds to the Siemens Gamesa General Meeting of Shareholders.

Articles 18 of bylaws, and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements for the General Meeting of Shareholders adoption of agreements. Articles 26 of its bylaws, and 32 of the Regulations for the General Meeting of Shareholders indicate the necessary majority for these purposes.

Article 31.4 of the Regulations for the General Meeting of Shareholders indicates that in accordance with legislation,"the Board of Directors, in accordance with the provisions of the law, shall draw up resolution proposals different in relation to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately." The above is specifically applicable in the case of amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

In accordance with Article 518 of Capital Companies Law, due to the call for a general Meeting of Shareholder devoted to amending bylaws, the Company website will include the complete text of the agreement proposals on the Agenda in which the amendments are proposed, as well as reports from competent bodies in this regard.

14. The powers of Board of Directors and, specifically, powers to issue or buy back shares

Powers of Board of Directors

The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers on Mr. Andreas Nauen's behalf as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decided to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.

Powers to buy back shares

At the date of approval of this Report, the authorization granted by the General Shareholders' Meeting of the Company held on July 22, 2020, is in force, by virtue of which the Board of Directors was empowered to acquire own shares. The following is the literal text of the agreement adopted by the above reflected under point 13 of the Agenda:

"*Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:*

(a) Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.

(b) Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.

(c) Acquisitions may be made at any time up to the maximum amount allowed by law.

(d) Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.

(e) This authorisation is granted for a period of five years from the adoption of this resolution.

(f) The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015." .

15. Significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid and the effects thereof, except where disclosure would severely prejudice the Company´s interests. This exception is not applicable where the company is specifically obliged to disclose such information on the basis of other legal requirements

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the "2017 Strategic Supply Agreement") by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS GAMESA Group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, SIEMENS GAMESA and SIEMENS AG entered on May 20, 2020 into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens AG remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 3 months prior notice.

On May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG (“SEAG”) signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that Siemens Energy AG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as Siemens Energy AG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "SIEMENS GAMESA" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SIEMENS GAMESA" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if Siemens Energy AG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Enegy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes Siemens Energy AG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

Finally, it shall be pointed out that as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party’s competitor.

16. Any agreements between the Company and its Directors, officers or employees that provide for severance payments if they resign, are dismissed or if their employment contracts terminate as a result of a takeover bid.

The contract of the Chief Executive Officer, according to the Director's remuneration policy approved by the General Meeting of Shareholders on March 27, 2019 as amended by the General Meeting of Shareholders held on July 22, 2020, recognizes him to receive one year of fixed remuneration for termination of his working relationship

Likewise, for Top Management and for the termination of the working relationship, the current criterion of the Company is the payment of a maximum of one year of the fixed annual remuneration at the date of termination, without prejudice, in any case, of preexisting situations and that the amount may be higher according to the labour law.

In respect to the rest of managers and non-managers employees, their working relationship, in general, does not include economic compensations in case of its termination, different from the ones established in the current law.

17. Consolidated Statement of non-financial information

The non-financial information related to environmental and social issues, as well as personnel related issues, human rights and the fight against corruption and bribery is included in the Non Financial Information Consolidated Statement that is attached to this Management Report as an annex.

SIEMENS GAMESA voluntarily presents this information since the Company is not obliged to present it on an individual level, as it has an average number of employees in 2020 of 426 according to Note 17.C of the individual report.

18. Deferral of payments made to suppliers

The Group has implemented measures in place to continue adjusting the average payment period to those established in the current legislation (Note 34 of the Consolidated Financial Statements and Note 21 to the Individual Financial Statements as of September 30, 2020).

19. Explanation added for translation to English

This is a translation of the Management Report originally written in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Annex

Alternative Performance Measures

Siemens Gamesa Renewable Energy (SGRE) financial information contains figures and measurements prepared in accordance with the applicable accounting standards and others referred to as Alternative Performance Measures (APMs). The APMs are considered to be adjusted figures with respect to those presented in accordance with EU-IFRS and, consequently, the reader should view them as supplementary to, but not replacements for, the latter.

The APMs are important for users of the financial information since they are the metrics used by SGRE's Management to assess financial performance, cash flows and the financial position for the purposes of the Group's financial, operational and strategic decisions.

The APMs contained in SGRE´s financial disclosures that cannot be directly reconciled with the financial statements in accordance with EU-IFRS are as follows.

Net Financial Debt (NFD)

Net financial debt (NFD) is calculated as the sum of the company's bank borrowings (including any subsidized loans) less cash and cash equivalents.

Net financial debt is the main APM used by Siemens Gamesa Renewable Energy's management to measure the Group's indebtedness and leverage.

€m	09.30.2018 (*)	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Cash and cash equivalents	2,429	2,125	1,353	954	1,727
Short-term debt	(991)	(705)	(345)	(471)	(352)
Long-term debt	(823)	(1,255)	(1,126)	(674)	(512)
Cash / (Net Financial Debt)	**615**	**165**	**(118)**	**(191)**	**863**

€m	10.01.2019 (**)	12.31.2019	03.31.2020	06.30.2020	09.30.2020
Cash and cash equivalents	1,727	1,661	1,421	1,695	1,622
Short-term debt	(418)	(513)	(487)	(546)	(434)
Long-term debt	(1,029)	(974)	(1,229)	(1,239)	(1,236)
Cash / (Net Financial Debt)	**280**	**175**	**(295)**	**(90)**	**(49)**

(*) 09.30.2018 comparable for IFRS 9. No modification exists in the Net Financial Debt calculation in either case.

(**) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

Working capital (WC)

Working Capital (WC) is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

Working Capital reflects the part of Capital Employed that is invested in net operating assets. Siemens Gamesa Renewable Energy's management uses this metric in managing and making decisions with respect to the business's cash conversion cycle, particularly in managing inventory, trade accounts receivable and trade accounts payable. Effective management of working capital involves achieving an optimal amount of working capital without jeopardising the company's ability to honour its obligations in the short term.

€m	09.30.2018	09.30.2018 Comp. (*)	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Trade and other receivables	1,114	1,111	1,093	1,137	1,421	1,287
Trade receivables from related companies	28	28	42	35	39	22
Contract assets	1,572	1,569	2,033	1,771	1,952	2,056
Inventories	1,499	1,499	1,925	2,006	2,044	1,864
Other current assets	362	362	417	464	651	461
Trade payables	(2,416)	(2,416)	(2,283)	(2,352)	(2,483)	(2,600)
Trade payables to related companies	(342)	(342)	(274)	(153)	(250)	(286)
Contract liabilities	(1,670)	(1,670)	(2,340)	(1,991)	(2,267)	(2,840)
Other current liabilities	(684)	(684)	(641)	(706)	(869)	(798)
Working Capital	**(536)**	**(542)**	**(27)**	**211**	**238**	**(833)**

(*) Comparable after the application of IFRS9 starting October 1, 2018, affecting the Opening Balance Sheet of first quarter of FY19: the table above shows a decrease in line item “Trade and other receivables” of €3m and a decrease in line item “Contract assets” of €3m, with the corresponding effect (before taxes) in the Group’s Equity that decreases €4.6m (including tax effect).

€m	10.01.2019 Comp. (*)	12.31.2019	03.31.2020	06.30.2020	09.30.2020
Trade and other receivables	1,287	1,079	1,036	1,174	1,141
Trade receivables from related companies	22	29	37	37	1
Contract assets	2,056	1,801	1,808	1,715	1,538
Inventories	1,864	2,071	2,115	2,064	1,820
Other current assets	451	578	466	584	398
Trade payables	(2,600)	(2,282)	(2,332)	(2,544)	(2,956)
Trade payables to related companies	(286)	(188)	(212)	(237)	(8)
Contract liabilities	(2,840)	(3,193)	(3,101)	(3,362)	(3,148)
Other current liabilities	(798)	(833)	(682)	(929)	(761)
Working Capital	**(843)**	**(939)**	**(865)**	**(1,498)**	**(1,976)**

(*) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings “Other non-current assets” and “Other current assets”, in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

The ratio of working capital to revenue is calculated as working capital at a given date divided by the revenue in the twelve months prior to that date.

Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) refers to investments made in the period in property, plant and equipment and intangible assets to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance CAPEX). This APM does not include the allocation of the purchase price (the PPA exercise) to property, plant and equipment and intangible assets that has been performed in context of a business combination (e.g. the merger of Siemens Wind Power and Gamesa). This APM does also not include additions to right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q4 19	Q4 20	12M 19	12M 20
Acquisition of intangible assets	(38)	(44)	(160)	(182)
Acquisition of Property, Plant and Equipment	(143)	(205)	(338)	(419)
CAPEX	**(181)**	**(250)**	**(498)**	**(601)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Acquisition of intangible assets	(42)	(42)	(54)	(44)	(182)
Acquisition of Property, Plant and Equipment	(50)	(67)	(97)	(205)	(419)
CAPEX	**(92)**	**(109)**	**(151)**	**(249)**	**(601)**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Acquisition of intangible assets	(31)	(44)	(46)	(38)	(160)
Acquisition of Property, Plant and Equipment	(50)	(64)	(81)	(143)	(338)
CAPEX	**(81)**	**(108)**	**(127)**	**(181)**	**(498)**

Definitions of Cash Flow

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital and capital expenditure (CAPEX). SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adjusting the reported income for the period, for the ordinary non-cash items (mainly depreciation and amortization and provision charges).

€m	12M 19	12M 20
Net Income before taxes	190	(1,019)
Amortization + PPA	647	844
Other P&L (*)	17	11
Charge of provisions	236	370
Provision usage (without Adwen usage)	(344)	(351)
Tax payments	(191)	(172)
Gross Operating Cash Flow	**555**	**(317)**

€m	Q4 19	Q4 20
Net Income before taxes	52	(152)
Amortization + PPA	204	200
Other P&L (*)	19	1
Charge of provisions	83	102
Provision usage (without Adwen usage)	(68)	(94)
Tax payments	(22)	(29)
Gross Operating Cash Flow	**268**	**27**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

Cash flow is calculated as the variation in Net financial debt (NFD) between two closure dates.

Average Selling Price in Order Intake, Onshore (ASP - Order Intake)

Average monetary order intake collected by Onshore WTG division per unit booked (measured in MW). ASP is affected by several factors (project scope, geographical distribution, product, exchange rate, prices, etc.) and does not represent the level or trend of profitability.

	Q4 19 (*)	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)
Order Intake Onshore Wind (€m)	2,238	1,611	1,289	872	1,698
Order Intake Onshore Wind (MW)	3,147	2,563	1,645	1,200	2,713
ASP Order Intake Wind Onshore	**0.71**	**0.63**	**0.78**	**0.73**	**0.63**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €2m in Q4 19, €0m in Q1 20, €61m in Q2 20, €0m in Q3 20 and Q4 20.

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)	LTM Sep 20
Order Intake Onshore Wind (€m)	1,611	1,289	872	1,698	5,470
Order Intake Onshore Wind (MW)	2,563	1,645	1,200	2,713	8,121
ASP Order Intake Wind Onshore	**0.63**	**0.78**	**0.73**	**0.63**	**0.67**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q1 20, €61m in Q2 20, €0m in Q3 20 and Q4 20.

	Q1 19 (*)	Q2 19 (*)	Q3 19 (*)	Q4 19 (*)	LTM Sep 19
Order Intake Onshore Wind (€m)	1,793	1,167	1,695	2,238	6,893
Order Intake Onshore Wind (MW)	2,370	1,742	2,130	3,147	9,389
ASP Order Intake Wind Onshore	**0.76**	**0.67**	**0.80**	**0.71**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €6m in Q1 19, €33m in Q2 19, €1m in Q3 19 and €2m in Q4 19.

	Q1 18 (*)	Q2 18	Q3 18 (*)	Q4 18	LTM Sep 18
Order Intake Onshore Wind (€m)	1,600	1,834	1,166	1,985	6,585
Order Intake Onshore Wind (MW)	2,208	2,464	1,660	2,631	8,962
ASP Order Intake Wind Onshore	**0.72**	**0.74**	**0.70**	**0.75**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €88m in Q1 18 and €9m in Q3 18.

Order Intake, Revenue and EBIT

Order Intake (in €) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in EUR) for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Group	4,628	2,203	5,342	2,564	14,736
Of which WTG ON	1,611	1,350	872	1,698	5,531

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Group	2,541	2,466	4,666	3,076	12,749
Of which WTG ON	1,799	1,200	1,695	2,240	6,934

Order Intake (in MW) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in MW) for the last four quarters.

Onshore:

MW	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Onshore	2,563	1,645	1,200	2,713	8,121

MW	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Onshore	2,370	1,742	2,130	3,147	9,389

Offshore:

MW	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Offshore	1,279	-	2,860	-	4,139

MW	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Offshore	12	464	1,528	72	2,076

Revenue LTM (Last Twelve Months) is calculated by aggregation of the quarterly revenues for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
WTG	1,634	1,808	1,947	2,325	7,715
Service	366	395	464	543	1,768
TOTAL	**2,001**	**2,204**	**2,411**	**2,868**	**9,483**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
WTG	1,904	2,060	2,242	2,527	8,733
Service	358	330	390	417	1,493
TOTAL	**2,262**	**2,389**	**2,632**	**2,944**	**10,227**

EBIT (Earnings Before Interest and Taxes): operating profit as per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

EBIT (Earnings Before Interest and Taxes) pre PPA and integration & restructuring costs: EBIT excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the Purchase Price Allocation (PPA).

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	12M 19	12M 20
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	190	(1,019)
(-) Income from investments acc. for using the equity method, net	1	3
(-) Interest income	(14)	(10)
(-) Interest expenses	53	66
(-) Other financial income (expenses), net	22	2
EBIT	**253**	**(958)**
(-) Integration costs	174	189
(-) Restructuring costs	32	273
(-) PPA impact	266	262
EBIT pre-PPA and integration & restructuring costs	**725**	**(233)**

€m	Q4 19	Q4 20
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	52	(152)
(-) Income from investments acc. for using the equity method, net	1	(1)
(-) Interest income	(6)	(2)
(-) Interest expenses	16	17
(-) Other financial income (expenses), net	4	1
EBIT	**67**	**(139)**
(-) Integration costs	109	72
(-) Restructuring costs	7	38
(-) PPA impact	67	59
EBIT pre-PPA and integration & restructuring costs	**250**	**31**

EBIT margin: ratio of EBIT to Revenue in the period that is equal to the revenue figure in the consolidated Income Statement for the period.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

€m	12M 19	12M 20
EBIT	253	(958)
Amortization, depreciation and impairment of intangible assets and PP&E	647	844
EBITDA	**899**	**(113)**

€m	Q4 19	Q4 20
EBIT	67	(139)
Amortization, depreciation and impairment of intangible assets and PP&E	204	200
EBITDA	**271**	**61**

EBITDA LTM (Last Twelve Months) is calculated by aggregation of the quarterly EBITDA for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
EBIT	(229)	(118)	(472)	(139)	(958)
Amortization, depreciation and impairment of intangible assets and PP&E	172	182	290	200	844
EBITDA	**(57)**	**63**	**(181)**	**61**	**(113)**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
EBIT	40	90	56	67	253
Amortization, depreciation and impairment of intangible assets and PP&E	148	147	148	204	647
EBITDA	**188**	**237**	**204**	**271**	**899**

Net income and Net income per share (EPS)

Net income: consolidated profit for the year attributable to the parent company.

Net income per share (EPS): the result of dividing net income by the average number of shares outstanding in the period (excluding treasury shares).

	Q4 19	12M 19	Q4 20	12M 20
Net Income (€m)	52	140	(113)	(918)
Number of shares (units)	679,504,347	679,490,974	679,517,513	679,517,035
Earnings Per Share (€/share)	**0.08**	**0.21**	**(0.17)**	**(1.35)**

Other indicators

Revenue coverage: the revenue coverage ratio expresses the degree of achieving the revenue volume targets set by the company for a given year. It is calculated as the revenue booked until one period (including the activity/revenue expected for the rest of the year) divided by the activity/revenue guidance for that year.

€m	09.30.2018	06.30.2019	09.30.2019	06.30.2020 (*)
Actual revenue in year N (1)	-	7,283	-	6,615
Order Backlog for delivery in FY (2)	8,408	2,973	9,360	3,145
Average revenue guidance for FY (3)	10,500	10,500	10,400	9,750
Revenue Coverage ([1+2]/3)	**80%**	**98%**	**90%**	**100%**

(*) Midpoint of range from €9.5bn to €10.0bn.

€m	09.30.2020
Order Backlog for delivery in FY21 (1)	9,728
Average revenue guidance for FY21 (2) (*)	10,700
Revenue Coverage (1/2)	**91%**

(*) Midpoint of range from €10.2bn to €11.2bn.

Book-to-Bill: ratio of order intake (in EUR) to activity/revenue (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

Book-to-Bill LTM (Last Twelve Months): this APM is calculated by aggregation of the quarterly Revenues and Order Intakes for the last four quarters.

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Order Intake	4,628	2,203	5,342	2,564	14,736
Revenue	2,001	2,204	2,411	2,868	9,483
Book-to-Bill	**2.3**	**1.0**	**2.2**	**0.9**	**1.6**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Order Intake	2,541	2,466	4,666	3,076	12,749
Revenue	2,262	2,389	2,632	2,944	10,227
Book-to-Bill	**1.1**	**1.0**	**1.8**	**1.0**	**1.2**

Reinvestment Rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles' fair value). According to the definition of CAPEX, the amount of amortization, depreciation and impairments does not include the amortization, depreciation and impairments of right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
CAPEX (1)	92	109	151	249	601
Amortization depreciation & impairments (a)	172	182	290	200	844
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	25	27	33	28	114
PPA Amortization on Intangibles (c)	66	69	68	59	262
Depreciation & Amortization (excl. PPA) (2=a-b-c)	81	86	189	112	468
Reinvestment rate (1/2)	**1.1**	**1.3**	**0.8**	**2.2**	**1.3**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
CAPEX (1)	81	108	127	181	498
Amortization depreciation & impairments (a)	148	147	148	204	647
PPA Amortization on Intangibles (b)	66	66	67	67	266
Depreciation & Amortization (excl. PPA) (2=a-b)	82	80	81	137	381
Reinvestment rate (1/2)	**1.0**	**1.4**	**1.6**	**1.3**	**1.3**

Gross Profit: the difference between revenue and cost of sales, according to the consolidated statements of profit and loss.

Gross Profit (pre PPA, I&R costs): Gross Profit excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the PPA (purchase price allocation). The result of dividing this indicator by the sales of the period, which are equal to the revenue figure in the consolidated Income Statement for the period, is denominated Gross Margin pre PPA, I&R costs, and it is expressed as a percentage.

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted

€m	12M 19	12M 20
Gross Profit	948	(110)
PPA amortization on intangibles	174	177
Integration costs	105	133
Restructuring costs	24	180
Gross Profit (pre PPA, I&R costs)	**1,252**	**381**

€m	Q4 19	Q4 20
Gross Profit	291	81
PPA amortization on intangibles	43	45
Integration costs	62	49
Restructuring costs	5	33
Gross Profit (pre PPA, I&R costs)	**401**	**207**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Gross Profit	(57)	63	(196)	81	(110)
PPA amortization on intangibles	42	45	45	45	177
Integration costs	15	28	41	49	133
Restructuring costs	6	42	100	33	180
Gross Profit (pre PPA, I&R costs)	**7**	**177**	**(10)**	**207**	**381**

€m	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Gross Profit	200	237	220	291	948
PPA amortization on intangibles	44	44	44	43	174
Integration costs	5	8	30	62	105
Restructuring costs	17	1	2	5	24
Gross Profit (pre PPA, I&R costs)	**266**	**289**	**296**	**401**	**1,252**

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

MWe	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Onshore	1,747	1,649	1,876	2,433	7,704

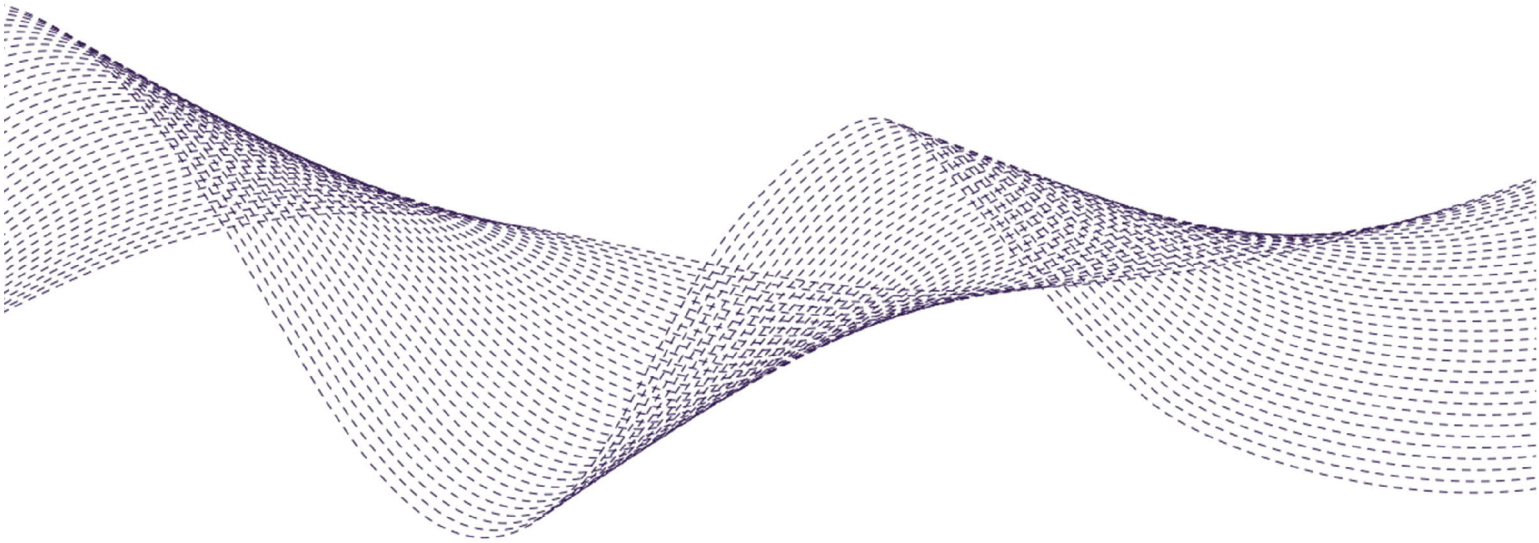
MWe	Q1 19	Q2 19	Q3 19	Q4 19	LTM Sep 19
Onshore	1,520	1,707	1,699	2,009	6,936

Cost of energy (LCOE/COE): the cost of converting an energy source, e.g. wind, into electricity, measured in monetary units per MWh. It is calculated taking in account all costs incurred during asset's life cycle (including construction, financing, fuel, operation and maintenance, taxes and incentives) divided by the total output expected from the asset during its useful life.

Note that due to rounding, numbers presented in this document may not add up exactly to the totals shown and percentages may not exactly replicate the absolute figures presented.

Consolidated Non-Financial Statement 2020

(formerly Sustainability Report)



SIEMENS Gamesa
RENEWABLE ENERGY

Highlights

3.14

Total Recordable Injury Rate (TRIR)

1.36

Lost-Time Injury Frequency Rate (LTIR)

27.9

$CO_{2\text{-eq}}$ emissions (ktons)

1,202

Total Energy Use (TeraJoules)

99.9%

Renewable Electricity Use

>26.1k

Total Headcount

11.7%

Female Managers

~19k

Tier-One Supplier

~ €7.4 bn

Procurement Volume

Key figures

	FY 18	FY 19	FY 20	Var. 19/20
Revenues (€million)	9,122	10,227	9,483	-7.3%
EBIT pre PPA and I&R costs (€million)	693	725	(233)	N.A.
Net profit (€million)	70	140	(918)	N.A.
Net financial debt (NFD) (€million)	615	863	(49)	N.A.
Equivalent MW sold	8,373	9,492	9,968	5.0%
MW installed (period)	6,234	9,895	8,767	-11.4%
MW installed (cumulative)	88,840	98,735	107,502	8.9%
MW fleet under maintenance	56,725	60,028	74,240	23.7%
No. suppliers	17,051	17,890	18,932	5.8%
No. suppliers invoicing below 10k€/y	8,874	8,901	9,483	6.5%
Procurement volume (€ million)	6,030	8,238	7,365	-10.6%
Headcount	23,034	24,453	26,114	6.8%
Lost time injury frequency rate - LTIFR	2.07	1.67	1.36	-18.6%
Total recordable injury rate- TRIR	5.10	4.71	3.14	-33.3%
% women in workforce	18.90	18.79	18.76	-0.2%
% women in management positions	10.79	10.24	11.69	14.2%
Employee Hiring	2,466	4,498	4,932	9.6%
Employee Exits	4,853	3,145	3,275	4.1%
Training hours (thousands)	619	905	840	-7.2%
Donations & charitable contributions (€ million)	2.12	0.43	2.90	574%
Energy consumption (TJ)	1,050	1,256	1,202	-4.3%
Energy consumption rate (GJ/Mw installed)	168	127	137	7.8%
Renewable electricity use (share in %)	61	61.5	99.9	62%
Water consumption (x1,000 m3)	446	667	522	-21.7%
Waste generated (kt)	47.8	58.5	68.3	16.7%
Waste intensity (t/Mw installed)	7.7	5.9	7.8	32.2%
CO_2 emissions (kt CO_2)	61.4	70.7	27.9	-60.5%
CO_2 emissions intensity (t/Mw installed)	9.8	7.1	3.2	-54.9%
CO_2 compensated (million t CO_2)	233	259	281	8.5%
Effluent generation (x1,000 m3)	451	329	342	3.9%
United Nations Global Compact	✓	✓	✓	Confirmed
Dow Global Sustainability Index	✓	✓	✓	Confirmed
FTSE4Good	✓	✓	✓	Confirmed
Ethibel Excellence Europe	✓	✓	✓	Confirmed
Euronext Vigeo series	-	✓	✓	Confirmed
Bloomberg Gender Equality Index	-	-	✓	Addition
MSCI ESG rating	BB	BB	A	+2 notches

Letter from CEO

Andreas Nauen, CEO

Dear Stakeholder,

Fiscal year 2020 will undoubtedly be a year to remember: Covid-19 continues to disrupt the lives of billions of people worldwide and is creating an unprecedented scenario to which society, governments as well as businesses have had to adapt.

This naturally also applied to Siemens Gamesa. Thus, we have been through a long period of uncertainty and changes in this past year, including significant lockdown periods with no clear end in sight, but we have been able to keep the business running consistently while ensuring the safety of our employees. I want to express my most sincere gratitude to everyone in the Siemens Gamesa family who has contributed and kept up the morale in these difficult times – it has brought us even closer together and made us stronger.

Despite these new challenges, we cannot lose sight of climate change threatening the future of generations to come. As a company, we are committed to act now: unlock the full potential of wind and guarantee profitable growth, while conducting our business in a responsible and sustainable manner. With a leading position in all three areas of wind – onshore, offshore, and service – we are driving the global green energy revolution and accelerating the efforts of our partners around the world.

Our sustainability pledge is not just an aspirational framework but a roadmap for responsible growth. We are dedicated as a company to have a lasting social and environmental impact and to engage with the UN Sustainable Development Goals (SDGs) to further drive the United Nations' 2030 agenda. Thus, we remain committed to the principles of the United Nations Global Compact, meaning that we continuously work on issues connected to human rights and maintain responsible labor, environmental and anti-corruption practices.

The resulting responsibility performance has been widely recognized by the financial community and is present in the world's most prestigious indices such as the Dow Jones Sustainability Indices®, FTSE4Good® and the Ethibel Sustainability Index®, to name a few.

We are proud of what we have achieved so far and will continue working on improving ourselves and better the lives of others. We would like to thank all our stakeholders for their continuous support and trust in Siemens Gamesa – accompanying us on our path of further innovation, sustainability, success and business excellence.

By installing thousands of wind turbines, generating hundreds of thousands of gigawatt-hours all over the world, powering our homes, schools and hospitals, we have been part of the solution. It is a privilege to make a difference in the world. At Siemens Gamesa we lead with purpose.

With best regards

Andreas Nauen
CEO, Siemens Gamesa Renewable Energy

A. About Siemens Gamesa

In this section:

- A1. Our Company p. 06
- A2. Strategy p. 27
- A3. Sustainability p. 31
- A4. Risk management p. 43

A1. Our Company

A1.1 Siemens Gamesa at a glance

[L11-G01] Siemens Gamesa works at the heart of the global energy revolution. With a leading position in onshore, offshore, and service, our team of over 26,000 colleagues is working in partnerships across 90 countries to engineer, build and deliver powerful and reliable wind energy solutions and services.

Figure 1 - Key facts at fiscal year-end 2020

A global business with a strong local footprint, we have installed more than 107 GW and keep the lights on across the world, producing clean and sustainable energy to power our homes, schools, hospitals and keep us moving wherever we go.

Drawing on our comprehensive portfolio, we will address the challenge of climate change and help societies all over the world to meet their growing energy needs in a reliable, affordable and sustainable way.

Siemens Gamesa operates with a flexible business model through two principal business segments: i) Wind Turbines (with the business units Onshore and Offshore), which covers the design, development, manufacturing and installation of wind turbines, and ii) Service. In a few regions, SGRE is also engaged in project development.

[L11-G02] [102-4] SGRE is present in more than 90 countries around the world, and its turbines are installed in more than 70 countries. It operates more than 15 manufacturing plants in over 10 countries and has approximately 40 sales offices (as of June 30, 2020). The chart below shows the location of the company's main nacelle and blade production facilities as well as its leading R&D centers and principal sales offices:

Figure 2 – Siemens Gamesa. Global footprint

Operations

In addition to the above-mentioned locations, Siemens Gamesa has further important locations in several countries in different regions:

- **Americas** – Boulder/Colorado (United States) (sales, service and R&D), Orlando/Florida (United States) (sales; service; R&D and training center for wind service), and sales and service locations in Oakville/ Ontario (Canada) and Santiago de Chile (Chile).
- **Europe, Middle East and Africa (EMEA)** – Bremen (service), Bremerhaven (service for legacy Adwen products) and Österrönfeld (services for Senvion products) (all in Germany); Aliaga (assembly of nacelles), Istanbul (sales, services and R&D) and Izmir (sales and services) (all in Turkey); Vagos (Portugal) (production site for onshore blades, acquired as part of the Senvion Acquisition), Esbjerg (Denmark) (assembly port for the offshore business as well as service), Frimley (United Kingdom) (sales and project management for the offshore business, as well as service), The Hague (The Netherlands) (R&D site for towers, sales and service), in addition to several sales and service or service-only sites in Athens (Greece), Budapest (Hungary), Cairo (Egypt), Casablanca (Morocco), Dublin (Ireland), Helsinki (Finland), Huizingen (Belgium), Johannesburg (South Africa), Lyon and Puteaux (France), Milan (Italy), Newcastle (United Kingdom), Oslo (Norway), Stockholm (Sweden), Tehran (Iran), Vienna (Austria), Warsaw (Poland) and Zagreb (Croatia).
- **Asia, Australia** – Further sales and service locations in Bangkok (Thailand), Ho Chi Minh City (Vietnam), Kurana (Sri Lanka), Makai City (Philippines), Seoul (South Korea), Singapore (Singapore), Sydney (Australia), Taipei (Taiwan) and Tokyo (Japan), with service-only sites in Auckland (New Zealand) and Melbourne (Australia).

Manufacturing base

Siemens Gamesa manufactures wind turbines at its facilities in Europe, the United States, India, Brazil, China and Morocco. The Company has established a technical presence close to its customers across the world. Its manufacturing base is designed to ensure an efficient production process from the design of the wind turbines to the manufacturing of all critical components. The decision as to whether a specific component of a wind turbine should be produced in-house or outsourced to third-party suppliers is determined by looking at three different dimensions: capacity, cost and local content or industrialization requirements. The Company operates blade factories, nacelle assembly factories and other kind of factories (such as gearbox, converter and cabinet factories).

- **Blade factories** produce the entire blade for a wind turbine. In recent years, SGRE implemented structural shell production in all its models, which requires less infrastructure and can be implemented more rapidly. SGRE started to implement carbon fiber in longer blades to further reduce weight. Its industrial strategy also aims for a balance among several options for manufacturing blades, including “make”, “buy” and “build-to-print” (under which SGRE designs the blade, while the manufacturing is outsourced). Our main blade factories are located in Fort Madison (United States), Aalborg (Denmark), Hull (United Kingdom), Tangier (Morocco), Nellore (India), Somozas (Spain), Lingang (China) and Vagos (Portugal; this plant was acquired in the context of the Senvion Acquisition). A new factory for wind turbine blades (as well as nacelles) is planned in Le Havre (France), with start of production expected for the beginning of 2022. At the end of 2019, SGRE stopped the manufacturing of onshore blades in its Aalborg factory (the location now manufactures blades for offshore turbines only). In addition, a decision to close the blade factory in Aoiz (Spain) due to competitiveness considerations was made in June 2020. This plant is specialized in small turbine models mainly for the Spanish market. In addition to its own manufacturing, SGRE sources blades from third-party manufacturers located in Mexico, Brazil, Turkey, India, China and Poland, either providing its own blade designs or using the design from the third-party manufacturer.
- **Nacelle assembly** factories assemble the nacelle for the wind turbine. The nacelle is the structure placed upon the tower, housing the gearbox (for onshore wind turbines), generator, transformer, electronics and other components. Attached to the nacelle is the rotor consisting of a hub and three blades. Siemens Gamesa main nacelle assembly factories are located in Hutchinson/Kansas (United States), Camaçari (Brazil), Brande (Denmark), Cuxhaven (Germany), Ágreda (Spain), Aliaga (Turkey), Mamandur (India) and Tianjin (China). In addition, SGRE subcontracts the assembly of nacelles in Russia. New nacelle factories are under construction in Le Havre (France) and in Taichung (Taiwan). SGRE phased out onshore-related nacelle assembly in Brande in 2020.
- **Tower factories** produce the tower for the wind turbine. SGRE is a minority shareholder in tower manufacturer Windar Renovables, S.L., which has factories in Spain, India, Mexico, Brazil and Russia.
- **Generator factories** produce the generator which transforms the rotation energy to electricity. Siemens Gamesa generator factories are located in Reinosa (Spain), Camaçari (Brazil) and Tianjin (China). In addition, direct drive generators are assembled in Brande (Denmark) and Cuxhaven (Germany).
- **Gearbox plants** are located in Spain, with the main factories located in Lerma and Sigüeiro. A gearbox is typically used in a wind turbine to increase rotational speed from a low-speed rotor to a higher speed electrical generator.
- **Converter factories** are located in Madrid (Spain), Valencia (Spain) and Tianjin (China). Converters enable the management of the electrical output of the wind turbine to optimize it following grid requirements.
- **Cabinets factories** are located in Valencia (Spain) and Tianjin (China). A control cabinet monitors certain parameters of a wind turbine in order to operate the turbine in the most efficient way.

Innovation, Research & Development

Wind turbines developed and manufactured by Siemens Gamesa are in permanent evolution, incorporating the latest technological advances with the aim of increasing both power and performance. Overall, Siemens Gamesa employs approximately 3,400 dedicated Technology staff (13% of the total headcount). SGRE's research and development expenses in fiscal year 2020 amounted to € 231 million (€ 208 million in 2019).

SGRE's R&D activities are carried out mainly through seven technology centers located in Bangalore (India), Boulder (United States), Brande (Denmark), Hamburg (Germany), Zamudio-Bilbao, Madrid and Pamplona (all in Spain). The R&D activities in Brande, Zamudio-Bilbao and Pamplona are focused on the nacelle and its components. The facilities in Madrid and Brande are equipped with test benches for testing and validating software systems for wind power, PV, energy storage and hybrid power systems. The Bangalore center serves global engineering and technology demands pertaining to software and design engineering for onshore and offshore wind turbines, with a focus on new technologies such as machine learning and artificial intelligence, required for building "smart" wind turbines of the next generation.

Technological development at Siemens Gamesa is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year and to which a budget is assigned.

SGRE also cooperates with renowned specialized institutions in the field of wind energy and fosters research partnerships across countries, organizations and disciplines. In addition, SGRE's partnership with Ørsted and the three U.K. universities of Hull, Sheffield and Durham is also looking at how renewable energy research can lower the costs of offshore wind power. This five-year partnership funded by the U.K. government under its Engineering and Physical Science Research Council enables SGRE and its partner to develop new solutions relating to structural health monitoring and generator topologies. SGRE is also collaborating with Siemens in the development of thermal energy storage in a project called "ETES" that is co-funded by the German Federal Ministry of Economic Affairs of Energy.

Within the digitalization field, Siemens Gamesa is cooperating with the University of Carlos III in Madrid in a three-year project, funded by the Spanish institution "Centro para el Desarrollo Tecnológico Industrial" (CDTI). The project comprises research on edge computing technologies, probabilistic design and power plant control technologies, while looking for synergetic solutions with other sectors' needs and solutions. Furthermore, SGRE regularly showcases some of its innovations at exhibitions and trade fairs in the wind energy industry.

A1.2 Legal name

[102-1] The corporate name Siemens Gamesa Renewable Energy, S.A. has been in effect since June 20, 2017 and was duly registered at the Companies Registry on July 18, 2017, the same date that it was notified to Spanish Central Securities Depository (Iberclear) and the Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia). The name was published in the Stock Exchange Bulletin on July 21, 2017. The shares have been listed as Siemens Gamesa Renewable Energy, S.A. since July 24, 2017. The company's stock ticker symbol (abbreviation used to identify shares on stock markets) is SGRE.

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

Siemens Gamesa offers one of the industry’s broadest product portfolios, with both offshore and onshore technology as well as industry-leading service solutions. The company was created in 2017 by the merger of Siemens Wind Power and Gamesa. Along fiscal year 2020, Siemens Gamesa successfully completed acquisition of European Service assets and Intellectual Property from Senvion. The transaction added approximately 9 GW of serviced fleet and operations in 13 countries. The addition of the Senvion assets marked a significant step in the company's growth strategy, part of the company's L3AD2020 strategic program, and strengthens its competitive position in its multibrand portfolio.

A1.3 Ownership structure

[102-5] Siemens Gamesa Renewable Energy, S.A.’s ownership structure on September 30, 2020, (fiscal year end) was as follows:

Table 1 – Ownership structure

(in percentage)	30.09.2018	30.09.2019	30.09.2020
Siemens Energy AG	-	-	67.071
Siemens AG	59.000	59.000	-
Iberdrola S.A.	8.071	8.071	-
Others (**)	32.929	32.929	32.929

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

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

A1.4 Share capital

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

Table 2 - Evolution of share capital

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

A1.5 Mission, vision and values

[102-16] Our company Mission "We make real what matters - Clean energy for generations to come" and our vision to "Be the global leader in the renewable energy industry driving the transition towards a sustainable world" define the foundation on which our shared company culture will grow as we become more and more integrated [1].This is underpinned by six values:

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

A1.6 Revenues

[102-7] The consolidated revenue breakdown by segment at the year ended on September 30, 2020 was as follows:

Table 3 - Revenues by segment

(€ million)	FY18	FY19	FY20
Wind Turbines	7,847	8,733	7,715
Service	1,275	1,493	1,768
SGRE total revenue	**9,122**	**10,227**	**9,483**

Furthermore, the group currently operates in several geographical markets. The principal areas are Europe, Middle East and Africa (EMEA, including Spain), Americas and APAC. Each of these areas' main countries are as follows:

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

Table 4 - Revenues by geographical area

(€ million)	FY18	FY19	FY20
Europe, Middle East and Africa	5,175	6,653	5,197
Americas	2,235	2,031	2,659
Asia, Australia	1,712	1,543	1,627
SGRE total revenue	**9,122**	**10,227**	**9,483**

[1] Further information at the company's Website: https://www.siemensgamesa.com/en-int/about-us

Table 5 - Revenues by country

(€ million)	FY18	FY19	FY20
Spain	666	1,000	617
Germany	1,173	1,038	745
Denmark	639	1,116	712
United Kingdom	1,062	1,497	391
United States	998	1,514	1,907
China P.R.	329	203	299
India	888	774	425
Brazil	262	198	293
Mexico	474	167	176
Rest of countries	2,896	2,720	3.918
SGRE total revenue	**9,122**	**10,227**	**9,483**

All the economic and financial information of Siemens Gamesa Renewable Energy S. A. and its subsidiaries is available in the Consolidated Financial Statements and Management Report for the period ended September 30, 2020, its fiscal year-end. [201-1]

A1.7 Corporate governance

[102-18] The Group's governance structure is based on two main bodies, namely the General Meeting of Shareholders and the Board of Directors. Detailed information on the Group's corporate governance model is updated and available in the Corporate Governance section of the Siemens Gamesa website here.

General meeting of shareholders

The General Meeting of Shareholders is the meeting of the Company's shareholders that, once duly convened, shall decide by majority voting on the issues within its powers. All shareholders, including those that do not take part in the General Meeting or who have expressed their disagreement, are subject to the resolutions taken at the General Meeting, without prejudice to their legal right to challenge such resolutions. The General Meeting of Shareholders takes resolutions on all issues that lie within its powers in accordance with the Law, the By-Laws and the General Meeting of Shareholders Regulations.[2]

Board of directors

[102-22] The Board of Directors' mission is to promote the Company's interests, represent the Company and its shareholders in the management of its assets, manage the business and direct the business's administration. Apart from the matters reserved for the powers of the General Meeting of Shareholders, the Board of Directors is the highest representative and decision-making body. It has no substantial constraints apart from those laid down in legislation and the By-Laws, particularly regarding the Company's corporate purpose. Full information on the Board of Directors' composition, as well as its members' personal and biographical profiles can be found in section C.1 of the Annual Corporate Governance Report and on the company's website.[3]

Siemens Gamesa's Board of Directors is the body responsible for reviewing and approving this Consolidated Non-financial Statement, which is approved prior to the call for the General Meeting of Shareholders.

[2] See the General Meeting of Shareholders Regulations of Siemens Gamesa Renewable Energy S.A. (Revised text prepared after the amendments approved by the shareholders at the General Meeting of Shareholders held on 22 July 2020). Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/20200722-reglamento-jga-sgreenglish-def.pdf?la=en-bz&hash=1AD68DA60756B46C293F5083B4F96C0E08B65A39

[3] See Section C.1 of Siemens Gamesa Renewable Energy, S.A. Annual Corporate Governance Report 2020 at Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

Table 6 - Composition of the Board of Directors (September 30, 2020)

Name of Director	Category	Position on the Board
López Borrego, Miguel Angel	External Proprietary	Chairman
Nauen, Andreas	Executive	Chief Executive Officer
Dawidowsky, Tim	External Proprietary	Member
Ferraro, Maria	External Proprietary	Member
Hernández García, Gloria	External Independent	Member
von Heynitz, Harald	External Independent	Member
Holt, Tim Oliver	External Proprietary	Member
Krämmer, Rudolf	External Independent	Member
Rosenfeld, Klaus	External Independent	Member
von Schumann, Mariel	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

Board committees

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

Delegated Executive Committee

The Delegated Executive Committee has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the Bylaws and of the Regulations of the Board of Directors. The Delegated Executive Committee is regulated in article 36 of the Bylaws and in article 23 of the Regulations of the Board of Directors [4].

Table 7 - Composition of the Delegated Executive Committee (September 30, 2020)

Name of Director	Type	Position
López Borrego, Miguel Angel	External Proprietary	Chairman
Nauen, Andreas	Executive	Member
Krämmer, Rudolf	External Independent	Member
Holt, Tim Oliver	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

[4] After 2020 fiscal year closing the Regulations of Delegated Executive Committee are being approved.

Audit, Compliance and Related Party Transactions Committee

This is a standing internal body of the Board of Directors for reporting and consultation purposes. It is entrusted with informing, advising and making recommendations. Articles 5 through 14 in Chapter II of the Audit, Compliance and Related-Party Transactions Committee[5] Regulations set forth said committee's duties.

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

Table 8 - Composition of the Audit, Compliance and Related Party Transactions Committee (September 30, 2020)

Name of Director	Type	Position
von Heynitz, Harald	External Independent	Chair
Hernández García, Gloria	External Independent	Member
Krämmer, Rudolf	External Independent	Member
Ferraro, Maria	External Proprietary	Member
García Fuente, Juan Antonio	N/A	Secretary Non-member

Appointments and Remunerations Committee

This Committee is an internal body of the Board of Directors for information and consultation purposes, though it holds no executive functions. It is entrusted with informing, advising and putting forward recommendations concerning matters within its scope of competence. Articles 5 through 9 in Chapter II of the Appointments and Remunerations Committee Regulations[6] set forth this Committee's duties. More specifically, its primary functions are to oversee the composition, performance and assessment of the company's Board of Directors and senior management, along with their remuneration.

Table 9 - Composition of the Appointments and Renumerations Committee (September 30, 2020)

Name of Director	Category	Position
Krämmer, Rudolf	External Independent	Chair
von Schumann, Mariel	External Proprietary	Member
von Heynitz, Harald	External Independent	Member
Rosenfeld, Klaus	External Independent	Member
Espinosa de los Monteros, Salvador	N/A	Secretary Non-member

5 See Chapter II of the Regulations of the Audit, Compliance and Related-Party Transactions Committee (Consolidated text endorsed by the Board of Directors on July 29, 2019) Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-appointments-and-remuneration-committee.pdf?la=en-bz&hash=BD41F237BFA4A2931AE52E5D78E914B4F7AE1659

6 See Chapter II of the Regulations of the Appointments and Remunerations Committee (Consolidated text endorsed by the Board of Directors on July 29, 2019) Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-appointments-and-remuneration-committee.pdf?la=en-bz&hash=BD41F237BFA4A2931AE52E5D78E914B4F7AE1659 (After 2020 fiscal year closing the Regulations of Appointments and Remunerations Committee are being amended).

Executive level positions

[102-19] The Board of Directors of Siemens Gamesa, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers on Mr. Andreas Nauen's behalf as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decided to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of Siemens Gamesa held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date. For further information please refer to section C.1.9 of the Annual Corporate Governance Report 2020.

[102-20] The company's organization chart includes departments holding responsibility for the economic, social and environmental areas, which are attributed to general departments. Aside from the foregoing, the highest-ranking officers of these departments appear before the Board of Directors whenever they are required to do so.

Table 10 – Senior Management (September 30, 2020) [7]

Name	Position
Bartl, Jürgen	General Secretary
Bauer, Pierre	CEO Offshore Business unit (interim)
Gutiérrez, Juan	CEO Service Business unit
Immink, Marc	Internal Audit Director
Nauen, Andreas	CEO Onshore Business unit (interim)
Spannring, Thomas	Chief Financial Officer (interim)
Wollny, Christoph	Chief Operations Officer

As of September 30, 2020, the positions of Chief Financial Officer, Onshore CEO and Offshore CEO are occupied on an interim basis by Mr. Thomas Spannring, Mr. Andreas Nauen and Mr. Pierre Bauer respectively.

Total senior management remuneration amounted to 7,901 thousand euros in fiscal year 2020 (6,752 thousand euros in FY19). Form a gender perspective, there is no additional disclosure due to all top management positions being assigned to men in fiscal year 20. The average remuneration of senior managers identified as such amounts to 1,158 thousand euros in fiscal year 2020 (0,964 thousand euros in FY19), without distinction by gender as all of them are male. The detailed information is referenced in the Annual Report on Directors' Remuneration and in the Annual Corporate Governance Report for the year.

[7] See Section C.1.14 of Annual Corporate Governance Report 2020 for further details

A1.8 Remuneration of the Board of Directors

[L11-HR07] The Annual Report on remuneration of the members of the Board of Directors is submitted to a consultative vote of the company's General Meeting of Shareholders on an annual basis. In accordance with prevailing legislation, the remuneration policy of the year in course and that of the preceding year are set out in detail below, including each director's individual remuneration.

Table 11 - Remuneration of the Board of Directors[8]

M: male || F:Female; (€thousands)	Gender	FY18	FY19	FY20
Alonso Ureba, Alberto	M	177	215	89
Azagra Blázquez, Pedro	M	-	130	61
Cendoya Aranzamendi, Andoni	M	204	219	91
Conrad, Swantje	F	231	106	-
Davis, Lisa	F	0	0	0
Dawidowsky, Tim	M	-	-	0
García García, Rosa María	F	287	49	-
Ferraro, Maria	F	-	-	0
Hernandez García, Gloria	F	243	255	218
Hoffmann, Andreas C.	M	-	-	90
Holt, Tim Oliver	M	-	-	0
Krämmer, Rudolf	M	-	177	315
López Borrego, Miguel Angel	M	-	241	295
Nauen, Andreas	M	-	-	783
Rodriguez-Quiroga Menéndez, Carlos	M	424	422	201
Rosenfeld, Klaus	M	147	151	156
Rubio Reinoso, Sonsoles	F	172	42	-
Sen, Michael	M	0	0	0
Tacke, Markus	M	1,555	1,329	3,205
Thomas, Ralf	M	0	0	0
von Heynitz, Harald	M	-	-	195
von Schumann, Mariel	F	123	162	170
Total		**3,563**	**3,498**	**5,869**

Additional information about top management and its global remuneration is referred to in section C.1.14 of the Annual Corporate Governance Report 2020. [9]

A1.9 Employees worldwide

[102-8] At the end of the reporting period (September 30, 2020), the company had 26,114 employees (24,453 employees in fiscal year 2019).

[8] See Annual Corporate Governance Report 2020 for further details. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

[9] See Annual Corporate Governance Report 2020 for further details. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

A1.10 Significant changes in fiscal year

[102-10] In January 2020, Siemens Gamesa successfully completed the **acquisition of European Service assets and IP from Senvion**. The transaction adds approximately 9.0 GW of serviced fleet and operations in 13 countries. The addition of the Senvion assets marked an important step in the company's growth strategy, part of the company's L3AD2020 strategic program, and strengthens its competitive position in its multibrand portfolio. Siemens Gamesa will now service an even broader range of wind turbine technologies. The Senvion service fleet will increase Siemens Gamesa multibrand footprint to more than 10 GW and its fleet under maintenance to approximately 74 GW. The addition of these assets helps to diversify Siemens Gamesa's business mix and geographical exposure with contracts that offer long-term visibility and renewal rates that have been historically extremely high.

A1.11 Expertise and global track record

One of Siemens Gamesa's main advantages is the fact that we are engaged successfully and globally in all areas of the wind power business, including: Onshore, Offshore and Service. With an optimized streamlined catalogue, we offer the best products and services for each project and its varying site conditions.

Continuous innovation, a dedication to technological excellence and solutions adapted to each project application are the pillars of our wind power portfolio, setting the foundation for Siemens Gamesa as a benchmark technologist. All this is backed by validated and recognized products, with more than 35 years of experience and more than 107 GW installed across the globe.

Siemens Gamesa technology makes Onshore wind one of the cheapest sources of energy. Onshore is the largest wind energy market and the company continues to advance to offer a flexible portfolio designed to meet all our customers' needs and reduce the cost of energy. Improved technology has made turbines and blades ever more efficient, and digitally operated to optimize performance.

The company's Offshore unit develops the world's most sophisticated turbines, thereby ensuring it continues to be ranked as the number one option for offshore wind. Global offshore wind capacity is surging, and Siemens Gamesa is positioned as the leading supplier in this market. The company has already installed almost 17 GW and this figure will surely continue to grow in the future as more and more countries view offshore as a highly competitive energy source as compared to fossil fuels. Harsh sea conditions mean that innovation and new technology are key aspects to evolve in this market and will almost certainly give Siemens Gamesa a competitive edge as new opportunities arise in the emerging markets of the USA and Asia.

With so many Siemens Gamesa turbines working to produce clean energy across the globe, there is naturally a strong market for the service and maintenance of these machines. Technological advancements mean that 85% of technical issues can be handled remotely within 10 minutes, reducing costs and optimizing performance. The company now has a service portfolio over 74 GW. And its multibrand activities mean it can service the turbines of any other company.

A1.12 Our customers

SGRE customers are mainly companies that are active within the energy sector. The main categorization of customers per activity is the following:

- Utilities – companies that own projects to sell power to their distribution network to reach the final demand of energy.
- Independent Power Producers – companies that own projects in order to sell power to an off-taker (via a power purchasing agreement) with the aim to make a financial return in excess of their cost of capital.
- Project Developers – companies that develop a project to sell it to a future owner with the interest and financial capability to build and operate it.
- Others – financial investors, oil & gas players, companies that need to consume green energy in order to meet their environmental corporate targets, self-consumers, etc.

With the energy transition trends, the profiles of customers have expanded, with other players beyond traditional players such as utilities or independent power producers gaining significant relevance.

A1.13 Competition

The competitive situation for SGRE differs in the three market segments, onshore, offshore and service. SGRE competes with international OEMs (Original equipment manufacturer, a company that produces parts and equipment that may be marketed by another manufacturer), Chinese OEMs and other regional OEMs, with Chinese OEMS and other regional OEMs primarily focused on their local markets. The market for onshore wind turbines is more fragmented although consolidation in the segment has increased concentration of market shares outside China. In the offshore wind energy market there is a lower number of competitors due to the relatively high entry barriers but competition with regard to wind turbine prices is also strong and influenced by the introduction of auction mechanisms. Consolidation is moving forward in both on- and offshore markets and is driven by market players striving for scale to address technological challenges, which increase development costs, and market accessibility challenges.

There are about 30 wind turbine OEMs in the world. In general terms, wind turbine OEMs can be categorized in three groups:

- International players with global reach, e.g., SGRE, Vestas (Denmark), GE Renewable Energy (France/United States) and Nordex (Germany)
- Chinese OEMs, e.g., Goldwind (Xinjiang Goldwind Science & Technology Co., Ltd.) and Envision
- Other regional OEMs (mostly located in India), e.g., Suzlon Energy Ltd. and Inox Wind Ltd. (both, India)

A1.14 Product portfolio

Every wind generation site poses specific challenges which call for the right product choice. Siemens Gamesa offers versatile solutions for onshore and offshore wind farms as well as comprehensive services to meet any project's special needs. The company's wind turbine and service portfolios create value and reduce the Levelized Cost of Energy (LCoE), thus ensuring our customers' long-term returns.

Table 12 - Siemens Gamesa wind turbine platforms

ONSHORE	SG 2.1-114	SG 2.2-122	SG 2.6-114	SG 2.9-129	SG 3.4-132	SG 3.4-145	SG 5.0-132	SG 5.0-145	SG 5.8-155	SG 5.8-170
Platform	2.X	2.X	2.X	2.X	3.X	3.X	4.X	4.X	5.X	5.X
Nominal power (MW)	**2.1**	**2.2**	**2.625**	**2.9**	**3.465**	**3.465**	**5.0**	**5.0**	**5.8**	**5.8**
Technology	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared
Rotor diameter (m)	114	122	114	129	132	145	132	145	155	170
Swept area (m2)	10,207	11,690	10,207	13,070	13,685	16,513	13,685	16,513	18,868	22,697
Blade length (m)	56	60	56	63.5	64.5	71	64.5	71	-	-
Class IEC	II/IIIA/S	III/S	IA/IIA/S	S	IA/IIA	III/S	IA	IIB	-	-

OFFSHORE	SWT 6.0-154	SWT 7.0-154	SG 8.0-167 DD	(1) SG 11-200 DD	(2) SG 14-222 DD
Nominal power (MW)	**6.0**	**7.0**	**8.0**	**11.0**	**14.0**
Technology	Direct Drive	Direct Drive	Direct Drive	Direct Drive	Direct Drive
Rotor diameter (m)	154	154	167	200	222
Swept area (m2)	18,600	18,600	21,900	31,400	39,000
Blade length (m)	75	75	81.4	97	108
Class IEC	I, S	I, S	I, S	I, S	I, S

(1) The serial production is planned for 2022 || (2) The serial production is planned for 2024

Note: Full detail of Siemens Gamesa's products and services can be found at the company's website.

A1.15 Global footprint: Wind turbines

[102-2] [102-6] Siemens Gamesa embraces technology as the essential core of its activity by 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 constant evolution, incorporating the latest technological advances and growing, not only in terms of power but also in performance. The company has become one of the world's leading technology companies in the multi-megawatt segment with over 107 GW installed in 76 countries and a full range of product platforms.

We offer the best product and service for each project and its varying site conditions through an optimized streamlined portfolio. The company's wind turbine and service portfolios create value and reduce the Levelized Cost of Energy (LCoE), thus ensuring our customers' long-term returns.

Table 13 - Wind turbine installation track record (cumulative MW)

Country/market	FY18	FY19	FY20	Onshore	Offshore
Algeria	10	10	10	10	-
Argentina	82	113	113	113	-
Australia	699	932	932	932	-
Austria	43	43	43	43	-
Azerbaijan	8	8	8	8	-
Belgium	163	195	520	216	304
Bosnia-Herz.	41	87	87	87	-
Brazil	3,156	3,316	3,552	3,552	-
Bulgaria	90	90	90	90	-
Canada	2,804	3,021	3,021	3,021	-
Cape Verde	0.05	0.05	0.05	0.05	-
Chile	452	452	580	580	-
China P.R.	5,099	5,513	5,557	5,509	48
Costa Rica	143	143	143	143	-
Croatia	162	162	162	162	-
Cuba	5	5	5	5	-
Cyprus	20	20	20	20	-
Czech Rep.	14	14	14	14	-
Denmark	2,199	2,199	2,234	1,147	1,087
Dom. Rep.	52	191	191	191	-
Ecuador	2	2	2	2	-
Egypt	986	1,253	1,249	1,249	-
Finland	308	309	308	266	42
France	1,545	1,636	1,865	1,865	-
Germany	6,785	7,510	7,393	2,370	5,023
Greece	563	665	730	730	-
Guatemala	32	32	32	32	-
Honduras	176	176	176	176	-
Hungary	182	182	182	182	-
India	5,613	6,358	6,931	6,931	-
Indonesia	122	151	151	151	-
Ireland	796	870	935	935	-
Iran	61	61	61	61	-
Israel	21	21	21	21	-
Italy	2,199	2,375	2,390	2,390	-
Jamaica	24	24	24	24	-
Japan	386	495	495	495	-
Jordan	166	166	166	166	-
Kenya	14	14	14	14	-
Kuwait	10	10	10	10	-
Latvia	21	21	21	21	-
Lithuania	14	14	14	14	-
Luxemburg	24	24	24	24	-
Macedonia	37	37	37	37	-
Mauritania	30	35	132	132	-
Mauritius	9	9	9	9	-
Mexico	2,380	2,639	3,059	3,059	-
Morocco	856	856	1,062	1,062	-
Netherlands	858	858	1,973	183	1,790
N. Zealand	281	281	316	316	-
Nicaragua	44	44	44	44	-
Norway	662	858	1,670	1,668	2
Pakistan	50	50	52	52	-
Peru	124	124	124	124	-
Poland	1,045	1,053	1,159	1,159	-
Portugal	569	569	569	569	-
Puerto Rico	103	103	103	103	-
Romania	590	590	590	590	-
Russia	-	-	45	45	
Somalia	0.22	0.22	0.22	0.22	-
South Africa	604	660	855	855	-
South Korea	77	138	155	155	-
Spain	13,154	14,184	14,671	14,671	-
Sri Lanka	45	45	56	56	-
Sweden	1,458	1,542	1,873	1,763	110
Switzerland	0.15	0.15	0.15	0.15	-
Taiwan	20	132	164	12	152
Thailand	389	389	659	659	-
Philippines	243	259	259	259	-
Tunisia	242	242	242	242	-
Turkey	814	1,290	1,297	1,297	-
U.Kingdom	9,822	11,700	12,297	4,135	8,162
Uruguay	390	390	390	390	-
U.States	18,795	20,669	23.028	23,016	12
Venezuela	71	71	71	71	-
Vietnam	9	40	61	61	-
SGRE total	**88,840**	**98,735**	**107,502**	**90,769**	**16,733**

A1.16 Global footprint: Service

Siemens Gamesa has a proven track record of excellence in operation and maintenance. By leveraging scale and having a global reach, we offer a flexible service portfolio that can be tailored to our customers' diverse operating models. We also provide advanced diagnostics and digitization capabilities, along with customized offshore services. With nearly 60% of its installed capacity under O&M contracts and extensive operational knowledge of complex locations, the group maintains 74 GW in almost 60 countries. All of this is made possible thanks to a team of highly qualified professionals, a global presence and a focus on health and safety, service excellence and customer satisfaction. The Service unit supports business models by:

- Maximizing the wind farm revenue through efficient maintenance and repair solutions
- Mitigating financial and business risk through our performance and component warranties
- Increasing the energy production and thus the ROI of the wind farm through our performance upgrades and lifetime extensions
- Ensuring accessibility to offshore wind farm through our innovative offshore logistics
- Maximizing customer capabilities to self-perform operations and maintenance through knowledge transfer options

Table 14 - Service track record (MW)

Country/market	FY18	FY19	FY20	Onshore	Offshore
Algeria	11	-	-	-	-
Argentina	-	76	100	100	-
Australia	587	720	1,077	1,077	-
Austria	26	26	26	26	-
Belgium	389	509	498	204	294
Bosnia-Herzg	-	87	36	36	-
Brazil	3,565	3,735	3,193	3,193	-
Bulgaria	90	90	90	90	-
Canada	1,808	1,830	1,986	1,986	-
Chile	452	452	457	457	-
China P.R.	726	512	508	508	-
Costa Rica	130	130	80	80	-
Croatia	172	162	162	162	-
Czech Rep.	14	14	14	14	-
Denmark	626	657	685	657	28
Dom. Rep.	-	137	139	139	-
Egypt	564	834	843	843	-
Finland	280	268	122	122	-
France	1,185	1,280	1,253	1,253	-
Germany	4,750	5,113	14,270	9,560	4,710
Greece	278	372	352	352	-
Guatemala	-	32	32	32	-
Honduras	50	50	50	50	-
Hungary	24	24	24	24	-
India	5,563	6,240	6,835	6,835	-
Indonesia	-	151	153	153	-
Iran	-	61	61	61	-
Ireland	891	963	958	958	-
Israel	21	-	-	-	-
Italy	1,309	1,659	1,675	1,675	-
Japan	131	213	301	301	-
Jordan	166	82	162	162	-

Country/market	FY18	FY19	FY20	Onshore	Offshore
Korea Rep.	49	103	-	-	-
Kuwait	10	10	10	10	-
Lithuania	14	14	-	-	-
Luxemburg	21	-	24	24	-
Macedonia	-	14	37	37	-
Mauritania	30	30	30	30	-
Mauritius	9	9	9	9	-
Mexico	2,040	2,224	2,509	2,509	-
Morocco	638	842	842	842	-
Netherlands	785	804	1,236	60	1,176
New Zealand	60	60	60	60	-
Nicaragua	44	44	-	-	-
Norway	265	209	670	670	-
Pakistan	124	124	50	50	-
Peru	14	14	123	123	-
Philippines	243	243	205	205	-
Poland	915	919	853	853	-
Portugal	402	402	402	402	-
Puerto Rico	101	101	-	-	-
Romania	352	242	148	148	-
South Africa	605	605	499	499	-
South Korea	-	-	122	122	-
Spain	5,914	5,639	6,549	6,549	-
Sri Lanka	-	-	45	45	
Sweden	625	663	947	907	40
Taiwan	8	8	128	-	128
Thailand	355	524	656	656	-
Turkey	849	873	947	947	-
U.Kingdom	8,582	8,688	7,896	2,231	5,665
United States	9,450	9,722	12,634	12,634	-
Uruguay	410	410	410	410	-
Vietnam	8	39	60	60	-
SGRE total	**56,728**	**60,030**	**74,240**	62.199	12.041

A1.17 Legal and administrative proceedings

[L11-SO09] Due to the nature of our business, all commercial transactions with clients are carried out through specific contracts. Therefore, in the case of customer complaints, these are related to such contracts and are dealt with within that framework. In the ordinary course of business, we are involved in out-of-court disputes, litigation and arbitration proceedings as well as administrative proceedings. Frequently encountered situations include claims for alleged breaches of contract (particularly claims brought by or against project partners and customers related to delays, poor performance or a lack thereof), labor disputes, antitrust issues, product liability and warranty claim as well as infringement or the validity of IP rights.

The majority of cases arise from the interpretation of agreements and are resolved through contractual agreements, guarantees and warranty extensions, etc. The cases that remain open this fiscal year include: i) Settlement Agreement ith Areva, ii) Claims connected to a wind power plant project in Germany, iii) Customer claim regarding a commercial dispute relating to project delays and; iv) Disputes or disagreements about IP Rights. The latter involve competitors or other third parties and have to do with the validity of IP rights or infringements. SGRE is a party to several licensing agreements offering it IP rights (patents, trademarks and design rights) that are either necessary or useful for the company's business. In a few cases, disputes or disagreements have arisen concerning the fulfillment of existing agreements, the interpretation of the scope of use of the IP rights granted to SGRE by third parties (including competitors) or alleged IP infringements. The group covers such risks by means of appropriate provisions and guarantees to minimize their materialization.

A1.18 COVID-19: scenario and impact on business

The beginning of 2020 was marked by the COVID-19 coronavirus pandemic. Apart from the extremely high toll in human lives it has claimed, it is also expected to have a significant impact on the global economy, affecting production levels, supply chains and companies' financial stability. The relative lack of information about the virus, the way it spreads, its mortality rates, its seasonality, and the doubts as to whether it can be contained after one or more waves make it extremely difficult to make a reliable estimate of the pandemic's economic impact.

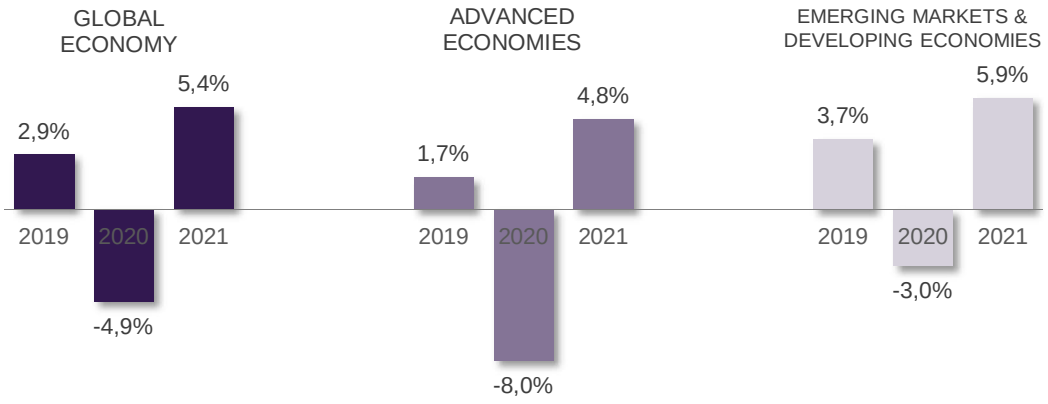
Global effect

Considering that the virus had already reached most countries by the end of March, the International Monetary Fund (IMF) projected, in its June [10] report, that the world economy would undergo a significant downturn of -4.9% in 2020, 1.9 percentage points below the World Economic Outlook (WEO) forecast made in April 2020; in other words, an even more severe setback than in the 2008-2009 financial crisis.

Global growth is projected to amount to 5.4% in 2021. In overall terms, this would leave GDP in 2021 around 6.5 percentage points below the pre-COVID-19 forecasts made in January 2020. The adverse impact on low income households is particularly acute, endangering the significant progress made in reducing extreme poverty around the world since the 1990s. Uncertainty about the pandemic's duration and intensity means that the predominant risk is that the outcome could be even worse.

[10] International Monetary Fund (IMF). World Economic Outlook Update, June 2020. Link: https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020

Figure 3 – World Economic Outlook: Update June 2020. Growth projections



Covid-19 Impact on business activity

Despite the wind industry's resilience, particularly the Offshore division, it is not immune to this situation and the supply chain, manufacturing activity, project execution and commercial activity have all been affected by the pandemic. The second half of fiscal year 2020 saw factories close temporarily in Spain and India, with disruption to the global supply of components and raw materials, continuing restrictions on people's movements, and delays with administrative and financial processes impacting commercial activity. As expected, the pandemic's impact spread to the Offshore and Service markets, although to a much more limited extent. In this context, the company's priority was, and continues to be, to ensure the safety of employees and their families and of the communities where it operates, while minimizing operational disruptions in order to ensure business continuity and meet customer needs.

The impact of COVID-19 was concentrated in the second quarter (Q2 20), causing disruptions to the supply chain located in China. In the third quarter (Q3 20) of the fiscal year, the temporary closures of plants (mainly in Spain and India) and borders had a significant impact on the movement of people and goods. The effect of COVID-19 tailed off in the fourth quarter of the fiscal year (Q4 20) and was felt mainly in Onshore project execution delays, though both the supply chain and manufacturing activity were operating as normal. However, given the uncertainty about how the pandemic will evolve, the company is maintaining the measures designed by the global crisis management task force and implemented in FY20 to ensure both employee safety and business continuity to meet customer needs. These measures include stringent health and safety protocols at offices, factories and wind farms, telework for office staff, inventory management to avoid bottlenecks in component supply chains at risk, and enforcing eligible contract terms favoring customers and vendors, to mention just a few.

A1.19 ESG Rating: Sustainability indexes

Siemens Gamesa's sustainability performance is monitored constantly and has been externally endorsed by the most renowned and relevant sustainability indexes and ratings. These indexes are designed to measure the performance of companies capable of demonstrating strong Environmental, Social and Governance (ESG) practices.

Siemens Gamesa is therefore a constituent member of prestigious international sustainability indexes, such as Dow Jones Sustainability Indices®, FTSE4Good® and Ethibel Sustainability Index®. It is noteworthy that Siemens Gamesa Renewable Energy received an A rating (on a scale of AAA-CCC) in the MSCI ESG ratings assessment made in February 2020, allowing the company to be included in the MSCI indices with an investment grade rating. The MSCI ESG ratings measure companies according to their exposure to industry specific environmental, social and government (ESG) risks and their ability to manage said risks. Siemens Gamesa's upgrade from BB to A (two notches up) reflects a significant improvement in its environmental, social and governance practices and policies.

Furthermore, Vigeo-Eiris ranked the company first in fiscal year 2020 among the 25 companies included in the Electric Components & Equipment sector for its ESG performance. Siemens Gamesa Renewable Energy is currently included in the following indices powered by Vigeo-Eiris: i) Euronext Vigeo Europe 120; ii) Euronext Vigeo Eurozone 120; iii) Euronext Eurozone ESG Large 80 index and iv) Ethibel Sustainability Index-Excellence Europe.

Likewise, ESG Siemens Gamesa's profile assessment was completed by FTSE Russell. The company stands out within the sector with an overall rating of 4.5/5 and is ranked in the 100th percentile in the ICB Supersector Oil & Gas, an extremely prominent position in the Renewable Energy Equipment subsector. Within the ESG dimensions, the company outperforms in the environmental dimension with a score of 5/5. Climate change and the sustainable use of resources underpin the company's responsible management in the eyes of ESG ratings and responsible investors. FTSE Russell's ESG Ratings and data model allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions.

Additionally, Siemens Gamesa was included in 2020 Bloomberg Gender-Equality Index (GEI). This index includes 325 companies from 50 industries with a combined market capitalization of $12 trillion USD headquartered in 42 countries and regions. The GEI tracks the financial performance of publicly listed companies committed to supporting gender equality through policy development, representation, and transparency. This reference index measures gender equality across five aspects: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro women brand.

Table 15 - Siemens Gamesa into sustainability indexes

	ESG Index/rating	Rating/status
	Dow Jones Sustainability Index	Siemens Gamesa selected in 2020 and for the 11th time since 2006. Included in Dow Jones Sustainability Index World & Europe.
	Sustainability Yearbook 2020	Siemens Gamesa selected
	MSCI	Siemens Gamesa rated A
	Carbon Disclosure Project -CDP Climate Change	Rated C, equal to renewable energy equipment sector average
	Sustainalytics	Low-Risk ESG rating. Top 2nd percentile in Electrical Equipment industry (3rd out of 166).
	ISS-ESG	Selected with status Prime
	FTSE Russell	ESG Rating: 4.5/5 Percentile Rank: 100 in Alternative Energy - Renewable Energy Equipment sector
	FTSE4Good	Selected and included for 15 years (2005)
	Bloomberg Gender Equality Index	Selected in 2020
	Ethibel Sustainability Index	Selected and included for 14 years (2006)
	Vigeo Eiris	Ranks ESG first among the 25 companies included in the Electric Components & Equipment sector
	Euronext Vigeo®	Selected Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Eurozone ESG Large 80
	Ecovadis	Qualified GOLD in 2019
	ECPI Sense of sustainability	Siemens Gamesa selected in ECPI Global Developed ESG Best in Class
	STOXX	Siemens Gamesa selected in STOXX® Europe Sustainability
	Cleantech Index (CTIUS)	Selected and included for 13 years (2007)

A1.20 Sustainability in financing

Siemens Gamesa's commitment to sustainability extends to all areas of the company, including finance. As a result, its financing is linked to ESG (environment, social and governance) criteria. After completing pioneering deals worth over €7.2 billion having a strong sustainable component, the company has accomplished additional milestones in its finance strategy over the last two years.

- Siemens Gamesa signed a **bank guarantee line for up to €600m** to cover the construction of components for Hornsea 2, the largest offshore wind farm to be announced to date. Located in the North Sea and owned by Danish utility company Ørsted, the farm will be comprised of 165 Siemens Gamesa wind turbines (1.4 GW) that are capable of producing enough clean energy to power 1.3 million UK households. BNP Paribas lead-managed the deal, in which BBVA, Mizuho and Santander also took part. Under this agreement, the company will pay a premium should it fail to achieve the ESG targets set out; otherwise, the premium will be paid by BNP Paribas, together with BBVA and Santander. In either case, the premium set for the deal will be used to fund a cancer research project at the La Paz Institute for Health Research (Madrid, Spain) that seeks to identify the sources of metastasis in breast cancer with a view to preventing tumor cells from spreading.
- Siemens Gamesa **extends its €2.5 billion syndicated financing facility**, that it is linked to ESG criteria. The company has extended the maturity of its syndicated facility to December 2024, securing more flexible conditions thanks to its investment grade credit rating. The operation is now the company's first 'green' financing facility. The operation was highly successful, securing commitments from 22 banks and being more than 50% oversubscribed. Specifically, the company has extended the maturity of its €2.5 billion syndicated facility, arranged in May 2018 with various domestic and international banks. This consists of a €500 million loan and a €2 billion, multi-currency, revolving credit facility, maturing in 2022 and 2024, respectively. The funds will be used to finance recurring activity, which is now covered for the next 5 years. Another novelty in this operation has been the inclusion of environmental, social and corporate governance (ESG) criteria, in line with the company's new green financing strategy. This further underpins our company's commitment to the UN Sustainable Development Goals (SDGs) in relation to 'Affordable and clean energy' and 'Climate action', while also evidencing our commitment to creating a better future for people and planet.
- SGRE reached **€3.9 billion in green guarantee line by September 2020**.The company extended guarantee line granted by Mizuho to €200 million from an initial €140 million and included SDG criteria. Another extension and the same SDG criteria in €150 million of BNP and €150 million of Santander guarantee line. Furthermore, the company included a green condition for €1.000 million existing guarantee line from Caixa Bank. In addition, a deal with three different banks converted a €798 million guarantee line to green. In line with its firm commitment to Sustainability, it has accumulated €3.9 billion (€1.72 billion until end 2019) in green guarantee lines until September 2020. SGRE aims to use this amount to support its onshore and offshore wind turbines manufacturing and sale businesses worldwide, which have an impact on the Sustainable Development Goals related to “Affordable and clean energy” and Climate action”
- Siemens Gamesa has pioneered the **green foreign exchange hedging market**, a significant step in the company’s commitment to sustainable development across all of its activities. In a landmark deal arranged with BNP Paribas, Siemens Gamesa launched a notional total of €174 million in FX hedging contracts for sustainable transactions. These are the first FX hedging deals to be arranged under BNP Paribas's new sustainable derivatives platform linked to the United Nation’s Sustainable Development Goals (SDG). The derivatives are used not only to hedge the FX exposure of selling offshore wind turbines in Taiwan, but they also have an impact on the SDG targets related to ‘Climate Action’, and ‘Affordable and Clean Energy’.

A2. Strategy

[L11-G03] Siemens Gamesa aims to create value by increasing the profitability of onshore activities through a dedicated turn-around effort and attracting the growth potential of the offshore and services sector while maintaining profitability.

A2.1 Business strategy: Capital Markets Day 2020

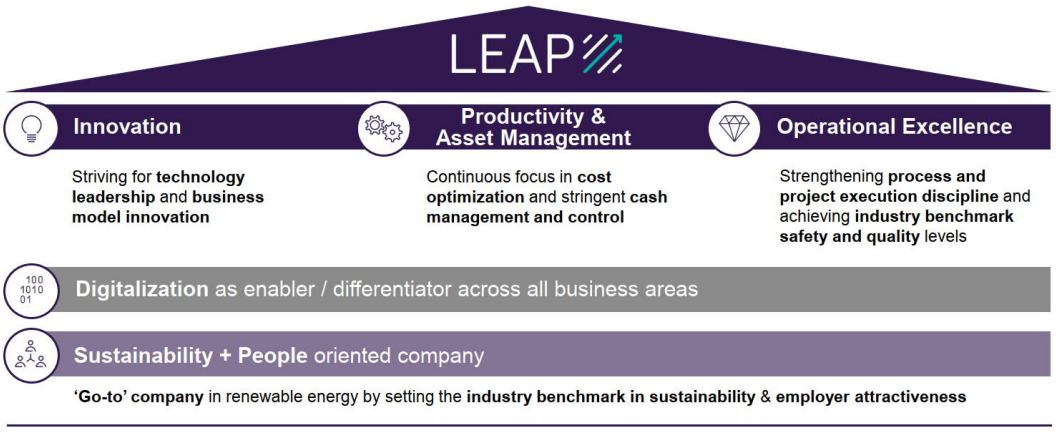
The company has clearly prioritized profits over volume, particularly in the onshore sector, and is strongly focused on cash generation. With the significant progress it has already achieved in recent years, SGRE remains firmly committed to sustainability.

Siemens Gamesa has set clear priority areas through its newly released “LEAP” program, which are as follows:

- **Innovation** – Striving for technology leadership and business model innovation. In the Onshore unit, the recently announced 5.X platform is expected to become the mainstream product platform in 2022/2023. In Offshore, the SG 11.0-200 DD wind turbine, for which several orders were received in 2020, is expected to reach serial production in 2022, and the recently announced SG 14-222 DD wind turbine, which has also been selected for several projects (subject to certain conditions) is expected to reach serial production in 2024.
- **Productivity & Asset Management** – Continued focus on cost out and stringent cash management and control across SGRE to optimize profitability and cash generation. For example, in procurement, a program has been launched aimed to achieve more than 5% productivity increase in third-party spend each fiscal year until 2023 and in manufacturing, to adapt the internal footprint to shifts in demand and supply.
- **Operational Excellence** – Strengthening process and project execution discipline and achieving industry benchmark safety and quality levels. SGRE also plans to reduce risks in its operations, for example by adopting a more selective approach through the sales business approval process (SBA) or reducing its direct exposure to development activities in some countries, e.g., by seeking collaboration with third parties. Furthermore, SGRE plans to strengthen project management quality control and to leverage on cross-business best practices.
- **Sustainability and People** – Becoming the ‘go to’ company in renewable energy by setting the industry benchmark in sustainability and employer attractiveness. Reinforcing social commitment in the communities where we are present.

In addition, SGRE will invest in digitalization, which is believed to be a key enabler for accelerating the achievement of its objectives.

Figure 4 – Siemens Gamesa Corporate strategy. Capital Markets Day 2020 (CMD)



In this context, SGRE's key objectives for the period until 2023 are focused on:

- **Returning Onshore to sustainable profitability** with a turnaround plan focused on the following priorities: (i) focus on profitable volume and de-risking of the business; (ii) introduction of new leading technology; (iii) reduction of supply chain complexity; (iv) reinforcement of project execution capabilities; and (v) reorganization to optimize performance. SGRE strives to complete the operational turnaround of its Onshore business by the end of 2022.
- **Capturing offshore market growth** through profitable leadership position with the following priorities: (i) maintain technological differentiation; (ii) globalization with market expansion and early customer engagement; and (iii) maintaining the focus on execution excellence.
- **Sustainably** growing faster than the market at benchmark profitability in services with the following priorities: (i) continuously develop new business models together with customers; (ii) focus on innovation, productivity and operational excellence; and (iii) capture potential of the profitable multi-brand business.

Following these outlines, SGRE's business mix based on revenue share is expected to shift towards a higher share of Offshore and Service and consequently less Onshore business. In addition, following the energy transition trends, SGRE is also actively exploring adjacent business areas to untap the full potential of its core wind business, such as hybrid solutions, storage, floating or hydrogen.

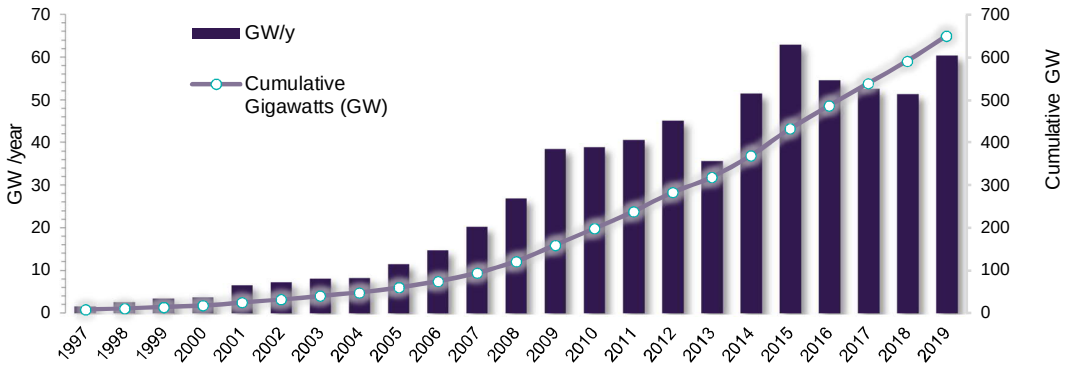
Through the LEAP program as key enabler for value creation, we expect Siemens Gamesa to grow more than the market as a whole by 2023 and to deliver an adjusted EBITDA pre PPA&IR within a range of between 8% to 10% in fiscal year 2023. Furthermore, SGRE aims to maintain on average a book-to-bill ratio above 1.0 between fiscal years 2021 to 2023. SGRE also expects to maintain these levels beyond 2023 as part of its overall financial framework.

A2.2 Key factors that could affect business

[L11-G04] The long-term outlook for wind power has not been affected by the pandemic. In fact, the pandemic has merely highlighted the need to design sustainable models of economic development, in which renewable energies play a central role. In this framework, the world energy market continues its transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental part thanks to its growing competitiveness. However, greater effort is required on the part of governments. As indicated in the UN report on the gap between the emission reduction targets and actual achievements to date, if they wish to achieve the committed goals, governments must triple their efforts and introduce new measures on an urgent basis when they review their Nationally Determined Contributions (NDCs), and there are many cost-effective options for cutting emissions quickly.

According to the World Energy Outlook 2019 (WEO 2019), cumulative wind capacity at the end of the period (2040) will amount to 1,850 GW, i.e. 150 GW above the previous report's estimates (with more than 300 GW Offshore). Said cumulative volume involves a sustained level of installation averaging 57 GW per year over 20 years; that is to say almost 15% above the preceding years' average figure.

Figure 5 – Global Wind installations -Source: Global Wind Energy Council (GWEC)



In the case of Offshore, it means reaching more than 20 GW per year by 2030, compared to the 4 GW installed in 2018, the 6 GW installed in 2019, and the 7 GW estimated for 2020. However, this will not be enough to attain the sustainable development goal, which requires more and faster deployment of renewable energies. According to the International Energy Agency (IEA), a scenario compatible with sustainable growth, which includes the commitments to combat climate change, requires that renewables should account for 80% of new installed capacity between now and 2040. According to this projection, the cumulative wind fleet would total almost 3,000 GW in 2040; in other words, 1,000 GW more than in the previous scenario, which would mean an average of 130 GW of installations each year over the next 20 years, of which almost 30 GW will be Offshore turbines in 2030, rising to 40 GW in 2040.

Wind power industry faces structural market changes

Siemens Gamesa is active in the wind power industry, providing products, solutions and services for onshore and offshore wind power plants. Historically, this industry has benefitted from various direct and indirect subsidies aimed at facilitating wind energy production, e.g., economically favorable feed-in tariffs. In recent years, in most of SGRE's markets, governments have already reduced or withdrawn direct subsidies for wind power and in the United States, production tax credits (another form of support) generated by wind energy will be completely phased out for projects commencing construction after 2020. Similar support schemes may continue to be significantly reduced or phased out entirely in other jurisdictions in the future. Further, the expansion of onshore and offshore wind power plants and renewables is also dependent on adequate development in other adjacent areas such as national infrastructure (such as transmission networks). In addition, demand for wind power equipment is affected by the cost of wind-generated electricity compared to the cost of electricity generated from other sources of energy, including not only renewable sources (principally solar and hydroelectric power), but also gas, coal and nuclear-fueled power generation. With a drive in many countries for diversification of energy sources, modern biomass, geothermal, tidal and biofuels, as well as nuclear power, all compete for governmental support and a prioritized focus. Even though the levelized cost of wind generated electricity is decreasing as wind turbine design, production and installation continue to make improvements in cost, efficiency, output and capacity factor (number of full-load hours), the competitiveness of wind power technology as compared to other renewable and conventional power generation technologies competes directly with declining carbon prices and falling fossil fuel commodity prices.

Furthermore, SGRE is undergoing the competitive pressure exerted by other wind turbine manufacturers, which have contributed significantly to a reduction in wind turbine generator prices and may result in additional pricing pressures. Competition in the wind power industry has intensified due to factors such as the rise in the existing number industry players in new markets and increasing pressure from Asian manufacturers, which are striving to improve the quality and reliability of their technologies and expand outwards from their local markets.

Climate change risks

Climate change is leading to warmer weather and more extreme weather conditions. Therefore, climate change could affect our business and have a significant impact on Siemens Gamesa, most likely in the medium- and long-term. Longer and warmer seasons or extreme cold could materially affect the operations of our customers and limit the attractiveness of our products. Severe weather, such as fires, hurricanes, high winds and seas, blizzards and extreme temperatures may cause evacuation of personnel, curtailment of services and suspension of operations, inability to deliver materials to job sites in accordance with contract schedules, loss of or damage to equipment and facilities, supply chain disruption and reduced productivity. For example, Siemens Gamesa had to adjust its profitability target in January 2020 following unforeseen costs in a low triple-digit million-euro amount relating to five onshore projects (1.1 GW) in northern Europe, mainly Norway, caused by adverse road conditions and the unusual early arrival of winter weather, which delayed project execution substantially.

A3. Sustainability

[L11-SO01] Today, there are many factors in the world that represent potential threats to sustainability and dramatically affect businesses such as ours. Climate change, water scarcity, geopolitical conflicts, resource depletion, and economic inequality – these must all be acknowledged as the challenges they are, and then they must be met and overcome.

At Siemens Gamesa, we believe that sustainable development and commercial success go hand in hand. We strive to drive social and economic progress by being a global force for sustainable development. All our actions must reflect this. Sustainability excellence is a badge of honor, and a mark of operational and management quality. For us, this means being a company that responds to evolving market trends and building a team of engaged, productive and valued employees. Above all, it means being a company that does not just responds to social progress but aligns with and helps to lead it

In addition, we wish to strengthen our social commitment in the communities where we have a presence beyond the business core and that is the reason why we set up the new Social Commitment Department in fiscal year 2020. From there we have designed a medium to long-term strategy linked to the UN's SDGs aimed to fighting poverty, improving the environment and promoting technological education (for further details. see the Social Commitment chapter).

A3.1 Alignment with UN’s Sustainable Development Goals (SDGs)

[102-15] On January 1, 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development - adopted by world leaders in September 2015 at United Nations Summit - officially came into force. Over the next fifteen years, with these new SDGs that universally apply, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.They reflect a new understanding that development everywhere must integrate economic growth, social well-being and environmental protection.

[L11-G01] We as a business, have also a self-interest in driving forward this agenda forward and to contribute to reaching the SDGs related targets. We can find our greatest impact and opportunity in areas that will help drive our own business growth. This creates scalable solutions when our business profits from solving social problems and when we generate profits while simultaneously benefitting society and business performance.

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

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

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

We also identify high impact SDGs linked to responsible business practices, mostly impacted by our social commitment engagement activities.

High impact – UN Sustainable Development Goals linked to regular-core business

Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all. Siemens Gamesa Renewable Energy is shaping the renewable energy industry, leading the way forward in the renewable energy sector. The company provides cleaner, more reliable and affordable wind power and is a leading supplier of wind power solutions to customers all around the world. Our scale, global reach and proven track record ensure that we will play a central role in shaping the energy landscape of the future. Our activity embraces the world's need for access to affordable, reliable and sustainable energy, crucial to achieving many of the UN Sustainable Development Goals, ranging from the eradication of poverty through advances in health, education, water supply and industrialization to mitigating climate change.

Goal 13 – Take urgent action to combat climate change and its impacts. Siemens Gamesa has set the target of becoming CO_2-neutral in all its operations by 2025. The company is thus underlining the need for businesses to contribute to decarbonizing the economy. With our products and services, we help to improve energy efficiency and reduce CO_2 emissions with a positive business case.

Goal 5 – Achieve gender equality and empower all women and girls. Our main impact on SDG 5 is by managing our own workforce. Siemens Gamesa recognizes that its employees represent a large variety of cultures, ethnicities, beliefs and languages. This wealth of diversity is what makes the Group more innovative, creative and committed to society.

Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Siemens Gamesa directly impacts SDG 8 through its global operations contributing to GDP development in many countries, our commitment to providing decent jobs and enabling employment and by driving the decoupling of economic growth from energy usage as a thought leader.

Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. We contribute to SDG 16 by anchoring integrity and compliance throughout our company and by driving Siemens Gamesa's integrity initiatives with external stakeholders. Our company is committed to implementing the UN Global Compact's requirements and all other relevant regulations in our supply chain and disseminating them through collaborations with external organizations and institutions.

High impact – UN Sustainable Development Goals linked to our social commitment

Goal 1 – End poverty in all its forms everywhere. We contribute to SDG 1 by supporting people who do not benefit from any kind of social protection, which is critical to help the poorest and the most vulnerable people in the current crisis. Our company implements actions aimed at improving the well-being for people by paying special attention to the most vulnerable groups.

Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We contribute to SDG 4 promoting technological education actions and programs and pushing the talent we all need for the future.

Goal 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development. Our company seeks to conserve and sustainably use the world's oceans, seas and marine resources. We contribute to SDG 14 by promoting actions and programs in the environmental field aimed at preserving coastal resources and raising awareness among our employees and the communities where we operate, thereby encouraging increased cooperation to protect vulnerable habitats.

Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss. Siemens Gamesa protects, restores and promotes the sustainable use of terrestrial ecosystems in all the countries where it operates. Additionally, we also contribute to SDG 15 by implementing strategies and cooperative programs which help to incentivize sustainable land use, responsible forest management and environmental stewardship.

A3.2 Relationship with stakeholders

[102-40] The company's relationship with any stakeholder is maintained twofold: from the standpoint of social responsibility, responding to their expectations and needs and, from a reputational perspective, managing the perception these stakeholders have of the company. Siemens Gamesa has a wide variety of stakeholders. They are therefore analyzed according to their relevance to the company's activities and have been grouped together for practical purposes under the following categories:

Figure 6 - Siemens Gamesa's most relevant stakeholders

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

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

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

A3.3 Overall Management approach to sustainability

[L11-G06] This document includes Siemens Gamesa's disclosures to explain how we manage the economic, environmental and social impacts related to material topics. It provides narrative information about how we identify, analyze, and respond to our actual and potential impacts. Disclosures also provide context for the information reported using topic-specific Standards according to the Global Reporting Initiative Standards.

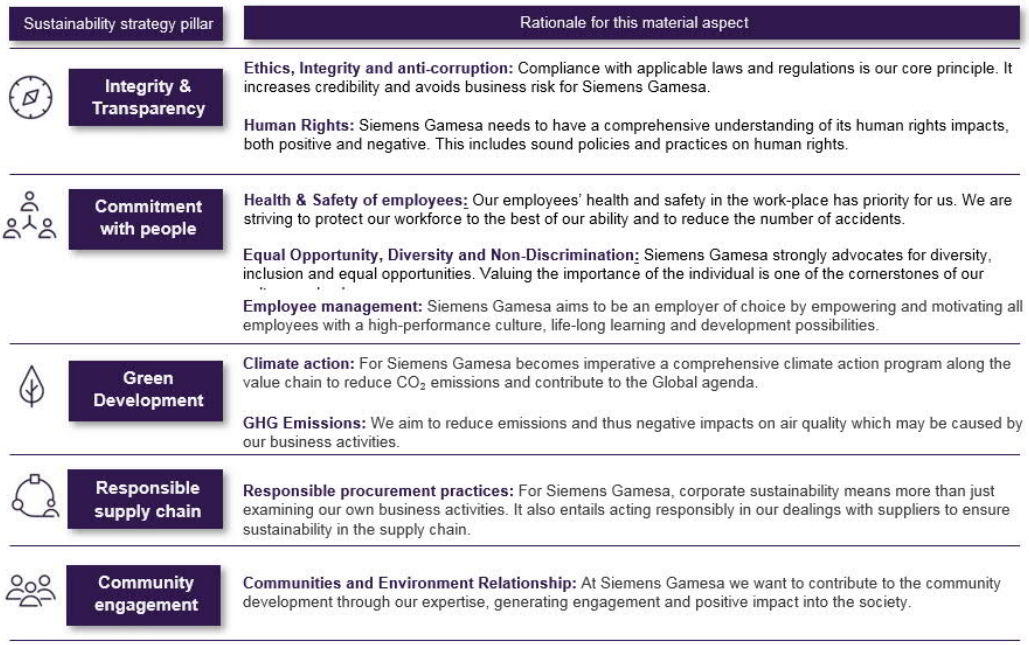
Siemens Gamesa has thus equipped itself with a set of corporate policies that implement the principles reflected in the corporate governance system and contain the guidelines which govern the company's actions and those of the companies belonging to its group, along with the actions of its directors, executives and employees under the framework of the company's strategic plan and vision and values.

Material topics and boundaries

[103-1] Siemens Gamesa has conducted materiality assessments on sustainability issues to help it identify the topics which have the greatest relevance to our company's long-term business success and are of utmost importance for Siemens Gamesa's internal and external stakeholders. The list of material topics and the general process are described in Annex I. For Siemens Gamesa, all material topics are relevant throughout our value chain, unless otherwise indicated.

[102-47] The nature of the expectations that relevant stakeholders have of our organization involves issues such as good governance, respect for human rights, work practices, environmental impacts, our operational practices and the practices of our value chain, as well as the positive and negative impacts that we might have on local communities. Details on the materiality analysis can be viewed in Annex I.

Figure 7 – Material aspects to Siemens Gamesa [11]



Sustainability strategy pillar	Rationale for this material aspect
Integrity & Transparency	**Ethics, Integrity and anti-corruption:** Compliance with applicable laws and regulations is our core principle. It increases credibility and avoids business risk for Siemens Gamesa. **Human Rights:** Siemens Gamesa needs to have a comprehensive understanding of its human rights impacts, both positive and negative. This includes sound policies and practices on human rights.
Commitment with people	**Health & Safety of employees:** Our employees' health and safety in the work-place has priority for us. We are striving to protect our workforce to the best of our ability and to reduce the number of accidents. **Equal Opportunity, Diversity and Non-Discrimination:** Siemens Gamesa strongly advocates for diversity, inclusion and equal opportunities. Valuing the importance of the individual is one of the cornerstones of our **Employee management:** Siemens Gamesa aims to be an employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities.
Green Development	**Climate action:** For Siemens Gamesa becomes imperative a comprehensive climate action program along the value chain to reduce CO_2 emissions and contribute to the Global agenda. **GHG Emissions:** We aim to reduce emissions and thus negative impacts on air quality which may be caused by our business activities.
Responsible supply chain	**Responsible procurement practices:** For Siemens Gamesa, corporate sustainability means more than just examining our own business activities. It also entails acting responsibly in our dealings with suppliers to ensure sustainability in the supply chain.
Community engagement	**Communities and Environment Relationship:** At Siemens Gamesa we want to contribute to the community development through our expertise, generating engagement and positive impact into the society.

Overall Management approach and its components.

[103-2] For Siemens Gamesa, the main purpose of the management approach is to control the major risks and opportunities of all material topics, regardless of whether they are financial or non-financial risks and opportunities.

Global Sustainability Policy

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

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

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

This target is reinforced by the principles contained in Siemens Gamesa's Global Corporate Social Responsibility Policy[12]:

[11] A detailed overview of the materiality analysis methodology can be found in the Annex

[12] See Global Corporate Social Responsibility policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/global-corporate-social-responsibility-policy.pdf?la=en-bz&hash=83A2288492E0C7460692FDA648C1020EC3B37CA7 . Text approved by resolution of the Board of Directors dated November 4, 2020

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

Related policies and commitments

The company's corporate governance system is comprised of the Articles of Association, its corporate policies, internal rules of corporate governance and the other internal policies, codes and procedures that are described in detail on the group's corporate website [13]. A key group set of policies with detailed information about roles, responsibilities and commitments for the material topics, include:

- Our Mission, Vision and values
- Corporate Group policies: Corporate Social Responsibility, Diversity and Inclusion, Climate change, HSE, Supplier relationship, Human Rights, Social Commitment, etc.
- Business Conduct Guidelines
- Internal policies, procedures and instructions
- Supplier Code of Conduct
- Other sustainability processes and commitments at Siemens Gamesa

In addition, Siemens Gamesa has made certain public commitments which guide the group's actions:

- By endorsing a variety of initiatives connected with its activities in the environmental and social dimensions, most of which are listed throughout the document.
- Through its membership of certain business or social associations, like the ones described in section "Memberships and associations" of this report and identifying itself with their objectives and goals.
- For specific commitments, targets and actions on our material aspects, please see the relevant section in this Consolidated Non-Financial Statement 2020.

[13] Siemens Gamesa Website. Link: https://www.siemensgamesa.com/en-int

Global sustainability commitments

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

- **United Nations Global Compact**: The Group endorsed the principles of the United Nations Global Compact (participant ID 4098) and reaffirms its commitment to and support for the promotion of the ten principles of labor rights, human rights, environmental protection and the fight against corruption on an annual basis. The company publishes a Communication on Progress Report (COP) each year, which reviews compliance with such principles. This document is made publicly available on the United Nations Global Compact website[14].
- **Global Reporting Initiative (GRI)** Since 2004, the company has disclosed sustainability information referencing the evolving guidelines of the Global Reporting Initiative (GRI), a non-governmental organization which aims at creating transparency and comparability of corporate sustainability reporting. Siemens Gamesa has been involved in the GRI community since 2016, first as an organizational stakeholder and currently as a community member and GRI core supporter. Furthermore, the company actively participates in GRI's Corporate Leadership Group on Reporting on the Sustainable Development Goals, putting forward innovative solutions to common challenges and ultimately shape the future of reporting.
- **Paris Pledge for Action:** The Group endorsed the Paris Pledge for Action and welcomed the adoption of a new universal agreement at the COP 21 in Paris and pledged support to ensuring that the aspirations established by the agreement will be attained or surpassed.
- **Caring for Climate:** The business leadership platform "Caring for Climate: The business leadership platform", is an UN Global Compact Initiative. Its goal is to involve businesses and governments in acting on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. Siemens Gamesa joined voluntarily in June 2007.
- **Women Empowerment Principles**: The "Principles of Empowerment of Women" are promoted by UN Women/UN Global Compact and aim to build stronger economies, establish a more stable and fairer society; achieve compliance development, sustainability and human rights and to improve the quality of life of women, men, families and communities. Siemens Gamesa endorsed the Principle of Empowerment of Women in December 2010.
- **Science Based Targets (SBTi):** Science Based Targets (SBTi), a joint international initiative of the Carbon Disclosure Project, the UN Global Compact, the World Resources Institute, the World-Wide Fund for Nature and the We Mean Business coalition. It aims to reduce carbon emissions in a measurable manner and to an enough level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. Siemens Gamesa voluntarily joined this initiative on September 12, 2018 and had its emission reduction strategy verified by the initiative to be aligned with what climate science says is required to meet the 1.5°C trajectory in August 2020.
- **Business Ambition for 1.5C – Our Only Future:** Siemens Gamesa added their pledge for Business to do their part in helping the planet avoid overheating by more than 1.5C in coming years at climate change talks in Madrid (COP-25). The pledge obliges companies to meet objectives evaluated through the UN's Science Based Targets initiative (SBTi) of its emissions, or by setting a public goal to reach net-zero emissions by no later than 2050.

14 See United Nations Global Compact website. Link: https://www.unglobalcompact.org/what-is-gc/participants/4098

Responsibilities

The group's organizational model and responsibilities is structured to the broadest level. Moreover, the responsibilities which the corporate areas or business units have regarding the different aspects dealt with in this document can be summed up as follows:

- Aspects that have to do with corporate governance and those that have a legal scope are the responsibility of the General Counsel's Office and the Board of Directors.
- Aspects connected to Compliance and Ethics and integrity implementation lies with the Chief Compliance Officer, in charge of the Business Conduct Guidelines and related policies, internal rules of conduct regarding the Securities Market and others. The Chief Compliance Officer is under the responsibility of the General Counsel, who is member of the Executive Committee.
- Aspects connected with labor and people related practices, social and community engagement are the responsibility of the Global Human Resources Director, who is member of the extended Executive Committee.
- Aspects related to safety, health and the environment are the responsibility of the Quality management, Safety and Environmental Department, under the responsibility of the Chief Operations Officer, who is member of the Executive Committee.
- Aspects connected with procurement are the responsibility of the Procurement Department, under the responsibility of the Chief Operations Officer, who is member of the Executive Committee.
- Aspects related to communications, public policies, affiliation and memberships to associations are the responsibility of the Global Corporate Affairs Director, who is member of the extended Executive Committee.
- Aspects related to Non-financial reporting, non-financial information, responsible taxation, sustainable finance and sustainability indexes are under the responsibility of Chief Financial Officer, who is member of the Executive Committee.
- Overall implementation of Group policies, codes and other operating procedures is the responsibility of Business Chief Executive Officers (Onshore, Offshore, Service), who are members of the Executive Committee.
- Also, in order to exercise these responsibilities, the Siemens Gamesa model sets forth that such responsibilities must be assumed in a decentralized way by the parent companies of the businesses in each region. These are organized through their respective Boards of Directors, that deal with the effective management of each of the businesses, as well as with their day-to-day management and control.

Objectives, resources and results evaluation

[L11-G07] Siemens Gamesa publicly discloses its medium and long-term objectives periodically, using different ways to do so. Internally, the different business units and corporate functions set their annual targets according to the group's financial and non-financial strategic objectives aimed specifically at the activities under their responsibility. The results obtained in relation to the targets set serve to establish the annual variable remuneration of the company's management team.

In order to attain these targets, Siemens Gamesa is equipped with an annual resource allocation process, which allocates the corresponding budget. The achievements Siemens Gamesa has obtained are reflected in the different quantitative indicators' evolution for the different aspects dealt with in this report.

[103-1] The company identified different strategic lines and actions to work on in the 2018-20 period regarding sustainability, aiming to support the business, strengthen the overall business strategy and to obtain competitive advantages in specific aspects of management that Siemens Gamesa works on in the coming years.

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

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

Siemens Gamesa's Sustainability Strategy 2018-20 consisted of five master lines (corresponding to the five pillars and, additionally, a communication and awareness action), outlining specific actions to be implemented, which involve various corporate areas of the company.

Evaluation of the management approach.

[103-3] Each material topic has a corresponding chapter in this report where we also provide an assessment of the management approach. In addition, the review of the company's Sustainability Strategy becomes instrumental to delivering the key outcomes of the sustainability programs that have been put into place.

Figure 8 - Review of Sustainability Strategy 2018-20

Pillar:	**Integrity and transparency**	Ensuring ethical and business integrity, generating trust to our stakeholders through transparency and honesty

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Definition, approval and monitoring of the new Code of Conduct/Business Conduct Guidelines for SGRE		100%	Completed	Business Conduct Guidelines implemented at Group level.
• Establish a framework of policies and procedures within the company to guarantee business integrity		100%	Completed	Framework integrates the bases of the compliance system of the Group.
• Inclusion of compliance criteria in the contract approval process		100%	Completed	Included compliance criteria in its contract approval process (SBA).
• Implementation of an adequate control system for business partners		100%	Completed	Implemented a control system for the company's business partners.
• Design and implement a specific Training Program with regard to ethics and compliance for employees		100%	Completed	Implemented training and communication programs regarding the compliance framework of policies and procedures.
• Approval of the SGRE Global Labor Agreement based on the International Labor Standards of the ILO		100%	Completed	Siemens Gamesa Global Labor Agreement signed with IndustriALL Global Union is renewed in FY20.
• Link the SGRE top management compensation to continued presence of the company on Sustainability Indexes		100%	Completed	Long-Term Incentive Plan for period 2018-2020 and following cycles, is linked to the presence of the company on sustainability indexes.
• Annually report significant key performance indicators to stakeholders which have been verified		100%	Completed	Consolidated Non-Financial Statement (former Sustainability Report) annually released.

Pillar:	**Commitment with people**	Engaging people creating a common culture and values based on safety, diversity and transparency, identifying and retaining talent

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Create a common and sustainable culture for SGRE through 'People & Culture' program		100%	Completed	Set of initiatives committed to overcome engagement with its employees.
• Assessment of the SGRE's values of the company based on the employee's perspective		100%	Completed	Mission, vision and values completed.
• Conduct global employee satisfaction survey		100%	Completed	Employee satisfaction and engagement surveys are driven on a regular basis.
• Define and implement an individual performance development plan for all employees		100%	Completed	Implemented to contribute to professional growth to enable development of skills and abilities.
• Homogenize the existing training actions in a single Training Program for SGRE		100%	Completed	Siemens Gamesa Talent and Learning processes implemented. SGRE University is alive.
• Design and implement a 'Diversity & Inclusion Program' for the whole company		100%	Completed	Renewed Diversity & Work-Life Balance Strategy launched FY19 and renewed for FY20-23 period.
• Implement the Health and Safety program within the entire company		TRIR 3.36	Completed	Strategy period closes fiscal year 20 with TRIR at 3.14

Pillar:	**Green development**	Generating sustainable and green development based into innovative circular wind solutions and being an active player in promoting a low carbon economy

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Contribute to a reduction of SGRE's customers environmental impact		250 MtCO2	281 MtCO2	By 2020, more than 250 MtCO2 annual savings to SGRE's clients.
• Define and implement a sustainable mobility plan within the company		Target to 2025	Completed	Achieve a carbon-neutral vehicle fleet (vehicles in the sustainable mobility plan) by 2025.
• Contract SGRE's electricity supply 100% from renewable energy-based sources		Target to 2025	Completed 100%	Switch its electricity supply contracts to 99.9% renewable electricity with green certificates.
• Offset part of non-avoided GHG emissions through compensation projects		100%	Completed	SGRE Carbon neutral. Offsetting of 70,699 tCO2 completed by end FY19 and committed for future periods.
• Obtain the Renewable Guarantee of Origin certificate for SGRE's turbines		100%	Completed	100% of life-cycle analysis conducted for all wind turbine products.
• Position SGRE as an advocate for a low carbon economy		100%	Completed	Siemens Gamesa signed set of new pledges for low-carbon economy.
• Publish and verify an annual report on SGRE's GHG emissions		100%	Completed	GHG emissions report publicly available.

Pillar:	**Responsible supply chain**	Sharing the responsibility of making things well and creating a commitment with society alongside the supply chain

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Definition and approval of the new SGRE Supplier Relationship Policy		100%	Completed	SGRE Supplier Relationship Policy is publicly available on the Company website.
• Definition and approval of the new SGRE procurement process and suppliers' Code of Conduct		100%	Completed	SGRE Code of Conduct for suppliers and third-party intermediaries is publicly available on the Company website.
• Acceptance of the SGRE suppliers' Code of Conduct by the company's main suppliers		80%	Completed 85%	At the end of fiscal year 20, 85 % of annual purchasing volume (PVO) accepted the SGRE suppliers' Code of Conduct, well above the target for the period.
• Assess and/or audit all high sustainability risk suppliers of the company against the compliance of the SGRE suppliers' Code of Conduct. Expressed as % purchase volume (PVO) assessed in relation to PVO of all high sustainability risk suppliers		90%	77% Partially completed	Siemens Gamesa ensured that 77% of the purchasing volume (PVO) of high sustainability risk suppliers was covered by at least one of the detection modules in fiscal year 2020.

Pillar:	**Community engagement**	Contributing to the community development through our expertise, generating engagement and positive impact into the society

Key Action / Program	UN's Sustainable Development Goals (SDGs)	Target FY20	Status FY20	Comments
• Define and implement a SGRE Group Social Action Policy		100%	Completed	SGRE Social Action Policy is publicly available on the Company's website.
• Implement a SGRE Group standardized system for donations and charitable contributions		100%	Completed	SGRE policies, programs and tools are in place to keep control of donations and philanthropic contributions.
• Implement relevant community engagement projects generating positive impacts		100%	Completed	Recurrent Investments in time and capital in the implementation of relevant community engagement projects. Focus on SGRE Impact program & country-based programs.
• Analyze and calculate the social return on the company's investment for community engagement projects		100%	Completed	Community engagement projects with social return on the company's investment calculated. Average SROI stands at 5.54.
• Engage with and support universities, research centers and start-ups		100%	Completed	Contributions to regional research for the community innovation ecosystem to co-inspire new business ideas and collaborations is ongoing.

A4. Risk Management

[L11-G08] Siemens Gamesa has certain Risk Control and Management Systems that are covered by the rules of Corporate Governance within a flagship internal framework that we call ERM (Enterprise Risk Management). ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The Risk Control and Management Systems within ERM are promoted by the Board of Directors and Top Management and implemented throughout the organization. Siemens Gamesa has an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a “RIC” tool.

The General Risk Control and Management Policy [15], which establishes the foundations and general context for the key elements of ERM that are summarized below, sets forth the basis for these systems. The general risk management process classifies risks in four categories:

- **Strategic:** Risks that are directly influenced by strategic decisions, arise from long-term strategies or are related to top-level objectives
- **Operational:** Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company’s operations, including performance and return objectives
- **Financial:** Risks resulting from financial transactions and from non-compliance with tax, accounting or reporting requirements
- **Compliance:** Risks resulting from non-compliance with the business conduct guidelines or legal, contractual or regulatory requirements

The ERM process is a continuous cycle intended to proactively manage business risks. It is divided into six phases:

- **Identify:** This phase aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the company’s strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on the “Top-down” and “Bottom-up” approaches throughout the organization, represented by corporate, business-unit and regional R/O maps supported by specific risk management systems and the necessary consistency between “micro- and macro-risk”
- **Evaluate:** This phase is geared at evaluating and prioritizing any R/Os identified in order to focus management’s attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control measures

[15] See: General Risk Control and management policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/general-risk-control-and-management-policy.pdf

- **Respond:** This phase focuses on the definition, agreement on and implementation of response plans to manage the risks identified by selecting one of our general risk response strategies (avoid, transfer, reduce or accept). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones
- **Monitor:** This phase deals with appropriate controls and constant supervision to allow for the timely notification of any significant changes in the R/O situation, progress of KRIs and response plans
- **Report and scale:** Focused on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management
- **Continuous improvement:** Risk management in Siemens Gamesa's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability

As the company's highest decision-making, oversight and control body, the Board of Directors authorizes and approves all relevant transactions. It holds responsibility for setting general policies and strategies, including the company's General Risk Control and Management Policy and tax strategy, as well as for overseeing their implementation and internal reporting and control systems.

A4.1 ERM system

The Company's Risk Control and Management Systems are applied by means of an organization structured into **four levels of defense**:

1. Ownership of risk control

As owner of the top risks, among other aspects, the Executive Committee (ExCo) is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire Siemens Gamesa Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group.

2. Monitoring and compliance

- **Risk Department** (ERM): Integrated within the Financial Department, it participates in defining the risk strategy and in the mitigation of risks, endeavoring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.
- **Governance and Internal Control Department** (GOV/CON): Reporting to the Operations Directorate, it is responsible for the effectiveness of the internal control systems.
- **Ethics and Compliance Directorate**: Directly reporting to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, the legal counsel and the CEO, it is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3. Independent assurance

The Internal Audit Area reports to the Board of Directors' Audit, Compliance and Related-Party Transactions Committee and to the CEO. It holds responsibility for informing, advising and directly reporting the following and other matters:

- The company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.
- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.
- The company's transactions with third parties if they involve a conflict of interest or are transactions with related party holding a significant stake in the Company.
- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.
- Adequacy and integration of internal control systems.
- Inform and advise the Committee on audit matters of a technical nature.
- Reporting any incidents that might take place in the drafting of its annual work plan and submitting an activity report at the end of each year.
- Gathering information within the scope of its responsibilities to be included in the Annual Corporate Governance Report prior to said report's approval by the Board of Directors.

4. Supervision

The Audit, Compliance and Related Party Transactions Committee, as a consultative and informational information body, supports the Board of Directors in the supervision of the system and reports thereto regarding the sufficiency thereof.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

- Receive regular reports from management on the performance of existing systems and on the conclusions drawn from any tests conducted on them by internal auditors or any other professional specifically engaged for such purpose, along with reports on any significant internal control shortfall or failure detected by the auditor during the course of their statutory auditing work. The Committee may bring recommendations or proposals before the Board of Directors as a result of such oversight.

- Oversee all risk policies on at least an annual basis and put forward amendments for them or recommend the adoption of new policies to the Board of Directors.
- Supervise that policies on the control and management of risks identify or determine at least:
    i. The different types of financial and non-financial risks (including operational, technological, financial, legal, fiscal, reputational, climatic, social, political, environmental or related to corruption) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
    ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Rules.
    iii. The planned measures to mitigate the impact of identified risks, should they materialize.
    iv. The information and internal control systems used to control and manage risks.
- Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- In general terms, ensure that internal control policies and systems are properly and effectively applied.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the Siemens Gamesa Group considers acceptable (risk tolerance criteria in accordance with ERM methodology), which are aimed at maximizing and protecting the economic value of Siemens Gamesa within controlled variability.

A4.2 Overview of Risks

Siemens Gamesa faces various risks inherent to the industry and the countries in which it operates when it deploys its strategic and operational planning. These risks can prevent business objectives from being achieved.

Generally speaking, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

A brief summary is set out below of the principal risks monitored in 2020 which could affect the achievement of business objectives.

1. Strategic risks

- Industry and Siemens Gamesa operations that may be affected by infectious diseases, health crises, and particularly the recent Covid-19 pandemic, both locally and globally.
- Pressure on contribution margin and on MW volumes, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.
- As a result of geographic diversification and the extensive base of customers and suppliers, Siemens Gamesa is exposed to "country risk", which is understood as the environment in which socio-political and security conditions may affect the local interests of Siemens Gamesa, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like Brexit in the UK, trade war US-China, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.
- Climate change might generate heavy rains and floods, which potentially could affect certain company´s assets.
- Significant changes in Siemens Gamesa's share ownership which could cause uncertainty in the securities market.

2. Operational risks

- Operational risks relating to the launch of new products, the opening of new production centers and manufacturing management, as well as the quality of products and services.
- Risks relating to the commitments made in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.
- Risk that the cost reduction processes for some products do not occur as quickly as required to offset the pressure on prices.
- Due to the complexity of the projects managed by Siemens Gamesa, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a risk in project execution that could lead to deviations in the margins expected therefrom.
- Cyberattack risks: Like many other multinational companies, Siemens Gamesa is exposed to the growing threat of increasingly professionalized cybercrime, within an environment of continued improvement of information technology systems.
- Supply chain risks, due to the existence of critical components that could cause delays or cost increases in the production of Siemens Gamesa wind turbines or the execution of its construction projects.
- Market price risks: Siemens Gamesa is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of particular products in some countries that could affect supply chain costs.

3. Financial risks

- Risks connected to the wind market's needs with respect to third-party guarantees.
- Risks that could affect the strength of the balance sheet, the control of working capital and structure, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.
- Exchange rate risk: Siemens Gamesa engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the euro and future cash flows of entities of the Siemens Gamesa Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.
- Interest rate risk: the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. Siemens Gamesa uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.
- Tax risks arising from local and/or global requirements and direct or indirect taxation.

4. Compliance risks

- Risk of severe and/or fatal accidents occurring with the additional effects of delays, damage to assets and reputational loss caused by the high-risk profile of some works, potential failures in contractor selection, monitoring and qualification processes, and work in emerging market environments with a less mature safety culture, health and environmental standards, along with other risks.
- Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The risk factors that have materialized during 2020 in the countries and markets in which Siemens Gamesa has done business have had an adverse impact on the Group's financial results, the most significant being project execution, Covid-19, price pressure and slowdown in the Indian market.

It should be highlighted that activities in 2021 will be subject to these very same risk factors in the wind market. The group also expects to encounter uncertainties arising from the negotiation process of the United Kingdom's exit from the European Union and from the policies adopted by the United States government on tariff policies and the embargoes it has imposed on several countries.

A4.3 Risks tolerance

Top Management establishes the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to accept to achieve its goals. Siemens Gamesa uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated at least each time changes are made to the strategy and/or policies.

Our Company essentially has 3 complementary ways of establishing risk tolerance levels:

1. **By means of regularly reviewed specific policies and internal regulations**, particularly including the following:

- General Risk Control and Management Policy
- Corporate Tax Policy
- Investment and Finance Policy (exchange rate, credit and interest rate risks)
- Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
- Business Conduct Guidelines
- Crime Prevention and Anti-Fraud Policy
- Cybersecurity Policy

2. **By setting targets on an annual basis** or which are based on strategic regularity for indicators that are used to monitor certain risks. These indicators include:

- EBIT, cash conversion, net financial debt, CAPEX and working capital
- MW sold and new orders
- Sustainability
- Cyberattacks
- Frequency and severity index in relation to Health & Safety

3. A risk is considered to exceed tolerance and to require **mitigation plans** when it is rated as major or high. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a certain risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once any risks (including tax-related risks) that threaten the achievement of objectives have been identified, the risk owners or those delegated by them make an assessment of the risks and manage the plans to mitigate them with the support provided by the ERM Department and other support functions.

A4.4 Risks monitoring

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

1. Strategic risks monitoring

- Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk.
- Development of new business opportunities, entry into new countries, and cost reduction programs at all units to mitigate the risk of pressure on the margin and on volumes.
- The possible effects of specific drops in business due to “country risk” are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.
- Siemens Gamesa is carbon neutral as of 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department
- Creation of a project team in charge of analyzing the implications of a change in share ownership and of implementing the relevant mitigation measures.

2. Operational risks monitoring

- New products and production centers are regularly monitored to ensure that both cost and quality are fulfilled as expected.
- Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.
- There is an ongoing reduction in costs through specific goal-based programs deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.
- A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project implementation. The Company also analyses its project on a recurring basis and has defined controls within the ICFR system to monitor the management thereof.
- Information Security Model led and continuously improved by multidisciplinary Security Committee that is capable of preventing and mitigating the external threats of cyberattacks.
- Supply chain risks are mitigated by implementing a second source supply strategy, as well as the signing of long-term agreements with suppliers of critical components to ensure their availability.
- Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, a search for secondary sources of supply, and even the redesign of some components.

3. Financial risks monitoring

- Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.
- Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event involving the potential impairment has occurred.
- Various actions are taken to reduce exchange rate risk exposure, including increasing local content, hedging through the use of derivative financial instruments, monitoring exposure to

fluctuations while ensuring compliance with the group's hedging limit, and analyzing currency sensitivity.

- The division of external financing between variable and fixed rates is constantly analyzed in order to optimize exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.
- Tax risks are controlled by various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

4. Compliance risks monitoring

- The risk of serious and fatal accidents is mitigated through various actions, including strengthening of the zero-tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.
- Siemens Gamesa is equipped with systems for monitoring regulatory changes as well as crime prevention Handbooks in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business, which include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

A4.5 Additional controls

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

a) Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.

b) Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities

c) Insurance of operational third-party risks, with annual update and review of coverages.

d) External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.

e) Aenor certificate in UNE 19602 standard related to the tax compliance management system.

f) Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being properly managed.

g) Evaluations, including independent evaluations, by Management, by the internal audit department and by external audit of the effectiveness of the risk management systems.

h) Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.

i) Internal audits of significant risks by the Internal Audit Department.

B. Social and Human Resources related matters

In this section:

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- B2. Health & safety p. 61
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B1. Working at SGRE

B1.1 Management approach

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

Without trust, we cannot expect people to feel they can design and lead the future. Therefore, Siemens Gamesa needed to create a culture of trust to turn its purpose into reality. The Culture of Trust program was established at the beginning of the merger to ensure and support the development of a shared company culture across the group. Its goal – to establish a culture of trust across Siemens Gamesa – is based on the pillars trust, empowerment, diversity and continuous learning. These four pillars support the activation of our values and the development of a shared culture of trust:

- **Trust**: Employees in high trust organizations are more productive, have more energy at work and collaborate better with their colleagues. By being consistent in transparent and authentic communication we constantly build on the engagement of our employees and establishing our Culture of Trust.
- **Empowerment**: Creating an environment in which people have a mandate to act within their area of responsibility. A non- blaming culture in which self-criticism and failure-culture are care elements and based on what the company can build on its strength and become more flexible and efficient.
- **Continuous learning**: We use knowledge sharing and personal development to drive cultural change to create opportunities for everyone and attract and retain talent. This leads in turn to growth and a more sustainable world. Continuous learning also involves considering mistakes to learn and develop from them and investing the time to do so.
- **Diversity**: Connecting people of different ages, genders, races, religions, sexual orientations, education, and cultures to create an environment in which teams feel comfortable and can deliver the very best of themselves. It is not enough to be a global company with different kinds of employees, instead we need to truly embrace diversity and be inclusive and open-minded in order to unleash all our talent’s potential.

B1.2 Our employment model

[L11-HR10] Siemens Gamesa pursues improvement in people’s quality of life and believes in social and professional development as a core component of our future success. We aim to be an employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities.

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

We offer professional development opportunities in the form of training and job experience, in a multicultural and multinational environment, which are the cornerstones on which we base our talent

management cycle. The Company also embeds cultural diversity, a commitment to combating discrimination and support for equal opportunities into management of its human capital.

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

[L11-S23] Due to the very nature of its business, activity needs to be maintained continuously at Siemens Gamesa's production plants, so that certain groups must work in shifts, generally those classified as direct and indirect manpower. This work organization does not prohibit the rotation of such shifts in an effort to facilitate adjusting working hours to the specific needs of workers. In addition, measures aimed at reconciling professional and work life are envisaged at Siemens Gamesa work centers for any positions for which it is possible. Such measures include flexible hours, intensive working days, reduced working hours or adapting work schedules around certain family circumstances.

B1.3 Great place to work

Siemens Gamesa's goal is to become a company where everyone feels a sense of empowerment and ownership. One contributing factor was identified to be implementing innovative, state-of-the-art IT office concepts that would open up a space for creativity, collaboration and personal responsibility.

The FlexAgility program was launched globally in 2008, creating a working environment that is open, flexible and digital. Part of this concept was the work from home policy and a set of state-of-the-art IT tools that enable employees to work wherever and whenever they want.

This way of working is probably the single most appreciated project by our employees, and it has been crucial to ensure business continuity during the lockdown caused by the spread of the coronavirus pandemic.

The new situation we found ourselves in in March 2020 brought new challenges, which mainly had to do with ensuring business continuity while at the same time safeguarding employees' health and safety.

The new way of working that arose from this situation also led to important lessons and insights. Among other things, the surveys conducted on our employees have shown that a large majority of our employees would prefer, if given the choice, to continue working from home 50% or more of the time.

Siemens Gamesa has therefore decided to introduce a new global framework that incorporates these learnings and elevates the FlexAgility concept to the next level – FlexAgility 2.0 – from new ways of working to more ways of working.

FlexAgility is based on the **Smart Working Framework**, which is an innovative method of organizing and carrying out work using information and communication technology that allows employees to perform their duties in an environment other than the official worksite.

The implementation of **Open Office Environment** aims to reflect a company's values and make an important contribution to achieving companies' efficiency targets. The proper configuration of the Open Office landscape and its functional elements results in an attractive working environment, while also ensuring a suitable amount of space for each element.

An outstanding and innovative IT environment is an essential prerequisite for the FlexAbility Concept. Siemens Gamesa provides state-of-the-art communication and collaboration platforms through Office 365, including all aspects of voice, data and video communications.

B1.4 Performance 2020. Our response to COVID-19

The current pandemic has changed the way we work, whether at factories, plants or offices. Driven by the current coronavirus pandemic, the company's staff have taken the leap from voluntary, occasional or regular but small-scale working from home to prolonged and mandatory remote working by the entire workforce.

Protecting employees and their families from the risk of infection is one of SGRE's top priorities. Working from home is one of the most effective ways of reducing the infection risk posed by people gathering in a single place when social distancing is mandated or recommended by government. Working from home can also help to ensure that the essential functions of organizations continue to run smoothly during the pandemic.

Our existing Working from Home (WFH) policy proved helpful to address issues in this first phase, but it is now clear that the new situation is here to stay for some time. As a result, we have adapted our guidelines to take changing circumstances into account and to safeguard the health and well-being of our people.

These additional measures include:

- **Caring for children, elder family members or other dependent family**. Line managers and employees should agree on balancing different needs under the principle of flexibility. As regards work schedules, there is a need to focus on performing business-critical or core tasks while freeing up some of their time for emergency care of children and other dependents.
- **Special leave.** Special leave is granted in situations where the nature of the tasks of employees is not compatible with teleworking. This is reviewed by HR on a case by case basis. In addition, employees with a dependent child with a disability at home, or with a dependent child from 0–3 years of age at home may request special unpaid leave, holidays, or part-time work arrangements according to the existing practices in their countries.
- **Working hours.** It is acceptable that the work schedule is reasonably flexible and can be customized to individual needs. The Company recognizes the employees' right to digital disconnection within the scope of the employment relationship. The Company encourages disconnection through some good practices such as: Avoiding sending work-related emails, calls, or messages outside of normal working hours; Avoiding arranging meetings outside of normal working hours; Avoiding sending any communication during holiday breaks and during weekends.
- **Workplace:** Employees are allowed to work from elsewhere than the usual place of residence, if they comply with HSE's guidelines with regards to physical conditions, ergonomics and safe environment, and with the Information Security Department's guidelines to access internal resources and work with confidential data.
- **Work equipment**. The company has provided the following support:
- **Disabled employees** and any other employees who were using special ergonomic individual equipment at their regular office or workspace under a medical prescription before the lockdown have been allowed to go to the office and bring said equipment home.
- The company offered all other employees some support to obtain the basic equipment needed to work from home, if requested and depending on their needs, and has always prioritized using the equipment available at our offices.

The company is committed to providing flexible support to all employees through family-friendly policies and measures to ensure a healthy work-life balance is struck and their health and safety during the present crisis.

B1.5 Employee Survey

Each year, Siemens Gamesa launches an **Employee Engagement Survey (EES)** to measure and monitor the progress of the change process. In fiscal year 2019, nearly 22,000 employees answered 60 questions, covering 16 categories. With a response rate of 76%, and comparing results with actual industry norms, we learned how participants experience the changes Siemens Gamesa is going through. For the overall employee satisfaction 74% of employees rated us with a favorable score. One of the most positive results showed us that our employees are willing to put a great deal of effort beyond what is normally expected to help our organization succeed. Other results from the survey open opportunities for improvement or accelerate running initiatives suggest providing clarity on organizational structure and ask for more influence on new role descriptions. To address these opportunities, the company launched an action planning process in which management and employees analyze their local results and define improvement measures together.

Again, in fiscal year 2020, an Employee Engagement Survey (EES20) was conducted. 90% of the questions are comparable with the previous survey to ensure a clear picture of the evolution of results in the different categories. This year 82% of our workforce shared their opinion with us about work and leadership in SGRE. Though results are still to be analyzed first high-level results indicate that our “Global Satisfaction” score (68.7%) as improved to above manufacturing norm. Also, our overall employee Net Promoter Score (NPS), recommending our company as a good place to work, made a significant jump forward showing an improvement of more than 10 points.

In general, we also improved scores in areas like “Communication about changes” and in leadership aspects with topics like “involving employees in decisions” and “providing a clear sense of direction”. Additionally, we still scored very high in the “Willingness to put a great deal or effort beyond what is normally expected”. Along fiscal year 2021, the company will analyze results to plan improvement actions in each of our businesses, departments, and teams.

B1.6 Employees worldwide

[L11-HR01] At the end of the reporting period, the total headcount reached 26,114 employees (24,453 in FY19) employees. From a regional standpoint, Europe, the Middle East and Africa was the region having the highest proportion of the workforce (68%), followed by Asia and Australia (19%) and the Americas (13%). The age structure in the fiscal year 2020 was dominated by employees aged 35-44 (37%) and in the under-35 age group (37%), followed by the 45-54 (19%) and 55-60 (5%) with those over 60 accounting for just 2%.

The overall employee turnover rate for the reporting period was 7.04% (7.36% in 2019).

The average age of employees in Europe, the Middle East and Africa was 41 years, 39 years in the Americas and 34 years in Asia and Australia. The overall average age of the group’s employees was 39.2 years at the fiscal year-end.

Headcount structure [16]

Table 16 - Employees breakdown by gender and region

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	12,926	3,425	16,351	14,065	3,680	17,745
Americas	2,633	684	3,317	2,740	693	3,433
Asia, Australia	4,299	486	4,785	4,410	526	4,936
SGRE Group	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**

Table 17 - Employee breakdown by age structure[17]

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
<35	7,639	1,458	9,097	8,036	1,550	9,586
35-44	7,088	1,900	8,988	7,761	2,009	9,770
45-54	3,631	909	4,540	3,936	1,014	4,950
55-60	1,025	237	1,262	990	223	1,213
>60	368	73	441	492	103	595
Non-classified	-	-	125	-	-	-
SGRE Group	**19,751**	**4,577**	**24,453**	**21,215**	**4,899**	**26,114**

Table 18 - Employee breakdown by professional category

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Executive level	298	34	332	219	29	248
Management level	2,616	625	3,241	2,791	677	3,468
Non management level	16,944	3,936	20,880	18,205	4,193	22,398
SGRE Group	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**

Table 19 - Overall age

	FY18	FY19	FY20		
			Male	Female	Total
Average age (years)	38	38	39	40	**39**

[16] Additional disclosure can be found in table in Annex II
[17] In FY19 there are 125 employees (0.5% of the total) who do not have age recorded.

Table 20 - Employees breakdown by country or market

Country/market	FY18	FY19	FY20	Country/market	FY18	FY19	FY20
1. Argentina	-	11	13	30. Jordan	1	5	7
2. Australia	58	145	128	31. Korea Rep.	11	17	21
3. Austria	12	16	24	32. Mauretania	4	4	4
4. Belgium	33	30	40	33. Mexico	291	340	398
5. Brazil	549	648	605	34. Morocco	542	666	737
6. Bulgaria	1	1	1	35. Netherlands	126	155	186
7. Canada	121	113	130	36. New Zealand	5	-	-
8. Chile	41	55	75	37. Nicaragua	-	1	-
9. China P.R.	1,309	1,320	1,249	38. Norway	22	37	41
10. Costa Rica	3	2	2	39. Pakistan	-	2	5
11. Croatia	30	28	30	40. Peru	9	9	12
12. Czech Rep.	1	-	-	41. Philippines	30	11	19
13. Denmark	5,283	5,316	5,103	42. Poland	85	88	178
14. Domenican R.	1	2	3	43. Portugal	8	19	689
15. Egypt	18	46	63	44. Romania	14	11	9
16. Finland	26	13	-	45. Russian Fed.	-	-	22
17. France	100	118	304	46. Serbia	-	-	4
18. Germany	2,345	2,334	2,843	47. Singapore	11	3	-
19. Greece	16	21	24	48. South Af.	40	48	51
20. Guatemala	-	-	-	49. Spain	4,534	4,881	4,765
21. Honduras	3	4	7	50. Sri Lanka	9	13	12
22. Hungary	119	117	118	51. Sweden	62	80	98
23. India	2,789	3,235	3,338	52. Taiwan	13	-	114
24. Indonesia	4	9	10	53. Thailand	26	31	38
25. Iran, Islamic R.	9	8	7	54. Turkey	53	97	127
26. Ireland	102	99	96	55. U. Kingdom	1,952	2,012	2,008
27. Israel	1	1	-	56. U. States	1,985	2,093	2,127
28. Italy	91	96	176	57. Uruguay	20	36	38
29. Japan	18	-	-	58. Vietnam	8	6	15
SGRE Group					**23,034**	**24,453**	**26,114**

Contracts

[L11-HR02] [L11-HR03] In so far as contract types are concerned, over 92% (same figure as FY19) of the company's employees had been hired through permanent contracts and nearly 5% had temporary contracts. Such a situation suggests that both parties wish to maintain a fully committed long-term employer/employee relationship. The yearly average number of permanent contracts in the workforce between periods FY20-FY19 is 23,428, and 1,322 in the case of temporary contracts. Likewise, the average headcount between the end of the same periods amounted to 25,283 employees. Hence, the percentage of permanent contracts from the end of fiscal year 2019 to the end of fiscal year 2020 reached 92%, which we view in a positive light, since it is a high percentage that has remained steady.

Table 21 – Breakdown of contract type by gender

	FY19			FY20		
	Permanent	Temporary	Part-time[18]	Permanent	Temporary	Part-time
Male	18,383	1,125	199	19,989	958	268
Female	4,246	293	419	4,239	269	391
SGRE Group	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**

Table 22 - Breakdown of contract type by professional category

	[19] FY19			FY20		
	Permanent	Temporary	Part-time	Permanent	Temporary	Part-time
Executive level	316	10	2	241	6	1
Management level	3,059	95	63	3,297	96	75
Non management level	19,254	1,313	553	20,690	1,125	583
SGRE Group	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**

Table 23 - Breakdown of contract type by age structure

	FY19			FY20		
	Permanent	Temporary	Part-time	Permanent	Temporary	Part-time
<35	8,067	836	79	8,733	733	120
35-44	8,419	438	350	9,027	392	351
45-54	4,359	120	121	4,741	88	121
55-60	1,232	18	22	1,182	10	21
>60	430	5	45	545	4	46
SGRE Group	**22,507**	**1,417**	**617**	**24,228**	**1,227**	**659**

Hiring [20]

[L11-HR04] [401-1] The number of hires in the reporting period amounted to 4,932 (4,498 in FY19). Europe, the Middle East and Africa was the region which had the highest proportion (71%) of hiring. A total of 3,275 employee left the company (3,145 in FY19) during the same period, 1,759 (54%) of which left voluntarily.

Table 24 - Employees hired

	FY18	FY19	FY20
Europe, Middle East and Africa	1,749	2,775	3,500
Americas	414	775	670
Asia, Australia	303	948	762
SGRE Group	**2,466**	**4,498**	**4,932**

Table 25 - Women hired

(% of new hires)	FY18	FY19	FY20
Europe, Middle East and Africa	20.2	17.2	17.9
Americas	18.1	22.5	16.0
Asia, Australia	21.8	12.1	19.0
SGRE Group	**20.0**	**17.0**	**17.8**

[18] The number of part-time contracts is already included in one of the two previous categories (either permanent or temporary).
[19] 406 employees (1.6% of the total) are not being counted when reporting the number of contracts, as this is not correctly recorded in the database and system.
[20] Additional disclosure can be found in table in Annex II

Exits/Terminations [21]

Table 26 - Employee exits (total)

	FY18	FY19	FY20		
			Male	Female	Total
Voluntary	**2,026**	**1,800**	**1,442**	**317**	**1,759**
Europe, Middle East and Africa	1,203	1,118	807	191	998
Americas	349	314	259	59	318
Asia, Australia	474	368	376	67	443
NON-Voluntary	**2,827**	**1,345**	**1,251**	**265**	**1,516**
Europe, Middle East and Africa	2,037	998	910	192	1,102
Americas	568	181	218	43	261
Asia, Australia	222	166	123	30	153
Total SGRE Exits	**4,853**	**3,145**	**2,693**	**582**	**3,275**
Europe, Middle East and Africa	3,240	2,116	1,717	383	2,100
Americas	917	495	477	102	579
Asia, Australia	696	534	499	97	596

Table 27 - Breakdown of employee Non-voluntary exits

	FY19			FY20		
	Male	Female	Total	Male	Female	Total
Executive level	**9**	**2**	**11**	**11**	**1**	**12**
<35 y	0	0	0	0	0	0
35< y <44	2	1	3	1	0	1
45< y <54	2	1	3	5	1	6
55< y <60	5	0	5	3	0	3
> 60y	0	0	0	2	0	2
Management level	**128**	**23**	**151**	**91**	**15**	**106**
<35 y	12	1	13	9	3	12
35< y <44	54	14	68	37	7	44
45< y <54	41	5	46	28	4	32
55< y <60	14	2	16	14	0	14
> 60y	7	1	8	3	1	4
Non management level	**968**	**215**	**1,183**	**1,149**	**249**	**1,398**
<35 y	411	87	498	437	95	532
35< y <44	320	82	402	369	89	458
45< y <54	157	35	192	216	45	261
55< y <60	48	8	56	80	15	95
> 60y	32	3	35	47	5	52
SGRE Group	**1,105**	**240**	**1,345**	**1,251**	**265**	**1,516**

Table 28 - Overall employee turnover rate

	FY18	FY19	FY20
Turnover rate (%)	**8.80**	**7.36**	**7.04**

Table 29 - Employees on leave of absence

	FY18	FY19	FY20
Europe, Middle East and Africa	639	587	535
Americas	12	29	122
Asia, Australia	2	2	2
SGRE Group	**653**	**618**	**659**

[21] Additional disclosure can be found in table in Annex II

B2. Health & Safety

B2.1 Management approach to Health & Safety

[L11-HR13] Occupational health & safety is a crucial aspect for the company. It is an essential part of risk management and internal controls at Siemens Gamesa, as well as of our Business Code of Conduct. Safeguarding the safety and well-being of our employees is linked to some of the UN's Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 08 (Decent Work and Economic Growth) and SDG 16 (Peace and Justice)..

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

B2.2 Policy Framework: Health & Safety Policy

The Siemens Gamesa Policy[22] provides clear direction and specific objectives with regards to Quality, Health, Safety and Environment. It consists of six pillars which form the basis of how the global HSE strategy is defined across the company and it is periodically reviewed and updated accordingly. The policy applies to all Siemens Gamesa activities worldwide - regions and locations - and is mandatory for all employees working for the company, on its behalf or under its authority. Together with our Business Conduct Guidelines[23] the policy indicates a zero-tolerance toward negligent health and safety conduct as well as personal security and a commitment to continuous improvement. The Board of Directors has an active Health & Safety oversight role.

- Regarding health, the policy states: "Siemens Gamesa protects and promotes our health and well-being, guards against the risk of work-related accidents, and offers a wide range of supports to maintain and promote our physical and mental health".
- Regarding safety, the policy states: "Siemens Gamesa provides a safe work environment to ensure employees return home safely at the end of the working day. We ourselves contribute to this".
- Regarding security, the policy states: "Siemens Gamesa is active worldwide, including in areas and situations where the security situation is critical. To protect our employees, the Company, and our business in the best possible way, Siemens Gamesa identifies and analyzes global security risks and assesses their potential impact".

B2.3 Zero harm culture

Safety is the prerequisite for every activity in Siemens Gamesa. It goes further than legislation and market requirements - it is a precondition for all the work we do. We believe that we will only become the global industry leader if we are also the leader in safety.

[22] Siemens Gamesa Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-policy-august-2017.pdf

[23] Siemens Gamesa Business Conduct Guidelines. Link: https://www.siemensgamesa.com/es-es/-/media/siemensgamesa/downloads/en/sustainability/business-conduct-guidelines/siemens-gamesa-business-conduct-guidelines.pdf

The company works hard to ensure there is a firmly implemented safety and zero-harm culture across the entire business for employees, suppliers and customers alike as well as for society at large. We enforce a zero-tolerance policy towards negligent health and safety behavior by ensuring work is only carried out in appropriately secured situations. Siemens Gamesa has launched several initiatives to foster and promote a zero-harm culture, such as the following:

Safety is my choice

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

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

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

The initiative also seeks to ensure that safety is seen as a positive aspect of working for Siemens Gamesa rather than a hindrance. In this respect, managers have a special role to play in safety awareness and cultural change must be supported by their leadership.

LeadSafe

Siemens Gamesa launched a project called LeadSafe in conjunction with DuPont Sustainable Solutions in November 2019. The project aims to allow the organization to speed up its progress towards zero accidents and injuries. The LeadSafe project has three focus areas:

1. Raising risk awareness throughout the company;
2. Building leadership skills related to safety management;
3. Improving the safety of our engineering processes.

To achieve this, LeadSafe is implementing several actions across the organization's different levels, which are as follows:

- **Top-management:** Leadership workshop focus on alignment and engagement of top-managers as well as coaching sessions;
- **Middle-management:** Leadership workshop focused on visible felt leadership combined with sessions of group coaching;
- **All staff members**: Implementation of The Risk Factor™ throughout the entire organization, having as central goals the increase of overall risk awareness among Siemens Gamesa workforce, whilst inspiring the organization to reduce risk-taking;
- **Engineering Safety Awareness workshop:** targeting the several Engineering groups across Siemens Gamesa and aiming to raise awareness of the topic "Safety in Design" while promoting the sharing of tools and best-practices.

The LeadSafe program started out as a pilot scheme in one business unit and will be broadened to include the entire company over the coming years.

B2.4 External commitments

Siemens Gamesa's commitment to health and safety topics is not only reflected in our internal policies, but also in our involvement in external associations such as WindEurope, the Global Wind Organization (GWO), and the Global Offshore Wind Health and Safety Organization (G+), in which the company's representatives play key roles.

- **Wind Europe** is the voice of the wind industry. It actively promotes wind power in Europe and around the world. With 400 active members in over 35 countries, the association seeks to expedite national and international policies and initiatives which strengthen the development and social acceptance of global wind energy markets, infrastructure and technology. Siemens Gamesa is a Leading Member, or more specifically a "Market Leader", of WindEurope. The company has appointed representatives to several working groups and task forces and, in this capacity, makes contribution to defining the annual work program, regularly takes part in meetings, exchanges information on ongoing projects and contributes to reports, policy documents, position papers, etc. As regards health and safety, noteworthy examples of our participation this fiscal year include acting as a Steering Committee member of the Wind Harmony project[24]. On behalf of the European Commission, the project has analyzed H&S regulations and related standards that have an impact on wind energy (onshore & offshore) across 28 EU countries, along with Iceland, Liechtenstein and Norway. It also assessed and prioritized their potential for harmonization or alignment at a European level.

- **The Global Wind Organization (GWO)** is a non-profit organization founded by wind turbine manufacturers and owners in 2012. GWO members are committed to setting and adopting common international safety training and emergency procedure standards aimed at ensuring an injury-free working environment in the wind turbine industry. Siemens Gamesa has been appointed hold the vice chair role for the last eighteen months and has therefore played a decisive role in shaping GWO's global strategy entitled Safety without Borders 2020-2022. As a leading member, Siemens Gamesa has also appointed representatives to the GWO's General Assembly, Executive Committee and to several of its topic-specific committees, like the Training, Audit & Compliance Committee and a Regional Special Committee.

- **G+** is the **Global Offshore Wind Health and Safety Organization.** It brings together leading operators and owners of offshore wind farms to work towards shared goals and outcomes in four main work areas: incident data reporting, good practice guidance, safe by design workshops and learning from incidents. As an associate member of G+, Siemens Gamesa has appointed a representative to sit on the G+ Board as well as on several focus groups. In this capacity, Siemens Gamesa engages on important industry matters and supports the search for solutions to the safety challenges faced by offshore wind projects.

[24] See information on the Wind Harmony Project at https://www.windharmony.eu/

B2.5 Life-Saving Rules

The “10 Life-Saving Rules” are a minimum expectation that must be fulfilled in all SGRE activities. These cover the most critical life safety hazards that have historically been found to cause loss of life or serious injury in the wind industry. SGRE is determined to avoid these types of incidents, including the adaptation of processes, products, facilities, etc. to ensure safe work conditions, and the organizational measures needed to ensure the commitment with these rules. These rules are created from industry lessons and have been put in place to ensure consistent behaviors are followed to prevent the kind of incidents that could result in a serious injury or a fatality. Implementation of these rules is part of SGRE's commitment for continuous improvement in HSE and has a tangible contribution to strengthening our “Safety is my choice” culture.

The 10 Life Saving Rules have been presented globally through a variety of communication methods and provide a lot of details on each of the topics, including video interviews with senior managers, infographics and short emotional videos.

Table 30 - The 10 Life-Saving Rules

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

B2.6 Occupational Health & Safety Management System

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

Siemens Gamesa has an Occupational Health and Safety Management System certified according to the international ISO 45001:2018 standard. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to March 2021.

Siemens Gamesa’s Integrated Management System provides a framework for global procedures and tools to handle various HSE topics to monitor, control and improve the company’s HSE

performance. As regards health and safety, the company can demonstrate compliance to our stakeholders, identify potential hazards and implement controls to avoid or reduce occupational accidents and illnesses, as well as to engage employees and motivate contractors to put safety leadership into practice in their daily work. Nonetheless, the management system, which is comprised of a series of documents and tools, would be ineffective without competent employees and a supportive leadership team that can bring it to life. The figure below provides an overview of the global health and safety procedures at Siemens Gamesa.

Figure 9 – Global Health & safety procedures

Examples of some of these key global HSE procedures include:

- **HSE Aspects Identification** procedure, which requires all relevant organizational units to conduct assessments on an annual basis to identify any potential HSE risks or opportunities. Improvement targets and actions are set accordingly for any aspects deemed significant to prevent or mitigate their potential impacts.
- **Risk Assessment** procedure, which provides for a systematic hazard identification and the assessment of any associated risks within a work activity or workplace to subsequently facilitate the implementation reasonable control measures aimed at eliminating or mitigating them. In addition, it makes is easier for SGRE to be in a position to fulfill legal risk assessment obligations.
- **Incident Management,** which supports effective incident reporting and management to strengthen risk management and prevent the recurrence of risks. It is meant to ensure there is a robust framework in place which provides for a systematic approach to incident reporting, management and investigation, thereby enabling effective corrective and preventive actions to be set and any lessons learned to be shared.
- **Emergency Management** sets the SGRE Emergency Management approach, escalating the emergency response through Emergency Management by defining a set of aligned escalation triggers that interface minimum communication levels between affected entities, in addition to the communication and escalation process from emergency to crisis management.
- **Stop Work Process,** which provides a framework for the Technical Safety Committee to ensure that timely effective action can be taken to deal with QHSE incidents when the impact may be felt beyond the incident's initial location. It makes cross-business communication possible on actions that need to be taken to maintain safe working environments or ensure the quality of products and their components.

[403-1] Every Siemens Gamesa organizational unit should be represented by a working environment committee that clearly has a chairman, management-level representatives and employee-level representatives. These committees help to monitor and put forward advise on workforce-specific occupational health and safety topics. They also ensure joint participation in the design of policies and the implementation of control measures aimed at fostering improved working conditions.

B2.7 Health & Safety targets and performance

The Siemens Gamesa corporate HSE strategy is set out in a three-year corporate HSE strategy that is then cascaded across the business. Strategic plans are backed by specific action plans, which are reviewed annually and strive to improve HSE performance in all areas of the company, including at a corporate, business unit and local level. Each organizational unit is required to set improvement actions covering at least one significant health & safety aspect and one significant environmental aspect.

Strategic corporate HSE targets support the strategy on the topics that have been assessed as significant for Siemens Gamesa as a whole, including total recordable injuries, lost-time injuries, energy consumption, waste generation and sustainability score rate. These corporate targets are cascaded across the business and monitored locally, along with any additional targets that may be relevant to each location, site or unit.

At Siemens Gamesa, we have defined clear targets to reduce our Lost Time Frequency Rate (LTFR) from 1.68 in FY18 to 1.00 in FY22 and Total Recordable Injury Rate (TRIR) from 4.95 in FY18 to 3.00 in FY22. This represents our ambition to reduce the frequency rate for both targets by more than 50% in 4 years.

Table 31 - Safety targets roadmap

Core KPI	KPI description	FY20	FY21	FY22
TRIR	Total Recordable Injury Rate	4.00	3.50	3.00
LTIR	Lost Time Injury Rate	1.50	1.20	1.00

Note: Expressed as number of Lost Time / Recordable cases x 1,000.000 hours

Sphera, our internal HSE software tool, is the backbone for handling all safety-related data and provides support for:

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

Weekly management reports are submitted, and meetings are held at which selected managers and employees review Siemens Gamesa's safety performance by discussing previous incidents, the lessons learned and corrective actions. Furthermore, remuneration is linked to the company's H&S performance.

B2.8 Health & Safety in times of COVID-19

Protecting the health and safety of our business, people and stakeholders has been Siemens Gamesa's core strategy as far as the COVID-19 response is concerned. At the onset of the COVID-19 outbreak, protocols were drawn up to respond to the pandemic. Ensuring the continuity of operating wind farms has been of utmost importance to ensure affordable clean energy was still being generated for vital services needed by society, while ensuring that our factories continued to run to the extent possible according to local authority regulations. More than half of Siemens Gamesa's employees were able to work from home to minimize the risk of coronavirus exposure as much as possible.

Siemens Gamesa implemented a Prevent, Contain and Sustain methodology.

- In order to **prevent**, Siemens Gamesa has established a continuous monitoring system, reduced business travel, deployed a 100% working from home system and developed preventive protocols for various aspects to prevent the spread of COVID-19.
- In order to **contain**, Siemens Gamesa has designed a testing strategy that includes PCR and antibody testing. Furthermore, Siemens Gamesa has made sure all protocols are updated to adapt to and optimize the evolving situation.
- In order to **sustain**, Siemens Gamesa has developed long-term preventive measures, including office reopening protocols, a surveillance testing strategy and automated risk control systems

Some of the outcomes of the stringent health and safety approach include: office staff working from home without any productivity losses, no COVID-19 transmission in SGRE's operations and permanent support provided to suppliers and subcontractors by sharing prevention protocols and providing testing support. As a result, our O&M activities have continued, manufacturing plants have continued operating and have only been halted by government requirements. However, there were some delays in construction activities.

There can be no doubt whatsoever that Siemens Gamesa had made "Safety my choice" a top priority and has focused on ensuring its business's continuity as a secondary priority.

B2.9 Performance in 2020

[L11-HR14] Incident management is governed by a global procedure and internal controls that set forth standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to: 1) detect their underlying causes in the prevention system and other factors which may cause or contribute to such incidents happening again; 2) identify the need to implement corrective actions; and 3) detect opportunities for implementing preventive action and continuous improvement.

At the end of fiscal year 20, the number of employee Lost Time incidents (LTI) in Siemens Gamesa amounted to a total of 78 (71 in 2019). As a result, the overall employee Lost Time Frequency Rate (LTFR) reached 1.41 (1.41 in 2019) at the end of the period. This rate (LTFR) is calculated for a 1,000,000-working hour's period and includes all accidents that result at least in one lost day of work, so called lost-time incidents. As regards contractors, LTFR rate was 1.22 (1.30 in 2019). The combined rate for employees and contractors in fiscal year 2020 was 1.36 (1.71 in 2019) at the end of the reporting period, what shows a positive trend in terms of sinistrality rates. The number of Total Recordable Injuries (TRI) amounted to 280 (385 in 2019), meaning a reduction of 27%. Consequently, the overall Total Recordable Injury Rate (TRIR) stood at 3.14 (4.71 in 2019) at the end of the reporting period.

Figure 10 – Track record LTIFR

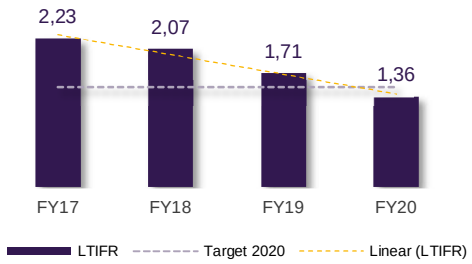


Figure 11 – Track record TRIR

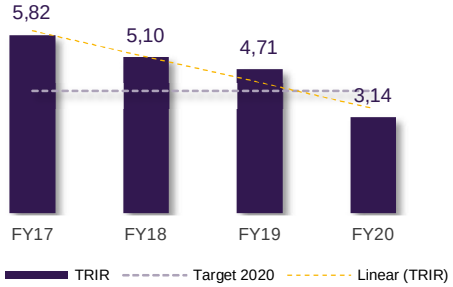


Table 32 - Key safety statistics

	FY18	FY19	FY20
Recordable injuries	**376**	**385**	**280**
o Fatalities	1	0	4
o Lost-time case employees	156	71	78
o Lost-time case contractors		41	43
o Medical treatments	151	150	67
o Restricted works	68	95	88
Lost days per LTC	20	21	22
Working hours	72.7	81.8	89.1
o Working hours employees (x10^6 hours)	47.1	50.3	55.4
o Working hours contractors (x10^6 hours)	25.6	31.4	33.7
SR Severity rate	0.04	0.04	0.05
LTFR SGRE Group	**2.07**	**1.71**	**1.36**
o LTFR employees	2.10	1.41	**1.44**
o LTFR contractors	2.23	1.30	**1.22**
TRIR SGRE Group	**5.10**	**4.71**	**3.14**

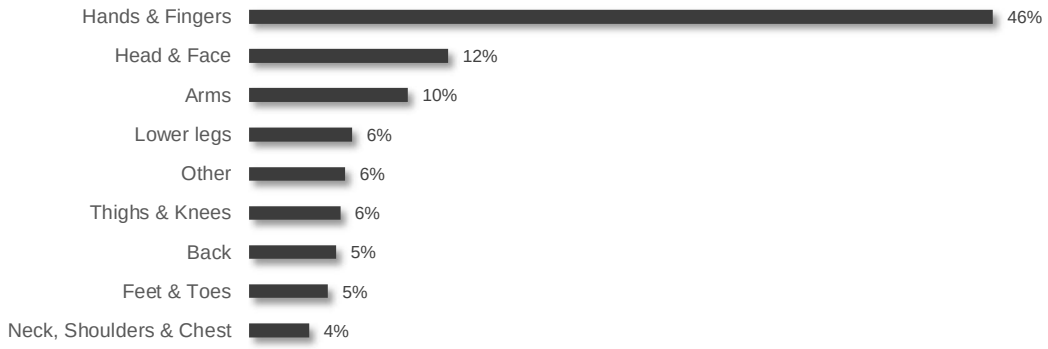
Note: rate per million hours worked

The company has regrettably suffered four fatalities in fiscal year 2020.

- An employee of one of SGRE's subcontractors died on January 19, 2020 while doing preparatory work on the grounds of the Tonstad Wind Farm in Norway.
- A Siemens Gamesa employee died on February 13, 2020 after receiving an electric shock while performing maintenance work on one of the turbines in the Viudo II wind farm in Spain.
- An employee of a SGRE subcontractor died on February 5, 2020 while carrying out lifting operations at the Novas Vilas I wind farm in Brazil.
- An employee of a SGRE subcontractor died on June 20, 2020 after falling off a platform while a concrete tower was being assembled at the Novas Vilas II wind farm in Brazil.

These tragic accidents have shocked and deeply saddened us. We therefore extend our most heartfelt sympathy to the deceased employees' family, friends, colleagues and co-workers on site. An internal taskforce has been put together to ensure that the lessons learned from these tragic events are being implemented prevent them from ever happening again.

Figure 12 – Injuries by body part in FY20



[L11-HR11] In relation to absenteeism days, these reflect only the number of days lost due to accidents, and the closing figure for fiscal year 2020 is 2,641 (2,707 in 2019), equivalent to 21,128 working hours (21,656 in FY19).

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

B2.10 Safety prevention

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

The company acts proactively to analyze the root causes of accidents and is equipped with management indicators which show the attainment level of this working philosophy in day-to-day management. This includes, for example, conducting 26,059 safety inspections (15,770 in 2019), making 60,113 safety observations (44,803 in 2019) and conducting 66 health & safety audits (112 in 2019) by the end of the reporting period.

Table 33 - Safety prevention

	FY18	FY19	FY20
Safety inspections	13,566	15,770	26,059
Safety observations	41,288	52,310	60,113
Health & Safety audits	257	112	66

Siemens Gamesa works to create a distinctive and unique prevention culture and ensure expertise in this area extends across the entire company.

B2.11 Occupational illness

The occupational illness frequency rate (OIFR) for employees ended the fiscal year at 0.379 (0.504 in 2019), calculated solely based on cases, totaling 21 in fiscal year 2020 (24 in FY19), of occupational illness recognized by the Employers' Liability Insurance Association.

Table 34 - OIFR employees

(number)	FY18	FY19	FY20
OIFR employees	0.594	0.504	0.379

Note: rate per million hours worked

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

B2.12 Healthy workplace

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

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

B2.13 Product Health & Safety

[L11-SO08] [416-1] The company assesses the impacts of its products on the health and safety of its customers from the initial development stages with the aim of improving them through design and project management policies. This is achieved by describing Product Safety as an umbrella term for the Quality Management and HSE procedures and processes we have in place to protect customers, employees and members of the public from any risk derived from Siemens Gamesa products or manufacturing, installation, operating and decommissioning activities.

Management procedures are in place to establish responsibilities, workflows and activities to ensure component designs are optimal and to prevent them from generating unnecessary hazards or dangers that could endanger the health and safety of those working directly with that component resulting from a poor conception of safety conditions. For instance, Siemens Gamesa has issued an

instruction that defines the processes for ensuring that the wind turbines and/or related products that we place in the market in the EU or EEA comply with any Directives which apply within the EU and outside it, where said requirements are established by contractual obligations to customers.

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

At the time of preparing this report, no material cases of alleged non-compliance with regulations concerning the health and safety impacts of products/services have been identified.

B2.14 Health & Safety in the value chain

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

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

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

To pave the way towards zero harm and support the Supplier Quality Management team with regards to HSE awareness, a HSE contractor management procedure laid down for the execution phase is in the process of being implemented across the business to ensure contracted work tasks are executed safely.

B3. Diversity and Equal Opportunity

B3.1 Management approach

[L11-HR21] Siemens Gamesa is a strong advocate for diversity, inclusion and equal opportunities. Valuing the importance of the individual is one of the cornerstones of our culture, and Siemens Gamesa, as a company, is aware that its enriching diversity is what makes our company stand out.

Siemens Gamesa recognizes that its employees come from a wide variety of cultures, ethnicities, beliefs and languages. This wealth of diversity is what makes the Siemens Gamesa Group more innovative, creative, sensitive and committed to society. We firmly believe that diversity and inclusion allow us to better understand and reflect customers' expectations and make us a better partner in the communities we serve. Embracing diversity and inclusion leads us to truly becoming innovative and enables us to find outstanding solutions to the challenges we need to overcome

The company is committed to creating an exceptional workplace characterized by openness, collaboration and trust, in which all workers are treated with respect and where they can give the very best of themselves. We appreciate the creative potential that individuals of different backgrounds and abilities can bring to their work.

The evolution of diversity and inclusion metrics and targets are reviewed by the Management Board and Executive Committee regularly. The Diversity & Inclusion (D&I) Policy is also reviewed on an annual basis to ensure the continuous improvement of the company's D&I initiatives.

The Diversity & Inclusion functional area forms part of the Human Resources Department and is led by a dedicated Chief Diversity & Inclusion Officer. This role holds responsibility for influencing and raising awareness throughout our company, as well as for setting corporate-wide diversity and inclusion policies that are consistent across the globe.

B3.2 Policy framework

[L11-HR24] Siemens Gamesa's Diversity & Inclusion Policy[25] sets the framework and the principles that are common to all the group's companies, in the different countries where the Company operates. The purpose of this policy is to promote equal opportunity, diversity, inclusion, equality and dignity in the Company's culture in general, and in all the Company's policies and practices of selection, hiring, remuneration, training, promotion and termination. The commitment of the Siemens Gamesa Group to diversity and inclusion is based on the following principles:

1. Provide a work environment that promotes dignity and respect for all. No form of intimidation or harassment will be tolerated.
2. Ensure that the policies and practices of selection, hiring, remuneration, training, promotion and termination avoid any discriminatory bias.
3. Foster a motivational and creative working environment, where opportunities for hiring, training, development and promotion are available for all based on the knowledge, attitudes, abilities and skills required for the various positions.
4. Foster understanding of gender identity.
5. Support employees who make use of reconciliation measures, provided they are permitted by the demands of work and applicable law.

[25] See Group policy on Diversity and Inclusion Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/diversity-and-inclusion-policy.pdf

6. Break down barriers to promote the professional development of women at the highest levels of the company.
7. Cultivate a culture that encourages collaboration, flexibility and fairness so that the whole workforce can contribute with its maximum potential.
8. Provide all reasonable adjustments for persons with disabilities.
9. Promote understanding between cultures and equip our staff with the tools necessary for the development of a global mentality and to work effectively within all cultures, virtually or in person.
10. Offer information and training to the entire workforce so that it has the necessary tools and resources to create an appropriate workplace.
11. Develop a diversity and inclusion plan in order to ensure the implementation of this policy.
12. Ensure that this policy has the full commitment of all levels of the organization, especially the executive team.
13. Review this policy regularly in order to ensure the continuous improvement hereof.

The right to be treated with respect and dignity

Siemens Gamesa is committed to fostering a working environment in which all individuals are treated with respect and dignity. Siemens Gamesa's Protocol of Action in Case of Harassment and Discrimination states that the company's policy of zero tolerance towards any form of violence, harassment, verbal abuse, abuse of authority at work, unlawful discrimination or any other behavior that creates an intimidating environment or is offensive to the rights of employees and sets forth that relationships between people in the workplace should be business-like and free of any kind of bias, prejudice and harassment.

Any type of harassment and unlawful discrimination is unacceptable at the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events. A breach of this protocol is not necessarily a violation of the law. It may, however, result in disciplinary action, including fair dismissal.

The company encourages all employees to report any incidents of discrimination, harassment or retaliation. Individuals who feel they have experienced discrimination or harassment or who have any concerns about these matters should contact their Country Harassment and Discrimination Committee or their Human Resources Representative.

The power of diversity

"The power of diversity" is Siemens Gamesa's Diversity & Inclusion ethos. It aims to bring focus onto the recognition that Siemens Gamesa's rich diversity is what makes us stand out as a company.

Diversity is our true energy, the energy that will enable us to lead the transition to a cleaner and more sustainable world.

Siemens Gamesa is committed to fostering a work environment that promotes equal employment opportunities, dignity and respect for all. A place where employees can be themselves and their differences are recognized and respected.

B3.3 Diversity Initiatives undertaken

The **Women's Empowerment Principles** were endorsed by the company in 2010 and the endorsement has been maintained for the new company. These principles were drawn up by 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.

Additionally, Siemens Gamesa is an official member of the **Spanish Diversity Charter** launched in 2009, an initiative of the European Institute of Diversity Management and the Alares Foundation with the support of the Spanish Ministry of Equality.

Our company was awarded the **Spanish Flexible Company Award**, a recognition of our commitment to work flexibility. The Ministry of Health, Consumption and Welfare highlights the best practices in this field through said award.

Siemens Gamesa was included in **2020 Bloomberg Gender-Equality Index**. The index includes 325 companies from 50 industries with a combined market capitalization of $12 trillion USD, which are headquartered in 42 countries and regions. The GEI tracks the financial performance of listed companies committed to supporting gender equality through policy development, representation and transparency. The reference index measures gender equality across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women brand.

Siemens Gamesa has joined the **Target Gender Equality (TGE)** program promoted by the United Nations Global Compact. This program addresses barriers to gender equality and sets corporate goals for equal representation and leadership for women in business. It was set up from the need to speed up progress on urgent aspects of gender equality. By joining, Siemens Gamesa undertakes to set and meet ambitious goals to increase the leadership of women in line with target 5.5 of the 2030 Agenda.

Siemens Gamesa has signed the **Telework and Flexibility Charter** promoted by Fundación Más Familia. This charter is a letter of commitment that companies sign voluntarily to promote a clear commitment to the culture of labor flexibility and teleworking, respect for the environment, diversity and inclusion, thereby recognizing and raising awareness about the benefits gained from a flexible culture.

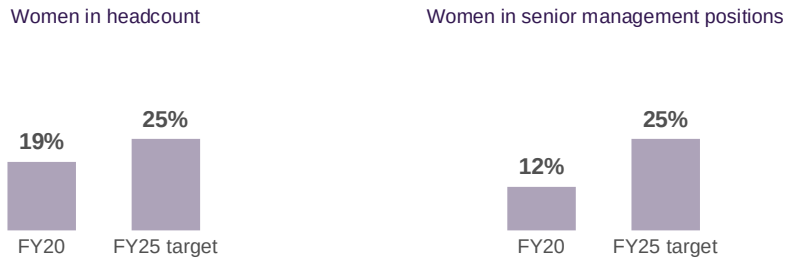
B3.4 Strategy and targets

[L11-HR22] The Diversity & Inclusion Strategy for FY20-FY22 was approved by the Executive Committee in 2020 and is driven by four long-term goals aimed at encouraging diversity and equal opportunities as impactful and competitive advantages:

- Strengthen our D&I employer brand.
- Increase female representation in the company's Board, the overall workforce and senior management positions.
- Create the working environment of the future to attract and retain the best talent by promoting work-life balance measures and improving workforce flexibility.
- Contribute to positive social transformation in our internal culture by encouraging diversity as an impactful and competitive advantage.

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

Figure 13 – Diversity & Inclusion targets to 2025



B3.5 Performance 2020

Gender Equality

[405-1] Our commitment to equality extends beyond gender. But, in this specific aspect, our goal is extremely clear: We need to achieve gender equality within our Company.

Siemens Gamesa is one of the 140 companies that are signatories of the initiative "**Mas mujeres, mejores empresas**" (More Women, Better Companies) initiative promoted by the Spanish Government's Ministry of Equality [26] . The company has stated through this initiative its commitment to foster equal participation of women and men on the company's Board of Directors and to adopt measures aimed at increasing female representation in leadership positions and on executive committees within four years.

As far as gender diversity on the Board of Directors' composition is concerned, three of the Board's ten members were women on September 30, 2020, namely 30% of its members, thereby fulfilling "Director Selection Policy" [27]. The overall share of female employees amounted to 19% (18.76%) of the entire workforce. By regions, women accounted for 21% of the workforce in Europe, the Middle East and Africa, 20% in the Americas and 10% in Asia, Australia.

Table 35 - Proportion of women in Headcount

(% of total employees in the region)	FY18	FY19	FY20
Europe, Middle East and Africa	21.08	20.95	20.74
Americas	20.23	20.62	20.19
Asia, Australia	10.20	10.16	10.66
SGRE Group	**18.90**	**18.79**	**18.76**

Gender equality in an essential prerequisite for creating a diverse and inclusive working environment and, thus, the company fosters diverse recruitment and equal opportunities for all.

[26] See: Ministerio de Igualdad de España. Link: https://www.igualdadenlaempresa.es/redEmpresas/compromIgualdad/docs/2_PROTOCOLOS.pdf

[27] See: Director Selection Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/director-selection-policy.pdf?la=en-bz&hash=695666CBAAA0719446F58B3C7F64B0CBA66A880E

Siemens Gamesa had 248 employees holding senior management positions at the end of the reporting period, 11.7% of whom were women (10.24% in FY19). This proportion is expected to grow in accordance with the application of best working practices. Moreover, 19.54% of the Company's management positions are held by women (19.28% in FY19).

If we consider STEM job families, 23.20% of the Company's information technology (IT) job family workforce are women and 11.59% of the Company's engineering job family workforce are women.

Table 36 - Employees in management positions

	FY18	FY19	FY20		
			Male	Female	Total
Europe, Middle East and Africa	227	267	187	24	211
Americas	33	37	20	2	22
Asia, Australia	18	28	12	3	15
SGRE Group	**278**	**332**	219	29	**248**

Communities for women

The Global Women@SGRE Network has over 350 members and groups together several SGRE initiatives for women set up in eight chapters around the world in Brazil, the United States, the United Kingdom, Spain, Denmark, Germany, India and Morocco. It is an inclusive group of people from all backgrounds who support the empowerment of women and it encourages networking, training, leadership and community building opportunities.

Inclusive culture

Our workforce is comprised of over 109 different nationalities. The company recognizes and values the creative potential that individuals of different backgrounds and abilities can bring to their work. Our priority is to ensure there is understanding and respect across all the ethnicities, races, languages and cultures of all the individuals who work at Siemens Gamesa.

At Siemens Gamesa we make sure that all individuals are valued and appreciated in an inclusive working environment and that this will always be the case.

Siemens Gamesa conducts an employee engagement survey on regular basis. Its results are assessed by gender, seniority, collective and job families. Diversity is on the top 4 categories with the highest total favorable scores. This category is rated with 77% of satisfaction. In particular, the question “I can be myself at this company without worrying about how I will be accepted” scored 79%, 5 points above the industry norm.

For inclusion to become a real value, there must be a constant commitment to it, something that everyone practices, and which leadership promotes and takes into consideration in every business decision. That is why senior managers were invited to attend an unconscious bias training session at the last Management Summit to raise awareness about their own unconscious biases and to provide them will the tools and strategies needed to narrow the gap between what they as leaders communicate and what is perceived and experienced by employees.

Siemens Gamesa fosters inclusion through access to equal parental benefits that recognize the full spectrum of family diversity of our employees around the world. These benefits include: paid and unpaid parental leave for primary and secondary care-givers who have recently had a child through birth, adoption, surrogacy, foster care or legal guardianship, access to on-site breast-feeding rooms, time off for adoption assistance, child care services, along with a broad range of health services, including company health insurance. Some of our local health insurances also provides partial coverage for fertility and contraception services.

[L11-HR09] We are committed to accelerating equality for all and to creating an inclusive, accessible workplace, providing all reasonable adjustments for persons with disabilities. The average number of people employed by the Siemens Gamesa Group during 2020 with a disability greater than or equal to 33% is 127 (32 in FY 2019). By countries, Siemens Gamesa registers 41 persons with disabilities in Germany, 35 in United Kingdom, 28 in Spain, 16 in Brazil, 3 in the United States, 3 in India and 1 in México. In China and Denmark, we cannot register disabled people in the workforce due to legal requirements. These countries account for 86% of the total workforce in fiscal year 2020.

[L11-HR20] [L11-HR23] As far as site accessibility for people suffering from disabilities is concerned, Siemens Gamesa does not have a global standard in place to ensure accessibility for disabled people at its offices and other sites. The company does, however, comply with all relevant local regulations and building codes in the countries where Siemens Gamesa operates. In countries where very specific regulations have been laid down, such as Canada, the company has established internal access control procedures for disabled people. The Accessibility for Ontarians with Disabilities Act of 2005 has therefore been transposed into SGRE internal procedure PRO-46806 in Canada.

Creating the work environment of the future

[L11-HR08] The COVID-19 pandemic has had a deep impact on how we work in 2020 and may have changed the workplace forever. The new way of working that arose from this unfortunate situation also brought significant lessons and insights. The surveys conducted on our employees have revealed that a large majority of employees would, if given the chance, prefer to continue working from home 50% or more of the time.

Siemens Gamesa has therefore decided to introduce a new global framework that incorporates these lessons and brings the FlexAgility concept up to the next level known as FlexAgility 2.0, which includes new ways of working and more ways of doing so.

[L11-HR12] FlexAgility is a business philosophy and a commitment to openness, collaboration and trust. It is our starting point for a state-of-the art leadership that is aligned with market demands, seeking modernity and the benefits provided by a work/life balance. FlexAgility sets out flexible options to adapt the working environment to the needs of our employees. FlexAgility is based on the **Smart Working Framework**, which is an innovative method for organizing and carrying out work using information and communication technology, which allows employees to perform their duties in environments other than their official worksites. Smart Working allows employees to work from home, on the road or from a satellite site for all or part of their working week. Any employee may request Smart Working arrangements, provided they meet its eligibility criteria.

Smart Working is a viable, flexible work option when both the employee and the job are suited to such an arrangement. Thus, this program may be appropriate for some employees and jobs but not for others. Positions requiring on-site performance of duties may not be candidates for Smart Working. As of September 2020, there are 17,973 employees potentially eligible to Smart Working, provided they want to request this program and meet the eligibility criteria, representing 69% of the total workforce.

Due to the evolution of the COVID-19 pandemic, most of SGRE's offices remain closed or partially shut down with only a skeleton workforce to perform essential work. In the 40th week of the year in September 2020, the facilities reported a partial reopening of some offices, allowing 1,752 employees to return to their offices. Approximately 62% of the total workforce are therefore still working from home on permanent or semi-permanent basis.

While there are benefits to be gained this flexible approach to work, the risk exists of blurring the boundaries between working time and private time. The company therefore encourages disconnection through the **Siemens Gamesa Right to Disconnect Global Guidelines.** The right to disconnect refers to the right of employees to disconnect from their work and feel as though they do not have to answer any work-related emails, calls or messages outside normal working hours. These guidelines set out some best practices in four areas, namely: effective email management, disconnecting intentionally and regularly, being inclusive and being respectful with other people's time.

We are of course very aware that the pandemic is still affecting us, and it is important to note that the implementation of the Smart Working framework will take place on a country-by-country basis depending on the assessment of the pandemic and when Health & Safety protocols allow us to return to the office normally.

Celebrating Diversity & Inclusion

At Siemens Gamesa we have set aside six United Nations International Days in our calendar to promote our diverse and inclusive culture through awareness raising and actions.

- International Day of Women and Girls in Science
- Zero Discrimination Day
- International Women's Day
- LGBTQ + Pride
- International Day of persons with disabilities
- International Day for Tolerance

The company prepares special communication campaigns and shares specific resources with employees during these days. They are a good chance to remind ourselves that Siemens Gamesa embraces diversity, inclusion and equal opportunities in each business decision, and to celebrate and reinforce our achievements on the path towards creating an engaging, inclusive and respectful working environment.

The Americas Region held its second annual Diversity Week in August 2020, which included a totally virtual comprehensive agenda. A total of twelve countries were involved in the SGRE Americas Diversity Week. More than twenty moderated discussion panels took place and over 1,000 employees took part over the course of the week, accounting for 30% of the region's employees

Commitment to equal pay

[405-2] Siemens Gamesa is committed to achieving pay parity across the globe as a way of fostering an inclusive culture that rewards fairly and recognizes the contributions made by all our employees. We firmly believe the topic of pay equity should be made transparent and clear for all employees.

Attention to pay equity at Siemens Gamesa is not a one-time fix, but rather requires constant attention. The HR C&B department applies best practices that include among other matters: salary benchmarking to exercise better control over our hiring practices to ensure equality; setting salary bands to strive for consistency and equality; leadership reviews to proactively identify and address potential disparities; analysis of all decisions concerning rewards before they are made final; conducting comprehensive compensation analyses; and releasing quantitative global gender pay gap metrics.

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

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

Siemens Gamesa current gender pay ratio, which is calculated by dividing women's wages by men's wages, amounted 1.13. When it is expressed in percent terms, this figure amounted 113%. In other words, a woman makes about 1 euro and 13 cents for every euro a man earns.

Our inclusive compensation practices promote the effective application of the principle of equal wages for work of equal value and analyze whether there is any possible gender discrimination-based salary pay gaps. More information in Table 41 - Pay gap by gender (page 96)

B4. Labor Relations

B4.1 Management approach

[L11-HR15] [L11-S12] The Siemens Gamesa Group aims to foster relationships with labor representatives that are based on trust, transparency reporting and negotiations in good faith by sharing the knowledge, experience and needs that generate a good corporate climate that favors understanding.

Labor relations are grounded on three basic areas:

- The legal regulations of each of the country where we have a presence. We fulfill labor regulations scrupulously and company-employee relations are developed within the regulatory framework which applies to each of these countries.
- European Committee. Siemens Gamesa is member of the Siemens AG European Committee and actively participates in it. It takes part in the annual meeting and takes the floor, reporting on all points subject to consultation and information in accordance with said Committee's regulations.
- Internal working group. This working group is comprised of workers' representatives from the most relevant European countries. The purpose of this group is to share and assess all matters of general interest to Siemens Gamesa as a whole.

B4.2 Operating framework

[L11-HR16] [102-41] The 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 Business Conduct Guidelines (BCGs).

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

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

The outlook therefore remains diverse and depends on each country's laws and legal practices. The company operates in countries where union representation is extensive (Denmark, Spain, Germany, France, Brazil and the UK), but also in other countries where, without having internal union representation, we are in contact with local and national unions to fulfill and abide any local or national collective agreements (China).

Regarding collective agreements, there is a wide variety of situations, collective agreements with a limited scope to a specific workplace, local agreements with province or region scope, country agreements that can be both internal or externally negotiated. Examples include:

- In Spain, there is an extensive overall collective agreement signed with our internal Unions covering all employees working at headquarters and many other specific local agreements signed by regional/national unions depending on where the sites are located.
- In Denmark, all our employees are covered by enterprise agreements with national unions, as we are a member of Confederation of Danish Industry.
- In China, employees at our Lingang plant are covered by a collective employment agreement signed with a local trade union, while in the rest of the country they are covered under statutory law.

At an international level and due to its European footprint, Siemens Gamesa forms part of the Siemens AG European Works Council (SEC), where it is playing an active role in providing employees with information and consultation rights. Within that framework, it has reached an agreement with its workers' representatives to set up a specific working group to establish more flexible forum to discuss labor relations of greater proximity.

[L11-S13] Furthermore, the company has replaced the Global Framework Agreement[28] (GFA) on social, labor and environmental matters that was reached prior to the merger by legacy Gamesa with IndustriALL Global Union (with the involvement of the main Spanish unions) with a completely renewed and upgraded GFA between SGRE and IndustriALL Global Union – still being the only global agreement to guarantee labor rights by a company in the renewable energy sector.

[L11-HR17] [L11-S14] This Global Framework Agreement strengthens social, labor and environmental rights already contained in the Business Conduct Guidelines; makes health and safety at work, working conditions and equal opportunities key issues for company action; guarantees implementation and promotes the conditions for a social dialogue at the international level. As stated in the Business Conduct Guidelines, Siemens Gamesa is a member of the UN global Compact. Its ten Principles, and the Global Industrial Union Framework Agreement are binding for the company. That means than 100% of the Siemens Gamesa employees are actively covered by a legally binding, and freely negotiated collective agreement [102-41]

[402-1] Concerning the minimum prior notice period for operational changes, the Group fulfills, at minimum, the notice periods set forth in each country's specific legislation, as well as in the European Union regulation. However, if there are no regulatory requirements, Siemens Gamesa ensures that its employees will be suitably informed of any significant operational changes affecting them in accordance with the Company's standards.

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

B4.3 Performance 2020

Siemens Gamesa constantly needs to adapt to the challenging wind industry market, which is characterized by stiff competition and significant pricing pressures that have eroded wind turbine manufacturers' margins. To succeed in this environment and boost the competitiveness of its onshore business, the company will focus on large next-generation turbines with rotors of up to 170 meters. These models already account for almost half of current demand and are crucial to increase the company's profitability and bring down the cost of clean energy even further.

To drive that strategy forward successfully, Siemens Gamesa has taken the decision to shut down its Aoiz blade factory in Spain, which is no longer competitive in such a competitive market environment to produce blades for large turbine models. The Navarre plant manufactures SG 3.4-132 turbines for projects which are primarily located in Spain. Its higher costs and geographical location, more than 200 km away from the nearest port, make it uncompetitive for global markets.

[28] See Siemens Gamesa Global Framework Agreement (GFA). Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

The company initiated a collective dismissal procedure covering a maximum of 239 employees in July 2020. In August 2020, a majority of the Siemens Gamesa Aoiz workforce voted in favor of approving the layoff plan submitted by the company for the plant's closure, which included measures that make it possible to limit the closure's impact. The agreement includes an early retirement plan for employees who are 55 years of age or more and a severance payment of 45 days per year worked (above the 20 days set forth by law). A minimum compensation payment of €30,000 euros has also been agreed. In addition, the company submitted an outplacement plan offering 88 jobs. Hence, if all the vacancies are covered, the total number of employees affected by the dismissal procedure would be reduced to 150 from the initial 239 workers affected by it. Siemens Gamesa has also engaged an external outplacement company that has already detected job vacancies at other companies which Aoiz employees can apply for.

The company considers that the closure of Aoiz plant is an essential part of the measures it needs to ensure the company's sustainability in the long term and the jobs of it 25,000 employees around the world, including over 5,000 in Spain, 1,500 of which are in Navarra, where Siemens Gamesa has its largest R&D center employing than 360 people.

As part of the process of seeking to improve the Onshore business's competitiveness, decision have also been taken in this fiscal year to shut down other more production plants, like the one that took place in Denmark at the beginning of the fiscal year to shut down both the Brande and Aalborg Onshore plants. Said process was carried out by means of a collective dismissal that affected around 600 employees. The Ford Madison plant in the USA has also been recently affected by a reduction of its workforce amounting to 130 employees.

B5. Talent and Leadership management

[L11-S15] [404-2] As part of the integration process in SGRE, our employees build our new culture, known as Culture of Trust, that is based on pillars: continuous learning, empowerment and diversity. To support the continuous learning pillar SGRE is in the journey to create global frameworks, processes and tools available for all employees across SGRE, creating a unique Employee Experience.

SGRE has developed an Employee Experience based on building blocks that together put employees at the very heart of their own career development by means of a strong performance cycle (FLOW), a consistent talent development path (LEAD), a meaningful learning experience and a set of global tools which are available to all employees. In addition, our leadership community plays an essential role in turning this Employee Experience into a reality by providing support throughout the path as part of their leadership roles. At the same time, SGRE also provides a leadership ecosystem to make sure we employ the very best leaders to ensure our strategy's success.

Figure 14 – Siemens Gamesa Employee experience process

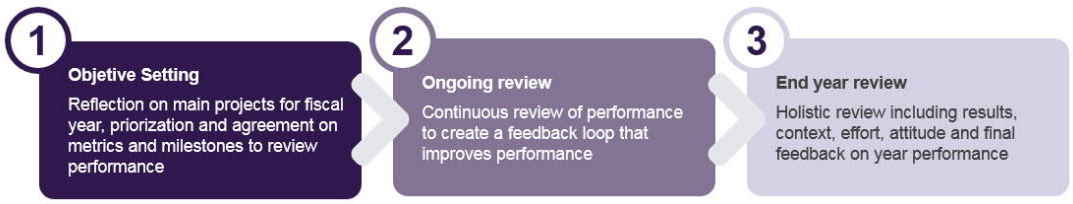
Lastly, the Culture of Trust's other two areas supplement the Talent & Leadership strategy by granting each employee ownership over his/her career. The Human Resources & Leadership community is ready to support and foster growth opportunities, but it is up to the employee to drive and steer his/her own career. We expect employees to reflect on their career ambitions and understand the development opportunities needed to reach their development goals. Diversity then gives each of the building block the richness and depth needed to put together the very best team in the renewable energy industry.

B5.1 Performance Philosophy (FLOW)

SGRE's performance appraisal cycle creates an adaptable framework In line with our Culture of Trust to deal with dynamic market conditions. We trust our people and empower them to lead the company to becoming a market leader in an ever-changing world. Performance aims to improve both the company and individual performance. This process ensures that all employees are clear about what is expected from them and that they receive constant feedback about how they are performing. Performance management is part of the managerial toolkit needed to lead teams. The performance management cycle allows managers to:

- Improve employee and company performance by continuously monitoring performance, adjusting to environment and creating action plans
- Motivate employees: by recognizing good performance and their achievements and identifying actions to improve performance
- Differentiate between the different levels of contribution within the team

Figure 15 – Performance Philosophy scheme



B5.2 Talent Management (LEAD)

The purpose of Talent LEAD is to create a culture focused on personal and professional development. It aims to get managers involved in the growth of their teams and to improve the visibility of SGRE's talent pipeline. It also creates a talent management experience that brings us one step closer towards becoming a talent-driven organization.

Talent LEAD includes several interconnected talent-related processes which, together with our LEAP Business program, places the right kind of talent in the right positions:

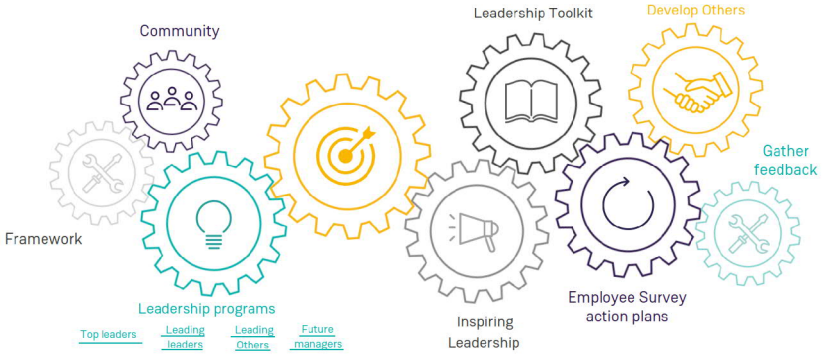
- Employee reflection on career ambitions
- Creation of Individual Development Plans
- Top Talent identification (Explorers & Navigators)
- Leadership Competency Assessment
- Succession Planning

B5.3 Leadership Ecosystem

Leaders play a role in cascading the company program (LEAP) across the organization and implementing the company's culture (Culture of Trust) to turn it into a reality. Leadership development is therefore a priority. In order to provide a framework for the leadership community's growth, we have created the Leadership Ecosystem, which connects all the different initiatives together and offers each manager a personalized path.

The Leadership Ecosystem is based on a modular approach, in which different elements can be used by leaders depending on their needs. The ecosystem's different elements are illustrated below:

Figure 16 – SGRE Leadership Ecosystem



- **Framework**: a unique place where all the foundational elements can be easily found by managers including: i) Mission, vision and values, ii) LEAP, iii) Culture of Trust, iv) Leadership Booklet and v) Leadership Competency model
- **Leadership programs**: we have partnered with INSEAD business school to create 4 programs adapted to the different needs of the leaders: i) Leading at the Peak (LatP), ii) Amplifying Organizational Impact (AOI), iii) Maximizing your Leadership Potential (MyLP) and iv) Emerging Leaders (EL)
- **Leadership Community**: enhancing the spaces where leaders can exchange and learn together at the same levels and also interact with senior levels of the organization and experts. Community must be sustainable and therefore is owned by the leadership community with facilitation and support from HR and Communication.
- **Individual Development Plans:** as part of the Talent LEAD experience, managers need to focus their IDPs in leadership growth. In the IDP, the leader creates the map using the elements of the ecosystem, based on strengths and weaknesses, to reach the required leadership development.
- **Inspiring Leadership:** a library in our Talent & Leadership intranet site that contains different topics related to leadership and communication plan with bi weekly communications to all managers with inspirational materials.
- **Leadership toolkits:** to provide adaptable framework to managers to create experiences in their teams in an easy way. It helps us create one identity across the organization, making sure all leaders understand key and strategic initiatives and can cascade down to all the organization (Foundations, Culture, Innovation, Calibration, On the job development opportunities etc).
- **Employee Engagement Action Plans:** once leaders received the feedback from their employees through the Engagement Survey, it is time to design the future of the company and create an even better place to work. Sharing with their teams the results of the survey is a great opportunity to bring SGRE values into life. The manager starts a dialogue around the main topics and creates a shared action plan for the team.
- **Develop others:** we expect our leaders to participate in development opportunities for other employees. Leaders are key make the development framework sustainable, and therefore the company encourages for example to become available for mentorship relations in the company, identify shadowing or job rotation opportunities, or make available projects for intra company development and talent exchange.
- **Gather feedback:** in addition to the Employee Engagement Survey, we have implemented two other ways of gathering feedback for the leaders. Feedback is the cornerstone of our development framework and we want to make sure it is available for leaders. The 360º tool is available at any time of the year and is included in other elements of the ecosystem like the leadership programs. We also have developed an upward feedback program internally, where teams can have a feedback session with their manager that is facilitated by HR business partners.

B5.4 Global Tools

In order to set up a consistent Employee Experience across Siemens Gamesa, we have created a set of global tools that are available to all employees across the globe. SGRE ensures access to these global tools by providing transparent global processes designed at a corporate level and further developed by the Human Resources Community, which implements the different tools locally by incorporating the necessary cultural adjustments.

Mentoring Program

SGRE offers a mentoring program to foster career development and at the same time an opportunity for leadership development. Mentoring was launched in September 2019. We differentiate 3 scenarios:

- Participants in Leadership Programs: are encouraged to select a mentor as part of the development journey offered by the program. All employees attending to the programs receive all the information about the program and get support to find a relevant and meaningful mentor.
- Ad hoc mentoring programs: Human resources decides to create a mentoring program for a defined community (top talent, high performers, new employees, key experts) where there are defined nomination criteria both for mentors and mentees and a matching process.
- Mentoring Public Marketplace: any employee in SGRE can decide to include a mentoring relationship in his Individual Development Plan (IDP). Workday provides full transparency of the available mentors through different filters so that any employee can find a relevant mentor (by location, by job position, by business unit, by gender etc.).

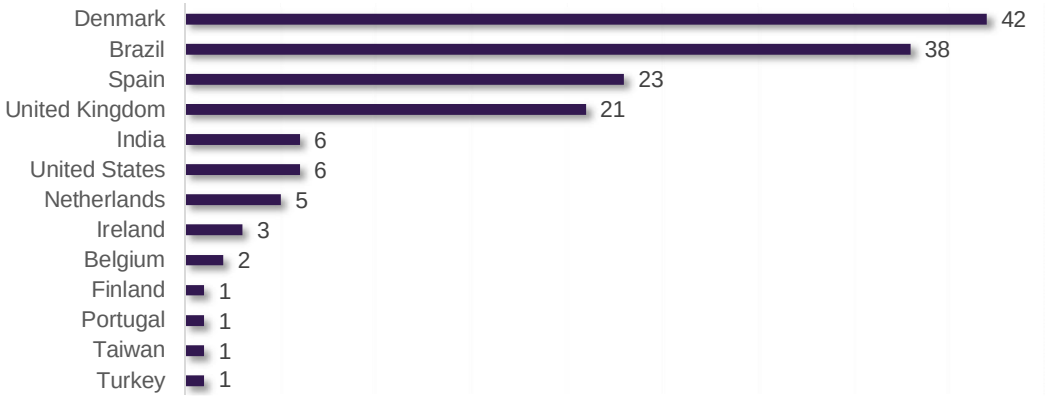
The number of active mentors at the end of fiscal year 2020 totaled 317.

360º Feedback

This is a development enabling system that gathers feedback on an individual from several sources, usually managers, colleagues and direct reports. In addition, there are other group which can be used to include internal or external customers or any other group that is relevant to understanding he employee's strengths & development areas. The tool was launched on November 27, 2019 and 150 employees around the world have used it.

The employee is at the very center of the process and decides whether to apply for it together with the manager, who approves the request. The employee decides who will be invited to take part as raters in each group. Once all the raters have responded, the report drawn up is sent directly to the employee. It is the employee who decides (as we recommend) whether to share the report with his/her manager. Lastly, we have trained 50 HR Business Partners across the globe to conduct feedback sessions with any employees who request to get a better understanding of the report's results.

Figure 17 – 360º Feedback evaluations in FY 20



Upward Feedback

SGRE wants to create high-performing teams that resolve conflicts easily, are aligned and in full cooperation mode. The objectives of the Upward Feedback are enhancing team feedback for managers creating an action plan for team growth. In Upward Feedback sessions, the whole team with the facilitation of an HR Business Partner reflects on strengths and areas of development of the manager, and shares with him in order to create an action plan for the whole team that improves efficiency and performance.

The Upward Feedback was launched in June 2020, and 72 HR Business Partners have been trained around the global to facilitate Upward Feedback sessions.

B6. Learning and training

[L11-HR18] Learning initiatives are used to support the company's vision by enhancing the skills of employees, thereby developing competencies to boost on-the-job performance. Our mission is to support short-term performance and build up long-term capabilities.

Wind University's learning services underpin the entire organization. Learning is everywhere and forms part of SGRE's values. Wind University provides support through consultancy services, tools and the delivery of a variety of activities across the business.

B6.1 Learning Drivers

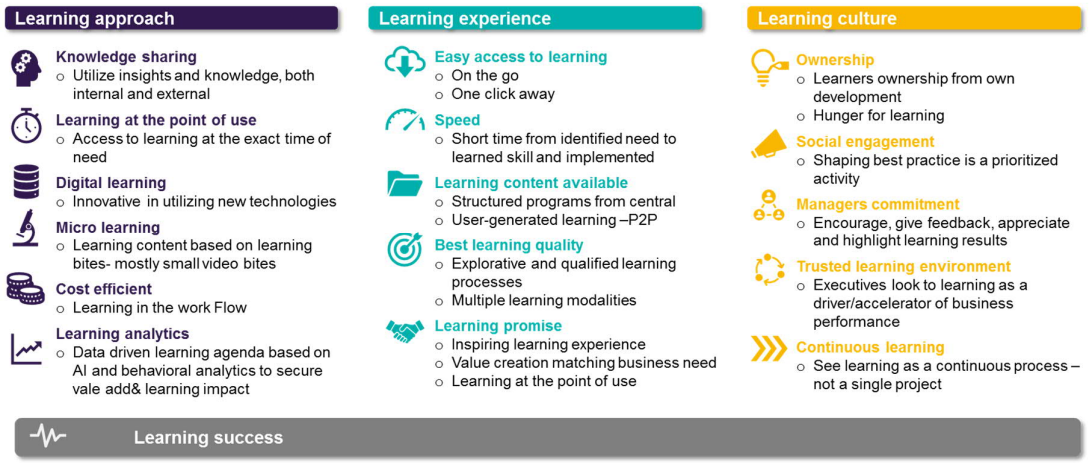
Today's competitive and fast changing business environment, along with increasingly complex labor market conditions have made SGRE´s ability to develop employees and speed up the way we build new business-critical skills more crucial than ever. The COVID-19 pandemic has shown us that we can move away from a controlled traditional learning setup and use digitally based learning that can be delivered on demand when necessary without any kind of predefined schedule.

B6.2 SGRE Learning ambition

In order to attain a successful employee experience and enhance output, it is important understand what drives modern professionals. Today's professionals learn continuously on the job. They want immediate access to solutions that can resolve their problems and are happy to share what they know. They rely on a trusted network of colleagues and like to learn with them and from others to keep up to date with their industry and profession. Last but not least, modern professionals thrive on autonomy

We have set out our SGRE learning ambitions to support us in along the path to learning and have based a strategic learning transformation program that we have initiated based on these principles.

Figure 18 – SGRE learning ambitions



B6.3 SGRE learning principles

We have defined a set of principles that applies before commencing any learning activity. These are as follows:

- **Principle 1: Training is agreed upon with line manager.** The purpose of any training or learning activity is to secure measurable business success for the company. You and your line manager must consider and align upon how the training or learning activity will increase measurable performance, leading to an increase in efficiency, sales or decrease in costs.
- **Principle 2: Ownership culture.** Training your skills and providing time and space for your continuous learning is an asset for the company. You and your line manager share the responsibility of optimizing your capabilities, which will make you perform as best as possible in your work.
- **Principle 3: Easy access to learning and training.** The company is committed to providing the easiest possible access for you to learning resources, inspiration and training, with means focusing on your convenience. User experience and interfaces are the heart and soul of our approach to give you the most efficient access to answers and new skills.
- **Principle 4: Impactful leadership & Valuing people.** The company recognizes you and your line manager's decisions regarding training and learning needs, if they honor principle 1.
- **Principle 5: Planning and booking.** You plan and book training and learning activities in agreement with your line managers.
- **Principle 6: SGRE Booking channels.** SGRE offers an internal online platform where you can book training and learning activities within the product, process and business learning areas. External training that is not offered via internal sites must only be booked under agreement with line manager and in line with budget.

B6.4 SGRE Learning Landscape

Certain job roles have required legal, country and business critical qualifications that need to be covered. When a job role has been assigned it is the managers responsibility to make sure that any mandatory trainings are completed within a reasonable/defined timeframe. At SGRE we have defined the following learning landscape and overall guiding principles for each area.

SGRE Product Learning

SGRE specific learning on process, tools and products to ensure operational excellence. This enable the business to remain compliant with mandatory requirements. Qualification frameworks are built as an integrated part of the Product Learning and secures license to operate via ISO standards. SGRE Product learning refers to training related to the SGRE products.

The model includes:

- **Internal training & Qualification Management**: Core knowledge on process, tools and products and is developed internally in SGRE.
- **Customized training:** Buy best market offerings and customize it to SGRE standards, vision and mission.

Training in this category is mainly offered through SG Training Web and registered in the company LQMS.

For all Internal training within this category it applies that it is mainly offered by internal experts. The whole end to end process for this is covered in detail by PRO-26552 Learning Management to ensure a uniform approach to training across the company.

Customized training is used either when new knowledge is to be added to the organization, where no internal resources are available or when certifications are required. Providers are to be selected on market performance and their ability to live up to the learning objectives set for the specific topic.

Qualification Management is a specific methodology used when training requirements are not to be defined and tracked on an individual level and it allows responsible functions to define and track the requirements set in a standardized way thereby living up to ISO-standards.

Standard Learning

Standard learning refers to generally available training and is bought from the best options the market has to offer, both globally and locally. We have initiated a global project aimed at partnering with the best vendors in the market which collaborate with the Siemens group to offer our employees a single global employee experience.

B6.5 Performance 2020 and roadmap to 2023. Strategic learning initiatives

SGRE Learning 2.0 is our strategic learning initiatives/ program to support us in reaching our strategic goals. SGRE Learning 2.0 aspires to make learning a competitive advantage by putting the learners in the driver's seat and providing them with a user-centric learning universe, which enables them to acquire new skills with speed and ease. In fact, continuous learning is an integral part of the SGRE Strategy.

SGRE Learning 2.0 will leverage both digital learning, more traditional training delivery methods, learning analytics, social learning and apply enhanced learning technologies. To create continues and highly engaging learning experiences, which enable learners to build new skills in the flow of work and to gain fast and easy access to learning.

One important step on this journey will be to continue to develop and support our learning culture, in which we utilize our strong internal trainers community with more than 500 internal trainers that on top of their normal job take on the trainer job to roll out our internal programs, that the learners take ownership of their own development and that leaders prioritize learning and knowledge sharing. Another important step is to have a global digital standard learning catalogue to support the learner in their development.

SGRE Learning 2.0 also sets some clear guidelines for governance and resources. To ensure efficient, cost-effective and strategically aligned learning practices across the entire SGRE organization, Wind University have established a global network for learning professionals in SGRE.

Focus on digitalization

The focus on digitalization is driven by four main leavers: 1) market trends and expectations; 2) timely delivery; 3) cost; and 4) the COVID-19 pandemic. Some of these leavers are quite straightforward and generally recognized in the L&D Business. Learners in the 21st century have certain expectations that must be combined with proven learning delivery methods. Moreover, at SGRE these are in turn combined with the company's reporting, compliance and cost-efficiency needs. This was catalyzed by the global COVID-19 pandemic, which highlighted the importance of digital training and its impact on cost reduction..

To achieve digitalization in learning SGRE have run several strategic initiatives in 2020 that can be clustered as follows:

- **Testing and application of new digital platforms for delivery of SGRE Product Learning.** In 2020 SGRE have tested a number of digital learning solutions for delivery of learning like Adobe Connect, for promoting social learning like FUSE and for using AI to customize learning offerings like Filtered/magpie. Whilst some are still testing the FUSE platform is being deployed for a large SAP project and Adobe Connect as a tool for internal trainers to deliver training remotely when classroom training was no longer a possibility.
- **Upskilling of internal trainers.** Internal Wind University trainers have in general a large number of ways to achieve upskilling to secure a better transfer of knowledge. SGRE runs a global trainer program to upgrade skills, introduce new methods and trends as well as share knowledge but also to generally recognize the effort done by the internal trainers. This year the focus has been especially on digital delivery of training and through this effort we have managed to increase the number of instructors led trainings delivered online by 134% compared to 2019. This success was achieved by both providing the tools but also upskilling trainers to use them afterwards.
- **Initiating a project to find a global digital standard learning provider.** Traditionally standard learning has been delivered as face to face training or as local digital solutions. SGRE are currently working on securing contracts with one or more suppliers of digital standard learning platforms to be able to roll out a global solution in early 2021.
- **More focus on VR for new releases.** Currently SGRE are running a big VR project connected with the release of a new turbine platform (5X). The idea is to support the upskilling of the entire value chain to this new platform by deploying an affordable and flexible concept for the use of VR.
- **Embarking on the journey towards a digital learning eco-system.** All the above initiatives are combined into a digital eco-system acting as the blueprint for future initiatives on digital training in SGRE.

Targeted Learning / Global Learning Frameworks

The Global Programs aims to support a business area directly with learning for specific roles and capabilities. Through Global Programs have SGRE been able to strategically deploy global learning framework for groups of employees. We have established Global Learning Board that is set and drive the strategic direction for learning within their organizational area. This is done by agreeing targets with the various business functions and then planning and supporting the delivery of the needed learning activity as well as deploying new methods and tools – also partially described above. Among the highlights:

- **Sales Program:** This year the sales program added new training and began using the Qualification Management Product to get a better focus on the detection of training gaps.
- **Technology Program:** This program was highly focused on digitization even before the pandemic in an effort to make delivery more flexible and cut down on costs.
- **Trainer Program**: New methods and testing the FUSE social learning tool
- **Training within industry (TWI):** Roll-out of the TWI method in India, though it has been halted temporarily due to the COVID-19 pandemic.
- **Project Management**: Qualification Management began to be used to track PM certifications in the organization, along with a more tailored internal training program for PM roles

Global e-learning campaigns to ensure compliance and global mindset

In fiscal year 2020 SGRE rolled out four major mandatory e-learning campaigns to all employees. Both to ensure compliance but also promote the right mindset for instance on HSE topics.

- Cyber security eLearning – Booked for 22,500 employees. Goal reached of 80% participation
- Export Control and Customs Awareness – Booked for 24,000 employees. Completion 12,769 (67%)
- Business Conduct Guidelines – Booked for 24.148 employees. Completion 7,971/ 42%
- HSE-1000 Global Health, Safety and Environment Awareness – Booked for 24,179 employees. Completion 13,007 (68,5%)

These marks the first global campaigns in SGRE to truly promote ONE mindset for the entire company on topics like HSE, Cyber Security, Customs but also how to act in daily business living up to the company values and standards. In the coming year we are working on tools to secure a leaner roll-out of these campaigns as well as improved reporting.

Global Qualification Management

The continued deployment of Qualification Management to track mandatory training requirements both on site and at production facilities has taken place in 2020. Consequently, the backgrounds of the employees present on any construction or service site anywhere in the world are available. Group Account stores over 100,000 certificates and provides a standardized safety overview of the qualifications held by both internal and external employees. Work is currently being done to upgrade the reports and enhance the use of functionalities to allow for employee development tracking as well.

Learning in numbers

[L11-HR19] [404-1] During the reporting period our company registers a cumulative number of training hours of 839,950 (904,529 hours in FY19). The training hours rate per employee in fiscal year 2020 stood at 32 and the average training hours per training session is 4.2.

Table 37 - Training hours of employees

	FY18	FY19	FY20
Europe, Middle East and Africa	504,284	682,082	**637,005**
Americas	49,387	105,442	**91,058**
Asia, Australia	65,586	117,005	111,886
SGRE Group	**619,257**	**904,529**	**839,950**

The group employed 634 graduates (615 in FY19) - including Interns, apprentices and students - at the end of the reporting period, of which 510 (80%) were internal so they were paid to work while pursuing a course of study.

Table 38 - Graduates

	FY18	FY19	FY20
Internal	421	496	510
External	86	119	124
SGRE Group	**507**	**615**	**634**

B7. Compensation & Benefits

Benefit Programs

B7.1 Management approach

[401-2] [401-3] The SGRE Global Benefits Policy is aimed at supporting Siemens Gamesa's purpose of empowering people to lead the future. It considers Diversity, Empowerment and Continuous Learning as the three dimensions that comprise the Siemens Gamesa Culture of Trust. Furthermore, the Global Benefits Policy is aligned with the company's Values, fostering the creation of the Trust: Results Orientation, Customer Focus and Innovativeness, Attitude of Ownership and Valuing People.

Siemens Gamesa ensures that all countries have an individual benefit offering which is in line with local market conditions. The benefits offered include insurable benefits, pensions and fringe benefits. Insurable benefits are managed through a global external vendor to ensure we remain aligned with the market median, are properly governed and achieve competitive rates. To attract and retain our talent, benefits are regularly reviewed to move with market trends.

B7.2 Policy framework

[201-3] Benefits complete an individuals' compensation in an effort to offer an attractive and competitive compensation and benefits package in the market:

- Offer global consistency with local relevance and local implementation responsibility: Benefits are local and are dependent on the country regulations and general market practice
- Benefits ensure employer attractiveness
- On the jobs benefits can increase the level of dedication and enthusiasm
- Benefits comply the 'Duty of Protection': Protecting employees against the consequences of an eventually event causing any economic impairment to them or their dependents
- Benefits are aligned with company Culture

Benefits are indirect and non-cash compensation offered to employees. All benefits are set according to mandatory local market regulations or median market practices. The scope of the benefits we offer varies across countries and strongly depends on local social security and tax regulations. They may include: i) post-employment benefits; ii) life and disability benefits; iii) accident benefits; iv) health insurance; or v) business travel assistance insurance. Other benefits include transport allowances, time off/vacation, work/life balance benefits, awards, perquisites and social security.

B7.3 Strategy and targets

The benefits policy ensures Siemens Gamesa employees are protected against the risks associated with their health, death in service and planning for their retirement. The benefits package contributes to the overall Total Remuneration (TR) package. All Benefits are defined according to mandatory local market regulations or to median market practice. The scope of the benefits we offer varies across countries and strongly depends on local social security and tax regulations.

B7.4 Performance in 2020

Defined Contribution (DC) schemes are becoming increasingly prevalent at Siemens Gamesa. The design of DC pension schemes should provide suitable tools for employees to manage risks appropriately and provide them with a capital sum that can be turned into an acceptable, affordable and relatively stable level of income during their retirement. The annual contribution of Siemens Gamesa is around 55 € million being 32.6€ million in Denmark, 8.5€ million in UK, 9.2 € million in the US, and 0.02€ million in Germany.

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

Compensation

B7.5 Management approach

A fair and competitive compensation and benefits package is offered to attract and retain the workforce of SGRE so it can shape the renewable energy industry through its commitment to diversity, inclusion and employee well-being. Employees are our most valuable asset. We operate under the principal of equal opportunities by avoiding any kind of discrimination and ensuring fulfillment of the labor legislation which applies to all countries where the company has a presence.

B7.6 Policy framework

Cash compensation is one of four central elements of the Total Rewards Framework of SGRE. The cash component consists of base salary and variable pay. Base salary and Variable Pay together are defined as Total Target Cash. The Total Target Cash can be subject to the annual salary increase procedure, namely Compensation review process. This procedure is intended to address:

- regular salary increases for performance meeting expectations
- extraordinary merit salary increases for outstanding performance
- market and equity adjustments.

Salary bands per grade profile are set for each country. These bands include base salary and country target percentages per grade profile. Said target percentages are mandatorily applied to all new hires. Additionally, said percentages have to be harmonized over time for existing employees with the help of the yearly merit increases or when they change positions.

- **Base salary** is defined according to local market practices. We target a base salary around the market median. Base pay is considered to cover your family spending, normal living standards. Based on market practice additional allowance can be paid.
- **Variable Pay** is defined as a target percentage of base salary. This percentage of base salary is paid out as annual incentive, if the company and individual targets are reached. The targets are set in a yearly guideline that is globally mandatory applicable to all eligible.

B7.7 Strategy & targets

At Siemens Gamesa we pay for performance. The compensation package is aligned with the market median. Our salaries are benchmarked against relevant market data from leading market data providers. Salary bands are defined centrally for 16 levels below the senior management positions. The salary bands offer enough flexibility to account for the candidates' different levels of expertise and effectiveness.

B7.8 Performance 2020

Variable Pay: SGMBO

The Siemens Gamesa Management by Objectives (SGMBO) is the procedure to set targets for employees. It is designed to reward company and individual performance based on the variable portion of the compensation package and is being paid as an annual incentive. The eligibility depends on local market practice. SGMBO target structure includes Company Targets as well as Individual Targets, therefore the payout amount depends on the respective achievements. Individual Targets are set between manager and employee as part of the SGRE performance process. In general, the final target achievements apply on the individually agreed SGMBO target percentage, which is paid according to local rules. Apart from the fix remuneration, we define a globally applicable short-term incentive program for about 44% of the employee population (43.5% in FY19). To support the integration process, the globally applicable target structure for the short-term incentive is composed of 70% overall Siemens Gamesa key performance Indicators and 30% individual targets.

Table 39 - Individual Performance Appraisal

	FY18	FY19	FY20
Employee coverage of individual performance appraisals	35.8	43.5	44.4

Long-term Incentive

SGRE Long-term Incentive (LTI) aims at boosting the motivation of SGRE's management, attracting and retaining talents and fostering ownership culture aligned to Compensation and Benefits Value Proposition, while enhancing the long-term business performance. The SGRE LTI is a performance-oriented stock awards plan. In a yearly allocation process, CEO decides on the eligible senior managers for the yearly cycle. SGRE LTI is in line with the market and its major objective is enhancing business outcomes. Therefore, it reflects external market developments and strategic company priorities by considering determined performance indicators.

The Plan is a long-term incentive under which the beneficiaries have the chance of receiving a certain number of the Company's ordinary shares after a three-year (3) measurement period, provided certain performance criteria are met. The full text of the long-term incentive scheme is included in Resolution 7 of the resolutions approved at the 2018 Annual General Meeting of Shareholders of "Siemens Gamesa Renewable Energy, S.A." [29]

[29] See Report relating to item seven on the Agenda of the Shareholders' General Meeting regarding the proposal for a Long-Term Incentive Plan for the period from fiscal year 2018 through 2020. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/general-shareholders-meetings/2018/documentation-with-supplement/informe-ilp-2018-agm.pdf

Salary gap by gender

[L11-HR05] [405-2] [L11-HR06] To analyze average remuneration, we classified employees into four levels following both Korn Ferry and IBEX35 trends. These levels are: Executive, Management, Professional and Operational staff. These four (4) professional levels include several GRIP levels. The GRIP[30] leveling system analyzes every position evaluating main factors to identify the right level: impact on the organization, key responsibilities, experience and knowledge required, impact on other employees, responsibility over other employees, educational requirements, and problem solving and critical thinking required. We split the levels this way because one single pay gap per country would not be showing the real situation. On the opposite, it is not possible to add more granularity to these four levels as we do not have female population in a significant combination of country+ job level + job family. Also, we include gender distribution per job level and country. This is also following the Korn Ferry approach. This analysis helps us to gain an understanding of the pay gap and enables us to address it.

Table 40 - Pay gap by gender

	FY19						FY20					
Category	Fenale universe	Male universe	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Salary Gap	Female universe	Male universe	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Salary Gap
<35 y	**1,249**	**6,502**	**42,069**	**28,256**	**30,482**	**149%**	**1,241**	**6,306**	**44,448**	**29,883**	**32,278**	**149%**
Executive	2	2	115,355	92,323	103,839	125%	1	1	129,847	175,500	152,674	74%
Management	114	279	80,877	80,763	80,796	100%	108	262	89,684	77,341	80,944	116%
Professional	860	3,430	42,990	32,531	34,628	132%	929	3,229	43,195	33,809	35,906	128%
Operational	273	2,791	22,424	17,707	18,128	127%	203	2,814	25,700	20,909	21,231	123%
35 < y < 44	**1,696**	**5,985**	**55,415**	**49,738**	**50,991**	**111%**	**1,761**	**6,629**	**56,669**	**50,973**	**52,169**	**111%**
Executive	18	90	150,837	184,947	179,262	82%	14	85	174,476	185,470	183,916	94%
Management	348	1,251	86,380	86,122	86,178	100%	418	1,354	88,206	88,541	88,462	100%
Professional	1,039	3,047	50,490	43,892	45,570	115%	1,063	3,281	49,139	44,901	45,938	109%
Operational	291	1,597	30,067	24,770	25,586	121%	266	1,909	31,000	28,775	29,047	108%
45 < y < 54	**812**	**2,922**	**63,207**	**69,438**	**68,083**	**91%**	**902**	**3,395**	**64,843**	**69,104**	**68,210**	**94%**
Executive	12	115	210,585	237,150	234,640	89%	13	118	210,296	228,340	226,550	92%
Management	191	915	97,483	96,376	96,567	101%	237	1,002	95,869	97,411	97,116	98%
Professional	426	1,244	55,601	53,129	53,760	105%	448	1,359	56,517	55,212	55,536	102%
Operational	183	648	35,473	32,945	33,502	108%	204	916	37,813	38,238	38,160	99%
55 < y < 60	**203**	**743**	**60,323**	**81,855**	**77,235**	**74%**	**199**	**866**	**65,365**	**81,670**	**78,623**	**80%**
Executive	3	39	233,737	279,231	275,982	84%	6	40	224,143	313,886	302,181	71%
Management	35	248	100,811	110,770	109,538	91%	38	264	98,938	111,892	110,262	88%
Professional	87	264	59,402	57,838	58,226	103%	87	272	61,348	60,492	60,700	101%
Operational	78	192	36,512	37,439	37,171	98%	68	290	37,735	41,991	41,182	90%
> 60 y	**61**	**249**	**73,738**	**95,936**	**91,568**	**77%**	**99**	**466**	**63,777**	**73,353**	**71,675**	**87%**
Executive	0	6	0	349,073	349,073	0%	-	8	-	245,979	245,979	0%
Management	14	91	115,384	115,918	115,847	100%	20	132	107,185	114,430	113,477	94%
Professional	30	82	64,999	84,701	79,424	77%	51	146	60,737	65,326	64,138	93%
Operational	17	70	54,863	61,424	60,142	89%	28	180	38,309	42,068	41,562	91%
SGRE Group	**4,021**	**16,401**	**53,369**	**46,888**	**48,164**	**114%**	**4,202**	**17,662**	**55,394**	**49,024**	**50,248**	**113%**

Considerations for this salary GAP report:

- Headcount as of September 30 (end of fiscal year)
- From total headcount, population in the report has been reduced, eliminating information being either not accurate or missing. Population of 21,864 employees (20,422 in FY19) were considered for calculations.
- Formula for salary GAP is: Average Female / Average Male, stated as percentage.
- TTC = Total Target Cash. This includes Base Salary + Variable Salary.
- All salaries contained are gross annual amounts in EUR.

[30] GRIP: Global reward Infrastructure program

C. Environmental matters

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C1. Environmental management system

[L11-M01] Climate change and resource scarcity are some of the greatest global challenges facing society today. Siemens Gamesa's business model is based on the development of sustainable solutions, products and services. Therefore, the company focused in recent years on energy efficiency, the systematic reduction of CO2 emissions associated with our processes, and the reduction of the environmental impact of the life cycle of our products and services. Given that any industrial activity has significant impact on the environment where it takes place, the company adheres to the principle of precaution, especially when managing environmental, climate and water risks in an integrated manner, reducing and offsetting emissions, promoting the circular economy, and conserving biodiversity.

Environmental protection is set out in the Business Conduct Guidelines and is developed by means of three action policies that cover the main environmental risks in operations: Global Corporate Social Responsibility Policy, HSE Policy and Climate Change Policy. Moreover, environmental excellence is an essential pillar in contributing to achieving the UN's 17 Sustainable Development Goals (SDGs) and meeting the requirements set out in the Paris Agreement for climate change. We are committed to fostering the sustainable use of resources, a culture of respect for the natural environment and to leading the combat against climate change by reducing the environmental impact of our company's activities.

As envisaged in the Sustainability Master Plan, the integration of climate change and the application of environmental policies and principles in Siemens Gamesa's business operations is guaranteed through strategies and programs submitted to the Executive Committee.

The company has specifically qualified personnel in all functional and geographical areas. This allows us to provide the highest quality and experience at all times when developing our activities based on the strictest environmental standards. However, we recognize that our internal efforts to reduce our environmental impacts are only strengthened when combined with other collaborative initiatives with our business partners such as customers, suppliers, authorities and political figures, industry associations, research institutes or similar. We therefore seek, lead and support environmental improvements throughout our product value chain to ensure appropriate improvements are realized in all lifecycle stages of our products and services.

C1.1 Environmental Policy

[L11-M05] The Siemens Gamesa Policy[31] provides clear direction and specific objectives with regards to Health, Safety and Environment. It is divided into six pillars (below) which form the basis of our combined strategy and activities for HSE in Siemens Gamesa. Further, it applies globally to all Siemens Gamesa activities, regions and locations and is mandatory for all employees working for Siemens Gamesa, on its behalf or under its authority. The policy forms the basic framework for how we aim to achieve our Company DNA. The following quote, taken from our policy, clearly articulates our core philosophy:

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

[31] See: Siemens Gamesa Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-policy-august-2017.pdf

C1.2 Environmental Framework

[L11-M04] [102-11] Siemens Gamesa has incorporated the precautionary principle regarding environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment.

[L11-M02] The global Head of Quality Management and Health, Safety and Environment (QM&HSE) is responsible for the governance of Siemens Gamesa's Integrated Management System including all HSE related certifications, policies and procedures. Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard, which covered 110 locations in 2020 but is subject to change in the next months due to the closure and addition of some locations. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to July 2021.

[L11-M03] Siemens Gamesa's Integrated Management System provides a framework of global procedures and tools around various HSE topics to monitor, control and improve the company's HSE performance. For environment, the company can demonstrate compliance to our stakeholders, identify potential aspects and implement controls to avoid or reduce potential environmental impacts as well as engage employees and motivate suppliers to improve the environmental performance when planning and carrying out activities related to our operations, products and services. However, the management system, which is composed of a series of documents and tools, is otherwise ineffective without competent employees and a supportive leadership team bringing it to life. Figure19 provides an overview of the global procedures for environmental protection at Siemens Gamesa.

The global HSE processes are governed by the corporate HSE functional area. They are developed and continuously improved on a joint basis by HSE specialists across Siemens Gamesa to ensure they reflect the different parts of the business. As such, they also apply to all of Siemens Gamesa, including both corporate functional areas and business units.

Figure 19 - Global procedures for environmental protection

C1.3 Environmental targets

The company has established a broad range of targets geared at ensuring its commitment to fight against climate change and protect the environment. Due to the company's firm commitment to the environmental matters, some of these have been attained earlier than originally planned.

Table 41 - Environmental key targets to 2023

Core KPI	KPI description	FY21	FY22	FY23
Carbon intensity	**Carbon intensity reduction (Scope 1+2)** *tCO2 eq / MW installed*	5.8	4.90	4.0
Energy intensity	**Energy intensity reduction** *GJ/MW installed*	126	121	116
Green electricity	**Achieve a share of minimum 95%** electricity supply from renewable sources	80	90	95
Waste intensity	**Reduce waste generation to achieve 6.0 t/MW waste generation rate**	6.15	6.10	6.00

Monitoring and analyzing the environmental performance of our production facilities and project sites on a regular basis is essential to attain these goals. Since 2019, Siemens Gamesa implemented Sphera, our internal HSE software tool that allows for data collection and analysis. Further, it becomes instrumental to:

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

C1.4 Expenditure and investment for environmental impact management

Table 42 - Breakdown of key environmental expenses

(€ thousand)	FY20
Energy consumption	17,802
Waste management	7,776

C1.5 Environmental successes in fiscal year 2020

At Siemens Gamesa, we are committed to society and the environment. We pride ourselves on our consistent efforts to promote a shared health culture and motivate our employees to consider wellbeing in and out of the office. In addition, we encourage our employees to participate in global initiatives related to health, wellbeing and environment such as the “Virgin Pulse Global Challenge” mentioned above and the World Cleanup Day. These are voluntarily initiatives where employees can register either as individual or a team.

The World Clean-up Day is a civic movement that unites 180 countries and millions of people across the world to clean up the planet in one day. Volunteers and partners worldwide come together to clean up waste from beaches, rivers, forests, and streets. Due to COVID-19, Siemens Gamesa could not arrange teams this year. We, however, encourage all employees around the world to go out into their local nature or social environments and collect trash.

Moreover, Siemens Gamesa invite employees to the Digital Clean Up Day as an alternative option to the World Clean-up Day since the COVID-19 situation made it difficult to carry out activities in person. The Digital Clean Up Day consist on delete all unnecessary files, emails, apps, photos and videos from the smartphones, tablets, laptops, PCs and servers. By doing this, employees are not just extending the life of their gadgets, but also saving a huge amount of CO_2. The carbon footprint of the internet and the systems supporting it account to about 3.7% of global greenhouse emissions, which is similar to the amount produced globally by the airline industry and is predicted to increase to 20% in 10 years if we do not act. Therefore, we are giving employees the opportunity to help make sure this doesn't happen. In the first edition of the Digital Clean Up Day, 102 employees participated around the globe, saving around 390 tons of CO_2 in total.

Siemens Gamesa fosters a culture where all employees have the chance to identify problems and submit innovative solutions to reduce and improve the company’s processes. The Siemens Gamesa action plan tool serves to openly share cost-efficient ideas and discover “greener” opportunities across the business in order to facilitate cross-site learning and the sharing of ideas and knowledge. Employees are requested to submit their team’s innovative project initiatives that can also inspire others. By means of this centralized tool, we track our HSE improvements and categorize them in relation to the six areas of our HSE Policy and our HSE processes. HSE improvements can be categorized as actual environmental savings e.g. absolute reduction, substitution or efficiency measures or other initiatives such as campaigns, investigations or mappings, trainings, etc.

Improvements can be found across Siemens Gamesa. For instance, the nacelle factory in Brande is already running entirely on renewable electricity. Moreover, in December 2019, the plant exchanged ten diesel-powered forklift trucks used in daily operations at its warehouse with electric-powered vehicles as part of a plan to make the factory even smarter and greener. The idea had great potential to both help the environment and save on company resources. The introduction of ten new electric forklift trucks has diminished CO_2 emissions by 297.5 tons. The material handling equipment (MHE) exchange project is now being rolled out globally and it is expected to generate CO_2 savings of 1,800t CO_2 per year and make significant progress over the next two years as a support measure for Siemens Gamesa's efforts to reduce its CO_2 emissions in line with its science-based targets.

Another good example is the Aalborg Plant, which took on the mission of reducing waste as a way to become greener and more cost-effective. The plant sold any items that were no longer needed instead of scrapping them. The plant made 225 sales cases from April to June 2020, thereby saving around 115 tons of CO_2 and avoiding the waste volumes amounting to 60 tons of metal, 0.3 tons of plastic and 1.2 tons of waste destined for incineration. This successful initiative has made a huge difference for the factory’s environmental footprint and will be continued to support Siemens Gamesa to accomplish its waste reduction target and decarbonization targets by reducing CO_2 emissions, increasing the value of redundant stock and continuing to foster a great change of behavior at factories.

The SEA (South Europe and Africa) Construction team is also taking decisions along the same lines to reduce Siemens Gamesa's carbon footprint. SEA initiative was focused on replacing its traditional portable lighting system required on construction sites during night shifts with a lighting tower equipped with a smaller generator set. The new lighting tower has a smaller 25-liter diesel tank as compared to the conventional towers' 80-liter tank. The new towers are more versatile and lighter than the original ones. Additionally, both the power and investment cost required are much lower when compared to conventional towers costs. The initiative not only helps the team to cut down on CO_2 emissions by more than half when compared to traditional towers, it also reduces a great deal of investment costs. The initiative kicked off in July 2020 with two towers sited on two construction sites and it is expected to progress significantly over the next year.

Furthermore, Siemens Gamesa is engaging its supply chain towards a complete decarbonization in line with the 1.5-degree Celsius global warming trajectory. In 2019, Onshore Tower Operations team together with the Procurement team developed the 'Supply Chain Decarbonization Program' that aims at reducing the CO_2 emissions that are emitted during the manufacturing of our towers and which leads the way to a more sustainable supply chain. The results of the program so far are promising: three suppliers have already agreed to switch to renewable energy sources, which will reduce the relative global average carbon intensity of tower manufacturing by 25% and an absolute reduction of about 20,000 tons of CO_2 emissions annually. The team now has full transparency of where CO_2 emissions are taking place and how they can be reduced. Siemens Gamesa is currently expanding this for tower procurement globally to then expand its scope gradually.

C1.6 Product portfolio and environmental benefits

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

In 2020, 8.7 GW of wind energy was installed helping our customers further reduce their emissions by 23 million tons of CO_2. On a cumulative basis, more than 107 GW of wind energy from Siemens Gamesa wind turbines have been installed since 1998. This allows our customers to mitigate their carbon footprint by more than 281 million tons of CO_2 per year.

Table 43 - Environmental benefits (cumulative at fiscal year-end)

	FY18	FY19	FY20
MW installed (annual)	6,234	9,895	8,767
GW installed (cumulative)	88.8	98.7	107.5
TWh/year (cumulative)	272	303	332
NOx prevented (cumulative million tons)	1.9	2.1	2.3
SO_2 prevented (cumulative million tons)	1.0	1.2	1.3
toe prevented (cumulative million tons)	23.4	26.0	28.5
CO_2 emissions prevented (cumulative million tons)	231	257	281

Note on the conversion factors used. Emission factor world fossil: 849grCO_2/kWh; Conversion toe/MWh (1toe=11.63 MWh): 0,0859 toe/MWh; Conversion tSO_2 avoided per MWh generated: 0,0038 t/MWh; Conversion t NOx avoided per MWh generated: 0,006875 t/MWh. Hours equivalent a year group average: 3066.

C1.7 Product stewardship

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

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

C1.8 Life Cycle Assessments

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

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

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

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

Table 44 - Lifecycle assessments (LCA) and environmental product declarations (EPD)

	FY18	FY19	FY20
# LCAs	16	20	23
# EPDs	14	17	20

The current reporting period shows a 100% rate for products covered with LCAs (Screening and Full-Scale) and EPDs (Both Type II & Type III), as well as a 100% revenue-based coverage ratio within our business. In this past fiscal year, Siemens Gamesa published the following Environmental Declarations:

- Type III Environmental Product Declaration for SG 5.0 132
- Type III Environmental Product Declaration for SG 5.0 145

C1.9 Environmental criteria in product design

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

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

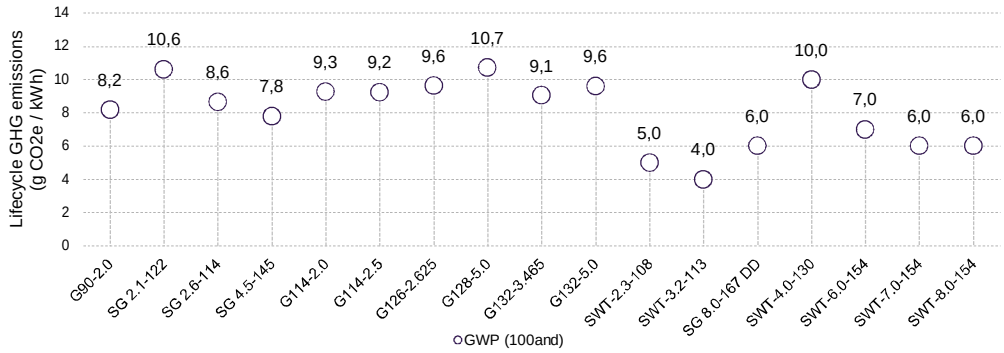
Operational procedures and controls are also set to assess and improve environmental aspects linked to manufacturing, assembly and construction, such as developing action plans and improvement measures for the materials and substances used, the waste generated, the energy consumed, or the volatile organic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

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

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

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

Figure 20 - Global warming potential [32] (GWP-100y) during the lifecycle of Siemens Gamesa wind turbines



[32] The Global Warming Potential (GWP) was developed to allow comparisons of the global warming impacts of different gases. Specifically, it is a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide (CO2). The larger the GWP, the more that a given gas warms the Earth compared to CO2 over that time period. The time period usually used for GWPs is 100 years. GWPs provide a common unit of measure, which allows analysts to add up emissions estimates of different gases and allows policymakers to compare emissions reduction opportunities across sectors and gases. (Source: EPA.gov)

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

C1.10 Environmental requirements in our Supplier Code of Conduct

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

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

We engage our suppliers to join our journey towards greening operations and reduce our carbon footprint. In this way, a 'Sustainability/GHG' category is now incorporated into the yearly supplier evaluation process as a result of the Supply Chain Decarbonization Program that was launched in early 2019. This new category gives Siemens Gamesa's suppliers an opportunity to present their environmental efforts translated in CO_2 reductions. Siemens Gamesa is on the way to implement a sustainable procurement approach, to focus not only on a cost-benefit analysis, but also on how to maximize the net benefits for both the company and society.

C2. Climate change

[L11-M14] Siemens Gamesa recognizes that climate change is a global issue requiring urgent and collective action by governments, businesses and citizens alike. As a provider of clean affordable energy, our scale and global reach reinforces the central role we have in shaping the future's energy landscape. We are a member of multiple global communities who share our commitment to climate protection and decarbonization. For example, the Paris Pledge for Action, Caring for Climate and The Science Based Targets Initiative.

Siemens Gamesa climate change strategy covers the full scope of Siemens Gamesa's operations e.g. design and manufacture, pre-assembly and commissioning, operation and maintenance. We are committed to action and we will continue making important contributions to the global economy's decarbonization in terms of the products and services we develop, the ways in which we operate and the partnerships we engage in with policymakers, industry associations and business partners to address climate change collectively.

C2.1 Climate Change Policy

Aware that climate change is a fundamental threat to markets and sustainable development, the Group has adopted a Climate Change Policy [33], which applies company wide.

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

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

"Contribute to sustainable development by reducing the environmental impact of Siemens Gamesa's activities and generating new solutions through innovation."

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

1. Support the global greenhouse gas emission reduction goals established in the Paris Climate Agreement and any international agreements that replaces it.
2. Support the United Nations Sustainable Development Goals (SDGs) to take urgent action to combat climate change and its impacts.
3. Foster and implement management systems that make it possible to fight climate change.
4. Pursue innovative advances in product design that help provide sustainable solutions to current climate challenges and achieve the gradual greenhouse gas emission reduction goals.
5. Advocate a global emissions market that makes it possible to generate the resources needed to finance clean energy projects, both in industrialized countries and in other emerging and developing economies.
6. Support a culture for an efficient and responsible use of energy and resources, as well as behavior favoring such responsible use.
7. Develop training and awareness-raising activities for its staff and external stakeholders throughout the value chain and for society in general concerning the environment and the fight against climate change.

[33] See; Climate change policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/climate-change-policy.pdf

8. Transparently report significant results and activities with respect to the fight against climate change.
9. Promote industry alliances and partnerships with multiple interested parties to take advantage of the resources of the Siemens Gamesa Group, with a view to solving climate problems and generating social value.

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

The company has made undertakings to several business initiatives aimed at assessing its climate related risks and opportunities, mapping and reducing the impacts associated to its emission sources, and voluntarily committing to climate protection and decarbonization initiatives such as the **Science Based Targets Initiative** [34] , **American Business Act on Climate Pledge**[35] or the **Paris Pledge for Action**[36]. Furthermore, the Company has announced that it became carbon neutral in late 2019, which is a major step closer towards the long-term target of net-zero CO_2 emissions by 2050.

C2.2 Risks and opportunities: Task force on climate-related financial disclosures

Siemens Gamesa, as any other company, is exposed to risks and opportunities related to climate change. We assess risks and opportunities based on their impact and likelihood over a time horizon of three years. The potential impact of a risk or opportunity can be assessed from a quantitative or qualitative perspective. Regular risk reporting takes place at the end of the quarterly update and review process. Each organizational unit reports its updated risk register to the next higher organizational level for further evaluation and analysis. Climate change is integrated into this process to the extent that it influences our business in relation to either our strategy or operations

The Taskforce on Climate-related Financial Disclosures (TCFD) recommendations are voluntary principles on integrating short to long-term climate risks & opportunities in risk management frameworks based on scenarios that anticipate physical and transitional changes due to climate change. This framework allows for a better understanding of business risks and opportunities that are derived from climate change impacts and greater transparency in companies' climate governance, strategy and performance in mainstream financial reporting.

Siemens Gamesa re-assessed its climate-related risks and opportunities in 2020. A materiality assessment was performed for five key geographic areas to identify specific physical and transitional risks and opportunities. After prioritizing a selected number of risks and opportunities, a scenario analysis was conducted using two climate change scenarios (see figure below): a "rapid low-carbon transition" scenario where strict control over GHG emissions and a rapid transition towards cleaner energy limits average warming by end-century to below 2°C, and also a 'high physical impact' scenario where GHG emissions continue to rise and we see on average 4°C of warming by the end of the century. Where the scenarios revealed a potentially significant risk and/or opportunity to the business, a financial impact assessment was conducted to get a better understanding of what the scale of the impact to SGRE could be.

[34] See: See: Science Based Targets Initiative. Link: https://sciencebasedtargets.org/
[35] See: American Business Act on Climate Pledge. Link: https://obamawhitehouse.archives.gov/the-press-office/2015/12/01/white-house-announces-additional-commitments-american-business-act
[36] See: Paris Pledge for Action. Link: http://www.parispledgeforaction.org/whos-joined/

Figure 21 – Climate scenarios assessed

High physical impact (4° warming)

- **Overview:** GHG emissions continue to rise at current rates, leading to significant physical climate change impacts (rising temperatures, changing precipitation, extreme weather events)
- **Example risks/opportunities:** Increased frequency of extreme weather events (wind patterns, floods, tropical cyclones, heat waves) causing prolonged periods of outage, frequent supply chain disruption or even rising premiums

Rapid transition (below 2C° warming)

- **Overview:** Aggressive climate policies from governments and action led by businesses and individuals leads to drastic cuts in global GHG emissions (halving by 2050), helping to limit physical climate change impacts
- **Example opportunities/risks:** Policy incentives for the renewable energy sector and higher carbon prices could lead to a significantly higher demand for renewable energy incl. wind power

Figure 22 – Scenario 1: Potential risks and opportunities within "Rapid low-carbon transition"

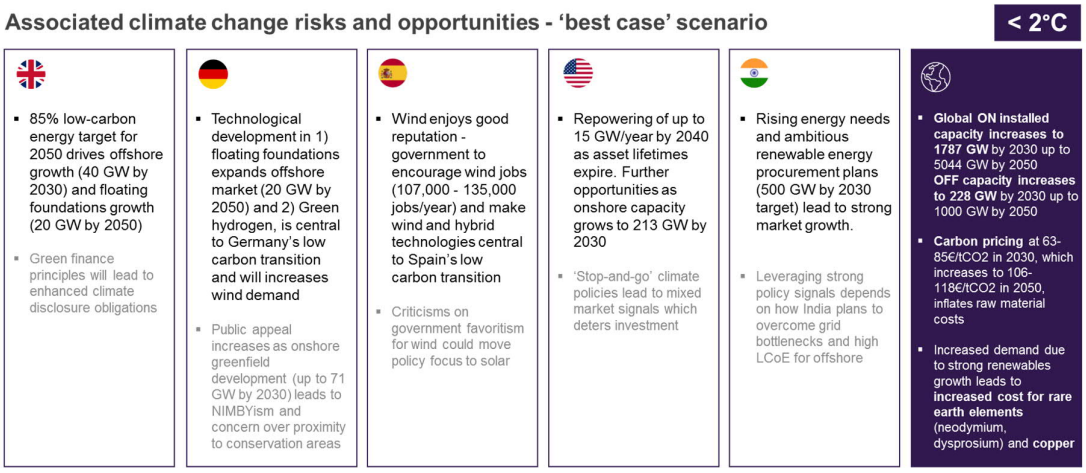
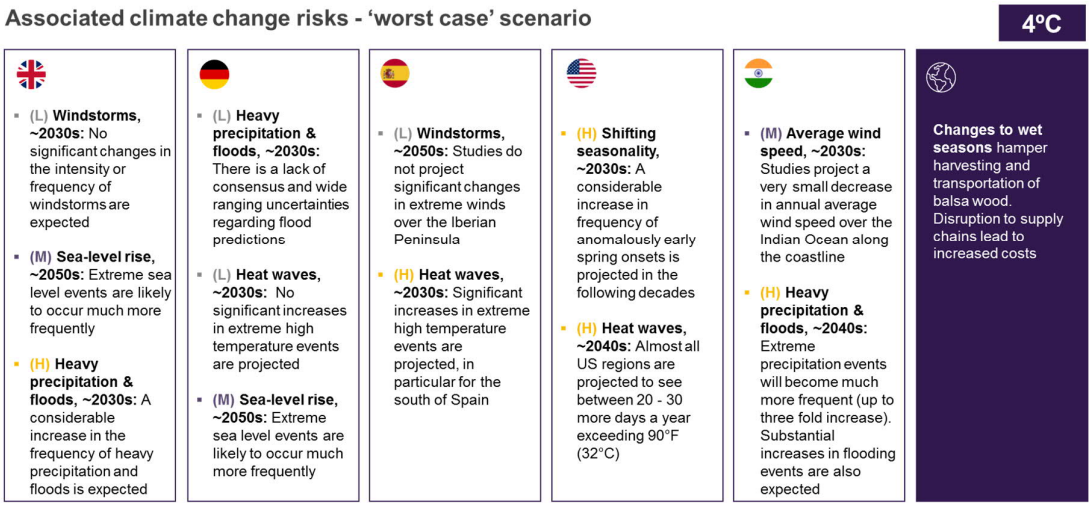


Figure 23 – Scenario 2: Potential risks and opportunities within "High physical impacts"



The **'rapid low carbon transition' below 2°C scenario** offers significant opportunities to Siemens Gamesa in relation to the expansion of onshore and offshore wind markets globally, as well as for the development and expansion of clean technologies such as green hydrogen and floating offshore wind. In addition, this scenario suggests various policy and social benefits from Siemens Gamesa's ability to encourage policymakers and other public authorities to adopt more ambitious targets and regulatory frameworks to support the expansion of renewable capacities and employment opportunities around the world. However, the below 2°C scenario also suggests that there are some important risks for Siemens Gamesa regarding the demand for raw materials, such as concrete, steel and rare earth elements and its supplier's ability to keep pace with technological developments in a sustainable way. Furthermore, carbon pricing of key raw materials, an increased risk of 'NIMBYism' with larger turbines and greenfield expansion and competition with the maritime industries (fisheries and O&G sectors) are other identified risks.

The **'high physical impact' 4°C scenario** mainly suggest risks to Siemens Gamesa such as acute and chronic weather conditions – particularly changes in wind speeds or patterns–, extreme temperatures, large seasonal differences and variations in precipitation that cause floods or droughts. The physical risks thus identified tend to be high impact but low likelihood events which result in comparatively low annualized risk levels affecting specific sites (factories or wind farm assets) and/or operations.

The risks and opportunities thus identified are assessed in accordance with TCFD guidelines. Siemens Gamesa is on the path towards integrating the risks and opportunities identified into its business strategies and risk management processes. By fully adopting the TCFD framework, the company will enhance its governance over existing commitments like the SBTi and also mitigate climate-related risks and exploit climate-related opportunities, which will consequently strengthen confidence among its shareholders and customers.

C2.3 Net-zero carbon emissions strategy

[L11-M15] In 2018 Siemens Gamesa pledged to becoming carbon neutral by 2025. Several motivating factors encouraged this decision such as the need to adapt to changing market landscapes and to leverage new opportunities, the growing climate awareness by our management and employees as well as the anticipation of future climate regulations and carbon prices. Carbon neutrality in Siemens Gamesa has to date, included measuring, reducing and/or offsetting the CO_2 generated directly or indirectly by the company.

Siemens Gamesa became carbon neutral at the end of 2019, five years ahead of schedule. This accomplishment is a major milestone and was attained by a combination of reducing and/or offsetting the CO_2 generated directly or indirectly by the company. In this fiscal year 2020, Siemens Gamesa widened its ambitions and incorporated a **long-term target of achieving net-zero emissions by 2050**. Net-zero means zero absolute emissions without the use of any kind of offsetting. Another new strategic focus was established for our Scope 3 emissions, which were previously excluded from the original carbon neutral strategy. Scope 3 emissions are indirect emissions generated by our value chain, so Siemens Gamesa will engage further with our key suppliers to encourage them to reduce their Scope 1 and Scope 2 emissions that the products and services they supply to us.

The global roadmap for meeting this commitment now involves six emission reduction levers which are shown below.

Table 45 - Siemens Gamesa's global roadmap to Net-zero carbon emissions

Energy reduction and efficiency measures
Siemens Gamesa will continue to make reductions and implement energy efficiency measures related to their operations across production facilities and project sites. We are currently investigating total costing methods (CAPEX and OPEX) related to energy efficiency in new factories. For more detailed information around energy reductions refer to the Environmental successes in fiscal year 2020 and Energy use section.

Electricity supply from renewable energy-based sources
Siemens Gamesa continues to transition its electricity supply towards renewable sources. Previously, 62% of our energy was renewable in countries where the company has a strong manufacturing footprint – mainly Spain, Denmark, Germany and the United Kingdom. We increased this share to 100% (99.9%) in this fiscal year. This was achieved by purchasing green renewable certificates that guarantee that the electricity has been generated from a renewable energy source. We continue to assess the cost and feasibility of implementing additional renewable energy generating technologies directly at our own facilities.

Green mobility plan to reduce fleet emissions
Siemens Gamesa has implemented an Employee Mobility & Transport Benefits Policy. Its purpose is to establish a framework for all Siemens Gamesa entities worldwide to govern the implementation of local country specific mobility and transportation policies. The policy sets requirements for management benefit cars, including a decreasing set of CO_2 limits over the next three years, a ban on certain vehicle types and explicit preference to the use of electric vehicles as the preferred option for internal transportation. The policy also addresses how employees can reduce their CO_2 footprint, either using greener vehicles or alternative transport and work modes e.g. car sharing, cycling, public transit, home office, work/commute times. The company is currently implementing this policy, which will support in reducing the Company's Scope 3 (Indirect) GHG emissions. Combined with this, Siemens Gamesa is starting the transition of its existing operational fleet which includes material handling vehicles and service vehicles. Transitioning to these low-carbon alternatives will support in reducing the company's Scope 1 (Direct) GHG emissions.

Offset of non-avoided emissions through compensation projects
Where we cannot reduce or transition our energy, Siemens Gamesa will compensate for the non-avoided emissions by investing in environmental projects which aim to reduce future emissions to balance our carbon footprint. We are currently investigating in Clean Development Mechanism (CDM) projects and sink projects involving reforestation actions that could contribute to offsetting our greenhouse gas emissions. The wind power project Bii Nee Stipa[37] in Oaxaca, Mexico, was registered as a Clean Development Mechanism (CDM) under the United Nations Framework Convention for Climate Change (UNFCCC). This project generates Certified Emission Reductions (CER) for Siemens Gamesa that are used to offset GHG emissions. In fiscal year 2020, Siemens Gamesa voluntarily cancelled 27,910 CERs[38] where Siemens Gamesa did not yet eliminate emissions.

37 UNFCCC CDM: Project 0107: BII NEE STIPA. Link: https://cdm.unfccc.int/Projects/DB/AENOR1129213791.04/view
38 See Voluntary cancellation certificate at: https://cdm.unfccc.int/Projects/DB/AENOR1129213791.04/iProcess/RWTUV1412839682.5/Forwarding/Anonymous1604333906.49/viewAttestationLetter

Employee awareness campaigns and idea management

Siemens Gamesa launched several communication campaigns to share best practices across the organization and to encourage employees to make additional environmental improvements in both their private and work lives. Most notably, the company organized a challenge in the first quarter which all Siemens Gamesa employees could take part in and compete on who could save the most CO_2 during a 10-day period. The 462 participants who took part managed to record actions that saved a total of 19 tons of CO_{2eq}, diverted 920 kg of waste and saved 164,000 liters of water during the challenge. To acknowledge the efforts made by all the challenge's participants, Siemens Gamesa donated a CO_2-offset equivalent to the ~19,000kg of CO_2 avoided during the challenge. Siemens Gamesa will continue to engage with its employees in awareness-raising campaigns and look into other ideas for further CO_2 reduction initiatives.

Engagement across the value chain

Since over 80% of the carbon footprint of Siemens Gamesa's wind turbines takes place in its supply chain, the company acknowledges its responsibility in promoting a green transition across the value chain beyond its direct control by encouraging Scope 3 emissions reductions. The first steps have already been taken to strengthen collaboration with suppliers to achieve these targets, including the launch of a supply chain development program in early 2019 aimed at increasing collaboration with Siemens Gamesa's tower suppliers and motivating any suppliers which might not have progressed as much in their decarbonization efforts as others, thereby finally reducing these suppliers' environmental impact.

C2.4 Science Based Targets Initiative (SBTi)

[L11-M16] The Science Based Targets Initiative (SBTi) is an initiative between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, the World Wildlife Fund for Nature and the We Mean Business Coalition. The SBTi encourages companies to set carbon emissions reduction targets at a level necessary to meet the 1.5/2°C compared with preindustrial temperatures set in the Paris Climate Agreement. Siemens Gamesa committed to the SBTi as the first renewable energy manufacturer in September 2018 [39] and reaffirmed its commitment to the initiative by becoming a signatory of the United Nation's Business Ambition for 1.5°C campaign in the lead up to COP26 in December 2019[40] .

Ten months after becoming carbon neutral, the SBTi verified that Siemens Gamesa's emission reduction strategy is aligned with what climate science estimates necessary to meet the 1.5°C trajectory[41]. The company joins a group of 430 other global organizations who have had their targets approved by the SBTi, where only about 150 have targets consistent with meeting the most ambitious 1.5°C scenario.

39 See: Siemens Gamesa announces formal commitment to SBTi. Link: https://www.siemensgamesa.com/en-int/newsroom/2018/09/20180917-commitment-to-science-based-targets-initiative

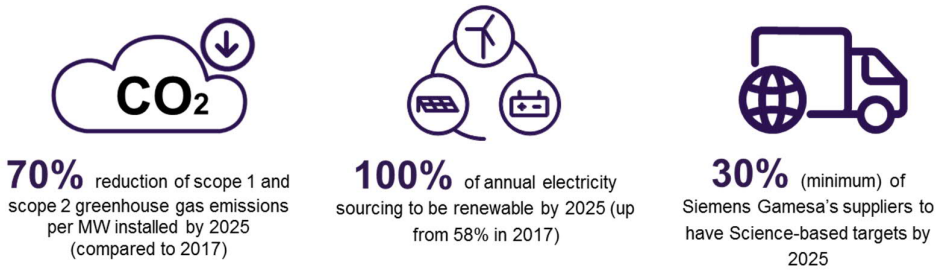
40 See: Siemens Gamesa reaffirms pledge to meet UN's climate targets for Industry COP25. Link: https://www.siemensgamesa.com/en-int/explore/journal/2019/12/siemens-gamesa-cop25-pledge-compromise

41 See: Reaffirming its commitment to a zero emissions future: Siemens Gamesa's climate targets verified by SBTi. Link: https://www.siemensgamesa.com/en-int/explore/journal/2019/12/siemens-gamesa-cop25-pledge-compromise

Siemens Gamesa has set targets for the next five years until 2025 in an effort to meet its net-zero goal by 2050, which include:

- Reducing scope 1 and scope 2 greenhouse gas emissions by 70% per MW installed (compared to 2017)
- Increasing the annual sourcing of renewable electricity to 100% (up from 58% in 2017)
- 30% of Siemens Gamesa's suppliers by spend covering purchased goods and services and transportation and distribution will have science-based targets by 2025

Figure 24 – Siemens Gamesa approved SBTi targets to 2025

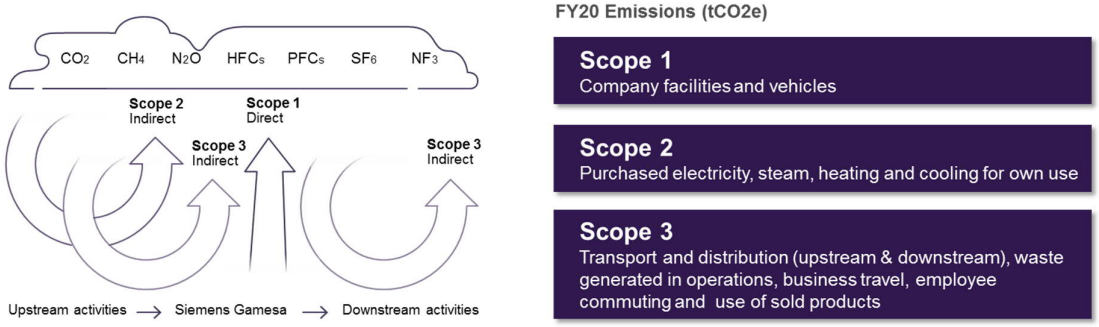


The Science Based Targets initiative has verified that our emission reduction targets are meeting the most ambitious 1.5°C scenario:

C2.5 Verified GHG emissions report

Since Siemens Gamesa is committed to transparent science-based communication, we monitor and report our progress along the path to carbon neutrality and net-zero carbon emissions by issuing an annual GHG emissions report in accordance with the GHG Protocol and the requirements set by the ISO 14064-1 standard. In addition, our GHG emissions report is verified by an independent third party according to the ISO 14064-3 standard with a limited assurance scope pursuant to the ISAE 3410 standard.

Figure 25 – Siemens Gamesa's Greenhouse gas emissions inventory



C3. Sustainable use of resources

Siemens Gamesa's environmental management model is based on the principles of improving environmental performance and establishes a common framework for action that facilitates the coordination of the various environmental management systems of each of the business units and in all geographic areas. This model addresses the determination of environmental aspects from a lifecycle perspective and the identification of risks and opportunities as a way to accomplish improvement.

The company's environmental management systems identify, assess and minimize any possible negative impacts of the company's carbon and other atmospheric emissions, in addition to their noise and light impact, raw material consumption, waste, water usage and spillage, and chemical product management, while at the same time maximizing their positive impacts.

Siemens Gamesa's environmental management systems are verified and certified by independent entities accredited according to the international ISO 14001 standard.

C3.1 Use of materials

[L11M11] [301-1] The company’s procurement of raw materials in 2020 stood at 1,424 thousand tons, mostly including core, resin and process materials, bearings and lubricants. Other relevant materials include tower production, hydraulics, castings and other materials.

Table 46 – Top key commodities & materials used by weight

FY19	tons	FY20	tons
C-parts	386,237	Core, Resin & Process Materials	380,086
Towers - Conversion	156,212	Bearings & Lubrication	361,236
Blades - Resin & Structural Adhesive	153,940	Tower Production	156,212
Blades - Paint & Adhesive	143,678	BUY & BtP Blades	63,019
Blades - Composites	91,404	Hydraulics & Cooling	54,603
Castings	53,639	Castings	54,496
Blades - Core Material Balsa	53,052	Glass Fabrics & Carbon Materials	51,146
Blades - BUY	39,596	C-parts	44,092
Blades-Plastic,Metal parts & Lightning	34,964	Large Steel Fabrications	43,889
Electricals	33,764	Fasteners	41,095
Blades - Material Filters & Flow Kits	32,187	Generators & Segments	27,895
Bearings	27,134	Small Steel parts	25,336
Blades - BTP	23,422	Internals	15,458
Large Steel Fabrication	22,033	Transport & Lifting Equipment	15,260
Small Steel parts	19,417	Gearbox	14,437

C3.2 Energy Use

[L11M12] [302-1] Energy consumption within Siemens Gamesa is systematically monitored, for all significant Group locations (production facilities, buildings, project sites and offices belonging to Siemens Gamesa and accounting for 95% of the energy consumption, excluding energy consumption from contracted companies). The energy consumption is calculated by adding up the following items:

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

Energy consumption monitoring is set out in our internal procedure on environmental monitoring and applies to all of Siemens Gamesa. The procedure defines the criteria to ensure the monitoring of all significant locations and units, as well as the cut-off criteria that have been set. Hence, monitoring scope includes 95% of total energy consumption at minimum. There is a clear overview of the locations as regards the scope of monitoring and each data type is defined in detail to ensure the data is recorded consistently across all countries and locations. Energy consumption data is recorded in Sphera on a monthly basis after its acceptance by several input units. All records are then converted to GJ, which is the company's standard value.

Total internal energy consumption amounted to 1,201,637 gigajoules (4% lower than in 2019) in the reporting period. Hence, the figure for energy consumption per employee and year could be estimated to 46 GJ/employee in FY20. Natural gas is the most relevant primary energy source, representing 60 % of the total primary energy demand.

[L11M13] Total electricity consumption for the reporting period amounted to 655,497 GJ, of which the share of renewable electricity amounted to 99.9%. Siemens Gamesa's electricity consumption is now covered by Energy Attribute Certificate (EACs), which ensures that the origin of the electricity is from renewable sources. Additional to that, Siemens Gamesa owns wind and solar assets, that generated more than 390,000MWh of electricity in fiscal year 2020, which is more than double our in-house consumption making Siemens Gamesa a net-producer of renewable electricity. Said assets are located in Spain, Denmark, India and United States.

Table 47 - Energy use (absolute figures)

(Gigajoules-GJ)	FY18	FY19	FY20
Primary energy	**386,459**	**454,549**	**471,800**
Natural gas + Bio natural gas	243, 458	233,694	283,089
Heating Fuel	85,029	5,046	3,845
Gasoline/Diesel	39,579	188,457	159,383
Liquefied petroleum gas	18,213	27,352	25,484
Secondary energy	**663,138**	**801,386**	**729,838**
Electricity from standard fuel combustion sources	160,829	271,933	587
Electricity from renewable sources	402,986	434,958	654,910
District heating	99,323	94,495	74,341
Total Energy use	**1,049,597**	**1,255,935**	**1,201,637**

Table 48 - Energy intensity

	FY18	FY19	FY20
Total energy intensity (GJ/MW installed)	**168**	**127**	**137**
Primary Energy intensity (GJ/MW installed)	62	46	**54**
Secondary Energy intensity (GJ/MW installed)	106	81	**83**

Figure 26 – Energy use (TJ) absolute

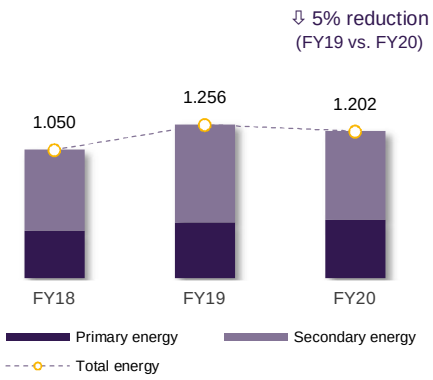
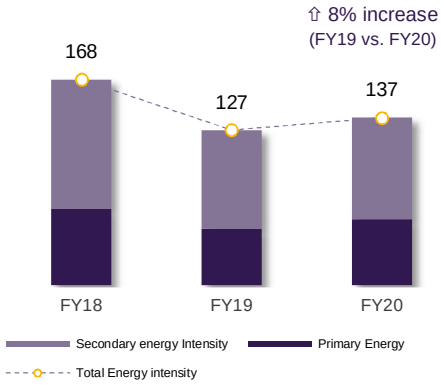


Figure 27 – Energy intensity (GJ/MW)



C3.3 Greenhouse gas emissions (GHG)

[L11-M06] Siemens Gamesa measures its direct and indirect emissions on an annual basis according to the requirements set forth in ISO 14064-1. The GHG emissions inventory is then published in our GHG emissions report, which is verified by a third party and made externally available. The Company's total emissions of $CO_{2\text{-eq}}$ under Scope 1 and Scope 2 amounted to 27,910 tons CO2-eq (70,698 in FY19) during the reporting period.

Table 49 - Total GHG emissions

(t CO2-eq)	FY18	FY19[42]	FY20
GHG emissions scope 1	22,865	26,437	26,053
GHG emissions scope 2	38,502	44,261	1,857
Total GHG emissions	**61,367**	**70,698**	**27,910**

Table 50 - GHG emissions intensity

	FY18	FY19	FY20
Emissions intensity (tCO_2/MW installed)	**9.8**	**7.1**	**3.2**
Scope 1 intensity (tCO_2/MW installed)	3.7	2.7	**3.0**
Scope 2 intensity (tCO_2/MW installed)	6.2	4.5	**0.2**

[305-4] GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other internal-specific metric. In the case of Siemens Gamesa, the most representative is the number of installed megawatts. For the reporting period, the combined intensity ratio for direct (Scope 1) and indirect (Scope 2) GHG emissions was 3.2 $tCO_{2\text{-eq}}$ /MW.

[42] This information has been updated with respect to the information previously disclosed due to the preparation process of this Consolidated Non-Financial Information Statement of 2020 and its certification.

Figure 28 – Total CO_2 absolute emissions

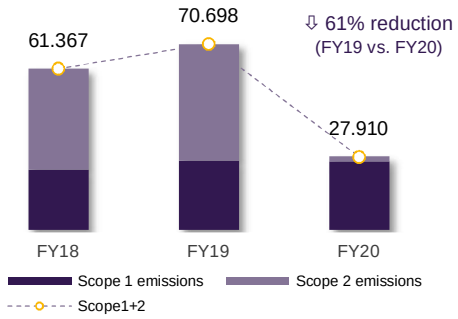
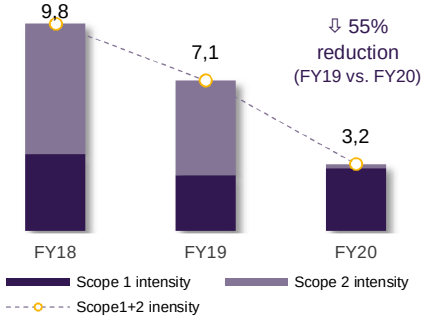


Figure 29 – Emissions intensity (tCO_2/MW)



Scope 1 (direct) emissions

[305-1] Direct greenhouse gas emissions (Scope 1) arise from sources in the company's ownership or under its control. It includes emissions generated by the combustion of materials to generate heat. In addition, chlorofluorocarbon substances (CFCs) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the atmosphere. The presence of these substances at Siemens Gamesa is marginal and found mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation. During the reporting period, Scope 1 emissions amounted to 26,053 tCO_{2eq}. (26,437 tCO_{2eq} in FY19, representing a 2% reduction year on year).

Scope 2 (indirect) emissions

[305-2] Indirect greenhouse gas emissions (Scope 2) refer to the consumption of purchased electricity and district heating. In order to calculate the indirect emissions produced by consuming electricity, specific emission data from the supplier is preferentially used. If said data is unavailable, country-specific conversion factors are used. During the reporting period, Scope 2 emissions amounted to 1,857 tCO_{2eq} (44,261 tCO_{2eq} in FY19, which represents a 96% reduction). Electricity supply at locations having a strong manufacturing footprint, such as Spain, Denmark, Germany and the United Kingdom, led the way and had gone green. Siemens Gamesa's renewable electricity ratio has been steadily rising from 58% in fiscal year 2017, 61% in fiscal year 2018 and 62% in fiscal year 2019 to reach almost 100% in fiscal year 2020. The conversion of our annual electricity consumption amounted to almost 650 Gigajoules, all of which was generated by renewable sources. Siemens Gamesa avoided emissions of approximately 42,000 tCO_2 and reduced its carbon footprint on an annual basis accordingly.

Scope 3 (other) emissions

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions. This calculation includes transportation and distribution (marine diesel oil for vessels), disposal of waste generated in operations, use of sold products, business travel (air travel, rail travel) and employee commuting. During the reporting period, Scope 3 emission amounted to 516,853 tCO2-eq (71,824 tCO2-eq in FY19). Increase between FY19 and FY20 is due to the addition of jet fuel from Offshore and the addition of information from the Onshore business. More specifically, information from FY19 includes Offshore marine a diesel use, while FY20 data includes Offshore and Onshore including marine fuel, Offshore jet fuel and Onshore road fuel.

Table 51 - Scope 3 emissions

(t CO2-eq)	FY18	FY19	FY20
GHG emissions Business Travel	n.a.	9,739	5,101
GHG emissions Disposal of waste	n.a.	3,061	10,666
GHG emissions Employee commuting	n.a.	4,841	3,041
GHG emissions Marine operations	n.a.	54,183	498,045
GHG emissions Use of sold products	n.a.	0	0
SGRE GHG scope 3 emissions total	n.a.	**71,824**	**516,853**

C3.4 Other atmospheric emissions

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

Volatile organic compounds (VOC) contribute to the formation of ozone close to the earth's surface and are responsible for what is known as summer smog. These organic compounds are used by Siemens Gamesa as solvents in paints and adhesives, in impregnation processes and for surface cleaning. The monitoring of VOC emissions is defined by local authorities and can be done either via measures in the exhaust systems or via mass balances calculating the air emission based on the actual consumption and the amounts disposed of as waste. Both methods are accepted in our internal procedure for air emissions management because local legislation are fulfilled. Quantitative measurements are conducted at each air emission source by an authorized third party, where required by the authorities.

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

Table 52 - Atmospheric pollutant emissions

(t)	FY18	FY19	FY20
Volatile organic compounds (VOC)	254	278	231
Ozone depleting substances (ODS)	0	2.4 E-4	1.1 E-5

C3.5 Noise management and control

[L11-M08] The company has implemented operating procedures (PRO-30836) to control the release of air pollutants and ensure legal obligations are met. Documentation is recorded and filed properly. These processes set minimum requirements for the management and control of external noise.

In order to ensure that a local production facility is abiding by the local noise limit as set forth in the environmental permit, the noise level of a specific process or equipment is measured. Maintenance or technical departments must be aware of local legal requirements on noise and react if any equipment or vehicles exceed permitted noise levels. This also applies to external suppliers. When purchasing new equipment (ventilation systems, forklift trucks, production equipment, etc.), noise level specifications are considered along with other technical specifications. The HSE functional areas assess noise by measuring the overall noise level in order to ensure compliance with the legal requirements set forth the environmental permit. When designing new processes or changing existing processes, noise level specifications are considered and the local HSE functional area makes consultations to ensure the change is allowed under the environmental permit.

C3.6 Waste management

Environmental impacts from Siemens Gamesa's waste depend on the waste types generated and the waste treatment methods chosen. Our waste performance indicators address absolute reductions in waste and waste treatment improvements according to the waste hierarchy.

Waste generation and management are governed by our internal waste management procedure, which applies globally across Siemens Gamesa. The procedure differentiates hazardous and non-hazardous waste, provided it is generated by our production facilities and project sites. Waste generation is recorded from all significant locations on a monthly basis.

Waste records are additionally divided into recyclable waste, which in turn is divided into waste for reuse, waste for recycling and waste for recovery, including energy recovery, along with waste for disposal or landfill.

In addition to stating the way for properly recording of all different kinds of waste, the procedure also sets requirements for local waste management plans and for waste segregation, labelling and storage to ensure there is no contamination from potential spills, while the same time ensuring proper waste disposal.

The total volume of waste amounted to 68,311 t in the reporting period (58,506 in FY19). The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:6, and the waste overall recycling rate was 72%.

Table 53 - Waste production

(metric tons)	FY18	FY19	FY20
Hazardous waste | Recyclable	1,892	4,413	4,215
Hazardous waste | Non recyclable	2,112	3,686	5,839
Non-Hazardous waste | Recyclable	31,006	40,605	44,686
Non-Hazardous waste | Non-recyclable	12,795	9,802	13,571
SGRE Group Total waste	**47,805**	**58,506**	**68,311**

Waste intensity (t/installed Mw)	FY18	FY19	FY20
SGRE Group Waste intensity	7.7	5.9	7.8

Figure 30 – Total waste (t) and type

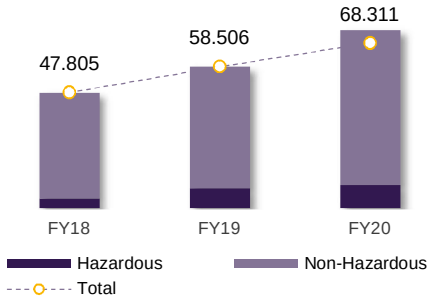


Figure 31 – Total waste intensity (t/Mw)

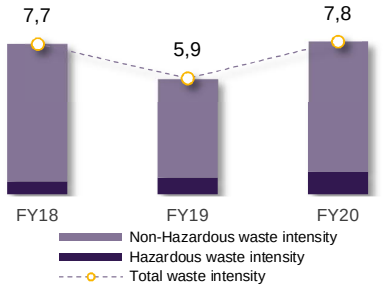


Figure 32 – Total waste (t) by nature

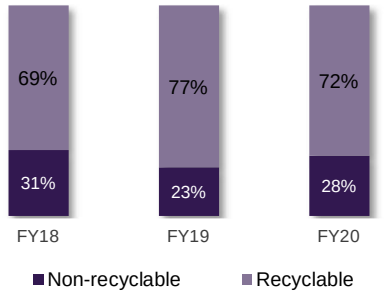
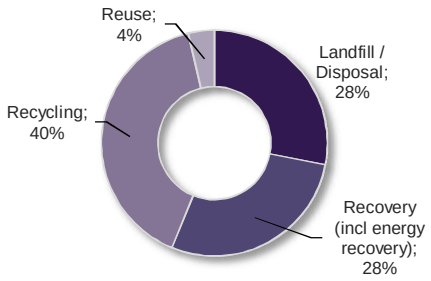


Figure 33 – Waste destination in fiscal year 20



C3.7 Water management

[L11M10] [303-1] Water consumption at Siemens Gamesa is mainly produced at manufacturing centers, where the best practices available are used to reduce water withdrawal and consumption and to include reused water in production processes. Work is also being done on lowering environment impact by avoiding water withdrawal in water-stressed areas. Moreover, the company is focusing on making efficient and responsible use of sanitary water at offices and buildings.

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

Total water consumption in the period amounts to 522,530 cubic meters (22% less than in FY19). During fiscal year 2020, a total of 19,740 m3 of recycled water was used. This includes a total of 16,945 cubic meters (9,854 m3 in FY19) of recycled water treated internally.

Table 54 - Water consumption

(cubic meters)	FY18	FY19	FY20
Fresh water	428,835	449,550	453,608
Underground water	6,673	89,693	40,984
Ground and surface water for cooling purposes (*)	10,130	127,115	25,142
Recycled water from external sources	n.a.	394	2,795
SGRE Group (**)	**445,638**	**666,753**	**522,530**

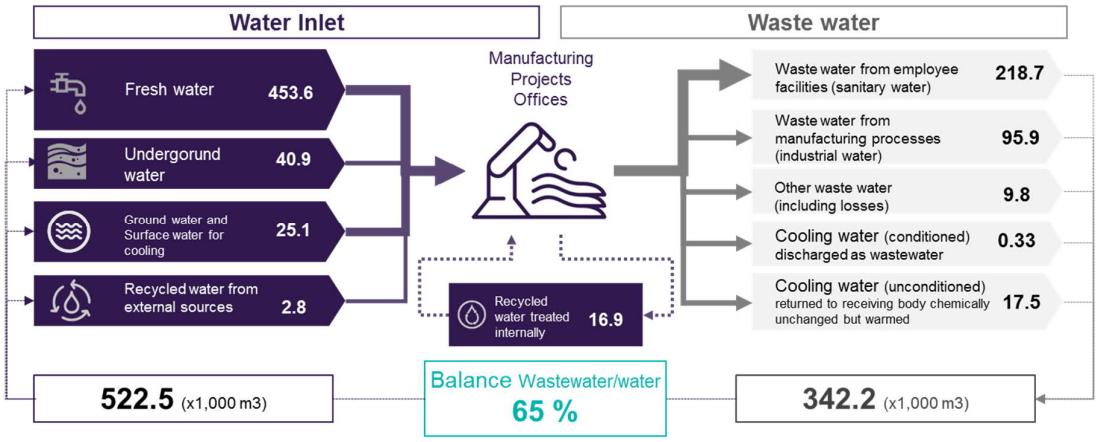
(*) returned to receiving water body chemically unchanged, but warmed.
(**) Excluding recyled water treated internally

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

- withdrawals which amounted to more than 5% of the total annual average of any water mass
- withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or otherwise, a threatened or endangered system that shelters protected plants or animals

- withdrawals from Ramsar wetlands or from any other local or international protected area. All withdrawals of water are strictly regulated by public administrations, which grant permits and set the maximum withdrawal volumes allowed to ensure no significant impacts occur.

Figure 34 – Water balance FY 2020



The volume discharged at the end of the reporting period amounted to 342,227 m^3. Most of effluents discharged are linked to the use on manufacturing processes.

Table 55 - Wastewater produced

(cubic meters)	FY18	FY19	FY20
Wastewater from employee facilities	139,011	121,080	218,691
Wastewater form manufacturing processes	220,819	164,640	95,933
Other wastewater (incl.losses)	81,216	0	9,778
Cooling water (unconditioned) discharged as wastewater	0	7,592	17,497
Cooling water (conditioned) returned to receiving water body chemically unchanged, but warmed	10,130	35,245	328
SGRE Group Total waste water	**451,176**	**328,556**	**342,227**

C3.8 Substances

Siemens Gamesa has implemented a global substance management process to ensure the chemical products involved in our activities are used in a safe and environmentally sustainable way. The process is set out in our internal substance management procedure. The procedure applies to wind turbine design and development, procurement, materials handling, transport and component imports/exports. It also applies when chemical product or component waste is handled during wind turbine manufacturing, assembly, installation and servicing. Furthermore, the procedure establishes requirements for the chemical products used in the work performed by third parties under Siemens Gamesa's responsibility.

The procedure (PRO-18811) sets forth an assessment process which covers all requests made for the usage of new chemical products at Siemens Gamesa. The assessment process is conducted by several internally trained employees who assess the request against Siemens Gamesa's approved List of Prohibited Products and its approved List of Restricted Products. Prohibition or restriction criteria are defined based on the chemical products' hazard classification. Existing products are assessed on an annual basis and phase-out plans are implemented for existing products when they meet prohibition criteria.

C3.9 Environmental incidents

Spills

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

A total of 1,042 spills were recorded in 2020, of which 535 were contained and another 507 affected either water or soil to some degree. None of these spills required any exceptional corrective measures.

Other environmental incidents

In addition to spills, we registered other 3,072 minor environmental-related incidents in relation to:

- Biodiversity impact (153)
- Environmental non-conformance (368)
- Fire, smoke, explosion (114)
- Another environmental incident (1,551)
- Stakeholder complaint (noise, smell, dust) (362)
- Weather or natural disaster (flood, winds...) (524)

Fines and non-monetary sanctions

There were no significant non-conformances or stakeholder complaints in 2020 involving reports made to the authorities which were related to the environment. Likewise, Siemens Gamesa did not pay any significant fines or penalties for environmental or ecological issues. Significant fines or penalties are defined as those exceeding $10,000 USD (or its equivalent when converted from a local currency).

C3.10 Product recycling

[L11-M07] Siemens Gamesa works continuously on improving the end-of-life phase. For example, we offer extended lifetimes regarding both design and the lifetime extension programs. Alternative materials such as recyclable resins are also being investigated to improve the recyclability of composite rotor blades. Modular wind turbine design is also an environmental benefit since it eases dismantling and optimizes waste treatment methods.

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

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

As a member of the European Technology and Innovation Platform on Wind Energy (ETIPWind) Siemens Gamesa contributed to the publication 'How Wind is Going Circular'[43] which emphasizes how the EU must prioritize R&I funding to diversify and scale up recycling technologies as part of the next R&I framework program, Horizon Europe. This is critical to Europe's technology leadership as we embark on a global sustainable energy transition.

Siemens Gamesa has likewise been participating in WindEurope's Working Group for Sustainability since its inauguration in 2016. Composite blade wastes have been a recurring topic and the members have been jointly looking into potential solutions. WindEurope's members (including Siemens Gamesa), the European Chemical Industry Council (Cefic) and the European Composites Industry Association (EuCIA) submitted their recommendations for the recycling of wind turbine blades in the report entitled "Accelerating Wind Turbine Blade Circularity"[44] in fiscal year 2020.

Siemens Gamesa has also an appointed representative in the WindEurope Task Force on Dismantling and Decommissioning. The Task Force is currently preparing the submission of practical recommendations to the International Electrotechnical Commission (IEC) to define global standards for wind turbine recycling. Harmonizing national standards that apply to the decommissioning of wind turbines will be key to ensuring cost and resource-efficient processes.

Siemens Gamesa is continuously assessing its participation in similar projects, research consortia and networks because it directly supports our HSE strategy, particularly in relation to waste and resource efficiency. Increasing the recyclability of turbine components is high on our agenda and we continuously take part in projects to support the development of a circular economy. Siemens Gamesa advocates for industry-wide international standards on product decommissioning and recycling instead of specific national regulations.

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

The wind industry is still relatively young and is aware of its responsibility of finding a sustainable way to deal with wind turbine components at the end of their lifecycle. Most of wind turbine components can already be recycled (85-90% of total mass). We do, however, acknowledge that wind turbine blades pose a special challenge due to the materials they use and their complex composition. Blade recycling is being approached from an industry perspective. Several industries, including the wind, chemical and composites industries, have joined forces to conduct research on and come up with possible solutions to this issue.

The industry is committed to waste management in line with the waste hierarchy. The first step is prevention of blade waste through reduction and substitution efforts in design. Some examples are: mass reduction, decrease failure rate and lifetime design extension, and design for easy upgrade of existing blade to new versions (segmented / modular blades).

[43] See: How Wind is Going Circular. Link: https://etipwind.eu/files/reports/ETIPWind-How-wind-is-going-circular-blade-recycling.pdf

[44] See: Accelerating Wind Turbine Blade Circularity. Link: https://windeurope.org/newsroom/press-releases/cross-sector-industry-platform-outlines-best-strategies-for-the-recycling-of-wind-turbine-blades/

The industry has identified two alternative ways of processing wind turbine rotor blades that are decommissioned:

- Reuse or repurposing: if applicable, wind turbine blades that are decommissioned are refurbished and sold for re-installation elsewhere. If that is not possible, the blades can also be used as spare parts for similar turbines or else used for alternative purposes such as building structures, where an existing part of a blade is reused for a different application i.e. street furniture, walkways, bike shelters, playground, architectonic use, etc.
- Recycling:
    - Mechanical recycling involves milling, shredding, crushing, grinding and/or separating fiber and resin fractions. The recovered fibers can be used as fillers or in the production of other fibrous products.
    - Thermal recycling involves the application of high temperatures to separate resin from fibers:
    - Incineration (combustion) is a thermal process where the energy content from the resins is used to produce energy (electricity and heat) and the remaining residue (ash/slag) is sent for further waste handling.
    - Pyrolysis and gasification are thermal processes where high temperatures permit the preservation of the fiber materials, which can be used in secondary applications.
    - Chemical recycling such as solvolysis involves solvents and thermal processes to dissolve resin from fibers and permits the preservation of the fiber materials, which can be used in suitable secondary applications.

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

Some of our facilities are fully or partially dedicated to repairing components and putting them back into operation (gearboxes, generators, electrical boards and even blades) to foster progress towards a circular economy with the final aim of achieving cradle to-cradle solutions.

C3.11 Biodiversity

[L11-M17] [L11-M18] Siemens Gamesa products and services use certain natural resources (raw materials, water, fossil fuels and wind) to perform their function, thereby interacting with, and potentially affecting, ecosystems, landscapes and species. For example, this can occur when establishing new facilities or when constructing new wind power plants. Potential impacts to biodiversity can include, for example:

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

Despite these potential impacts on biodiversity, Siemens Gamesa wind projects are constructed in a sustainable way that allows for a balanced coexistence, thus conserving and protecting natural assets, i.e. biodiversity and climate. This respect for biodiversity and ecosystems plays a leading role in the company's business strategy. There are different regulatory and voluntary instruments to achieve a positive net balance in relation to biodiversity and the environment, including:

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

Protected areas and areas of high biodiversity value without protection are generally avoided during the planning stage of new infrastructures. Potential environmental impacts are analyzed through a formal HSE aspects evaluation and by conducting environmental impact assessments beforehand, with measures to correct and minimize the impacts. In case that they cannot be completely mitigated, offsetting measures are taken. Siemens Gamesa has activities in some areas where threatened species included in the IUCN Red List and in other national conservation lists live or could be present. This, however, does not mean that they are affected or threatened by such activities. The identification of species on the IUCN Red List and other species included in national conservation lists which could be affected by Siemens Gamesa's activities is monitored to take the necessary measures to avoid endangering them.

D. Fight agaist corruption and bribery. Respect for Human Rights

h

In this section:

- D1. Ethics, Integrity and Anti-Corruption p. 126
- D2. Human Rights p. 134

D1. Ethics, Integrity and anti-corruption

D1.1 Management approach to this material aspect

[103-1], [102-17] Compliance provides the foundation for all our decisions and activities and is the key component of our business integrity. Compliance is not a program; it is the way we conduct business. Hence, preventing corruption, violations of fair competition and other improper business activities take the highest priority at Siemens Gamesa. Our main principle is: “Clean business at the core of clean energy”.

This means complying strictly with all laws and internal regulations and adhering to the principles of ethical business conduct. Compliance is an assurance function which is a permanent and integral part of our business processes. Furthermore, our Business Conduct Guidelines lay the foundation for our internal regulations and give expression to the Siemens Gamesa values, compliance related responsibilities and, hence, is a behavioral framework for all managers, employees, and Managing Board members worldwide.

The company developed unambiguous and binding principles of conduct that guide all our employees and managers worldwide and in their day-to-day activities. These principles are under the three cornerstones: "prevent – detect – respond".

The Siemens Gamesa Compliance Organization holds responsibility for the global governance and implementation of the Siemens Gamesa Compliance System in all areas within (a) Compliance, which covers anti-corruption, antitrust, anti-money laundering, and human rights; (b) Data Protection; and (c) Export Control and Customs.

The Compliance Investigations & Regulatory team is responsible for handling, managing and reporting all compliance allegations and any possible cases involving Siemens Gamesa units and third parties. Furthermore, Siemens Gamesa Renewable Energy offers people the chance of reporting specific information about suspected compliance violations through the Integrity Hotline[45] communication channel. An independent company, Business Keeper AG, is responsible for maintaining and technically administering the Integrity Hotline application, which is stored on secure servers in Germany. The hotline’s contents can solely be examined by Siemens Gamesa Renewable Energy.

The Siemens Gamesa Compliance Organization prioritizes the following topics for FY20 and FY21

- **Prevention**: Raising employee’s awareness of compliance, data protection, export control and customs-related topics through training and communication efforts (such as mandatory training, communication activities, *Tone from the Top* and others).
- **Digitalization** of workstreams to increase efficiency and accuracy (for example, in the area of Compliance Controls, due diligence process, case handling, among others).

D1.2 Compliance system

The company has developed and implemented a robust compliance system to provide the foundation for all our decisions and activities by strictly complying with all laws and internal regulations, as well as ethical business conduct principles. The compliance organization also operates systematic processes and tools to support the effective mitigation of compliance risks. The compliance system is systematically reviewed and evaluated for its effectiveness and is adapted accordingly to changing requirements in regulatory environment and business needs.

[45] See Integrity Hotline. Link: https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=23wd4&language=eng

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.

D1.3 Compliance organization

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

Management: Overall responsibility for compliance lies with the Management of Siemens Gamesa and the Managing Directors/Heads of the individual Siemens Gamesa units. They remain responsible, even if they delegate tasks. They act as role models in matters of compliance and integrity and ensure that all employees act in accordance with the law and with Siemens Gamesa regulations. All Compliance Officers are requested to provide appropriate guidance for managers to fulfil their duties in accordance with local law.

Board of Directors: The Board of Directors, as Siemens Gamesa's highest decision-making body, is ultimately responsible for compliance in the company.

Audit, Compliance and Related Party Transactions Committee (ACRPTC): The Committee is an internal body of the Board of Directors which is characterized by its permanent, informative and consultative nature. It holds reporting, counselling and proposal powers.

Compliance Organization: The compliance organization holds responsibility for the global governance and implementation of the company's compliance system in all areas within (a) compliance, which covers anti-corruption, antitrust, anti-money laundering and human rights; (b) data protection; and (c) export control and customs.

Chief Compliance Officer: The Chief Compliance Officer is an internal position of an independent and permanent nature. The person who holds the position heads the Siemens Gamesa Compliance Organization and reports to the Audit, Compliance and Related-Party Transactions Committee, as well as to the Executive Committee. The Chief Compliance Officer regularly and systematically reviews and assesses the effectiveness of the Compliance System and determinates the resources and budget of the Siemens Gamesa Compliance Organization subject to the Audit, Compliance and Related-Party Transactions Committee and Board of Directors' approval.

Compliance advisory team: The Compliance Advisory team defines and implements the framework of compliance rules, policies, and procedures based on laws and regulations. Said framework determines the overall direction and performance of the business. The Compliance Advisory team is made up of Compliance Experts and Regional Compliance Officers.

Compliance Investigations & Regulatory: The Compliance Investigations & Regulatory team is responsible for handling, managing and reporting all Compliance allegations and any possible cases involving Siemens Gamesa units and third parties.

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

Data Protection: The Data Protection Department holds responsibility for Siemens Gamesa's Data Protection strategy, worldwide implementation of the Binding Corporate Rules ("BCR"), as well as for advising on, clarifying and the further handling of data protection incidents and requests connected with the handling of personal data. The Data Protection team has implemented the necessary policies and procedures in order to implement the processes and tools required to comply with the EU General Data Protection Regulation ("GDPR")[46] and other local data protection local laws.

This includes the implementation of different measures to achieve compliance. The Data Protection Department is supported by the Data Protection Network consisting of Data Protection Officers, Data Protection Managers and Privacy Champions. The main focus is to comply on (1) records (completion and updating the descriptions of all processes/tools involving personal data for all SGRE legal entities; (2) Privacy Impact Assessments ("PIAs") (conducting risk assessments on processes with a high potential for violations of individuals' fundamental rights and freedoms; (3) breaches (implementing procedures to ensure that incidents are reported immediately); and (4) data subject requests (inquiries by employees or external workers about the handling of their personal data).

Export Control and Customs (ECC): The ECC Department forms part of the Compliance Organization and holds responsibility for the global governance of all ECC activities, which include applicable regulatory guidance, regional governance and coordination, along with external relations and reviews. The overall mission of the ECC Department is to ensure and facilitate legitimate trade, realize local revenues and protect our business activities, which has been defined as ensuring export control and customs compliance. This mission is being achieved by setting up a Global Corporate ECC Functional Area at headquarters and by introducing lean best-in-class policies, principles and IT solutions.

The Strategic Operating Plan for CO ECC is focusing on both central and regionalized implementation by using specialized full-time employees for governance, export control and customs, and partnering with outsourced business partners for trade compliance support and customs broker management. The management model is based on the following principles:

- General and Export Control processes to ensure compliance with rules and regulations and to put an effective trade compliance system and organization in place,
- Central export control and customs classification function globally,
- Integrate the "Project Partner Concept" (ECC Single Point of Contact throughout the value chain) into all Business units,
- Comprehensive broker management and monitoring tool to effectively connect, manage and monitor customs brokers.

[46] 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: https://ec.europa.eu/info/law/law-topic/data-protection_en

D1.4 Policy framework

Business Conduct Guidelines

The Business Conduct Guidelines [47] (BCGs) define Siemens Gamesa's attitude to responsible business conduct and how we shape the joint action needed. They also describe what Siemens Gamesa stands for and how the company fulfills its responsibilities as an employer, in our markets, in society and towards the environment. The BCGs must be fully implemented within Siemens Gamesa Group and our employees must comply with it in its entirety.

Compliance handbook

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

D1.5 Anti-corruption

[L11-C01] Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights or undermining the rule of law, among others. The company has provided regulation on many aspects related to possible corruption practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust.

- Gifts and hospitality: Even though in many cultures, gifts and hospitality are important in developing and strengthening business relationships, all benefits given to third parties must be in accordance with local law, the Business Conduct Guidelines and Compliance Handbook.
- Sponsorships, donations, charitable contribution, and memberships: Each planned sponsorship, donation, charitable contribution as well as membership must undergo certain rules and strategic directions for making such contributions which are set out in the principles related to these activities governed by Siemens Gamesa's Corporate Affairs department.
- Business partners: Siemens Gamesa enters into business relationships with many third parties every day and, in certain circumstances, we may be held liable for the actions of certain third parties which Compliance refers to as "Business Partners". Before establishing a specific relationship with Business Partners, Siemens Gamesa must take steps to create transparency and ensure that the relationship is responsibly evaluated and managed. That is whey Compliance Due Diligence (CDD) must be conducted, and mandatory contract provisions need to be included in the contract. Examples of business partners subjected to a CDD and to contract provisions are (1) intermediaries, such as sales agents, business consultants and lobbyists, (2) resellers and distributors, (3) consortium partners and (4) land developers.
- Facilitation payments and payments under duress: A facilitation payment is the payment of a minor sum of money or any other contribution to a (usually low-ranking) government official for their own personal benefit in order to speed up the processing of a routine governmental action. In general, facilitation payments are prohibited and can be prosecuted.

[47] See Business Conduct Guidelines Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/business-conduct-guidelines.pdf?la=en-bz&hash=5BA4D8D75510EFE1D79692A8C3878D8F97640FC6

- High risk payments: The high-risk payment process aims to prevent and mitigate compliance-related risks, particularly corruption risks, related to certain types of payments and payees.
- Customer projects: During all stages of a project or bid preparation, compliance-related risks may arise and need to be mitigated. Siemens Gamesa Sales/Project Managers hold overall responsibility for ensuring appropriate identification of compliance risks throughout the entire project lifecycle and their adequate mitigation. A Compliance and Security (CoSECC) check include anti-corruption, anti-money laundering and human rights. It is part of the Sales Business Approval (SBA) process, an internal approval process for all projects including the development of wind farm opportunities established by Siemens Gamesa.
- Compliance in procurement: Identifying and mitigating compliance risks in procurement at an early stage is one of the goals of the Siemens Gamesa supplier selection, qualification and auditing processes. The company also expects its suppliers and business partners to share Siemens Gamesa' values and comply with all applicable laws as laid down in the "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries".

D1.6 Anti-trust

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

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

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

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

D1.7 Anti-money laundering and prohibition of terrorism financing

[L11-C02] Siemens Gamesa does not tolerate money laundering and terrorist financing. All employees are obliged to abide by all laws and regulations aimed at preventing, detecting and reporting money laundering, terrorism financing and related criminal activities.

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

The Siemens Gamesa Anti-Money Laundering (AML) module is one of areas of the Siemens Gamesa Compliance System and aims to create a high level of transparency in business conducted with third parties (Counterparts) and in particular includes:

- Performance of specific due diligence including Siemens Gamesa's "Know Your Counterpart" (KYC) process, where obligatory according to local law or where appropriate based on a Siemens Gamesa internal AML risk assessment,
- Monitoring procedures in view of potentially suspicious business relationships and forms of payment, and,
- Reporting of suspicious transactions or suspicious behavior of any business counterpart to the local authorities.

D1.8 Performance in 2020

Training

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

Employees who, due to the very nature of their functions, are exposed to specific compliance risks (so-called "sensitive functions") must be provided with training to ensure that they keep their compliance expertise up to date and continue to conduct appropriately. The training can take place as web-based training (online training) and/or in-person training (training in a classroom setting).

Compliance in-person training, which was rolled out in FY19, covers compliance topics such as anti-corruption, anti-trust, anti-money laundering, human rights, conflict of interest, and compliance as part of other business processes. The target group for this training, among others, include the Board of Directors, the Executive Committee, Managing Directors and employees in sensitive functional areas. To increase the presence of compliance globally, the following activities are additionally being implemented by the company:

- Global Awareness e-Learning for the Business Conduct Guidelines (launched 9M FY20)
- Compliance introduction is part of the global Human Resources on-boarding concept for new employees
- Global Compliance awareness and refresher to Managing Directors on a yearly basis
- Training on request to mitigate local or business specific risks (e.g. compliance in procurement, business partner, compliance in customer projects)
- E-learning of the basic Compliance for all employees within Siemens Gamesa to be rolled out in Q4 FY21.

Table 56 – Compliance training in FY20

	Total completed	% of completion
Global awareness e-learning for the Business Conduct guidelines [48]	7,197	~38%
Compliance Basic training	2,470	~40%
-Additionally trained	3,194	n.a.

[48] The Business Conduct Guidelines e-learning was rolled out in June 2020 and is ongoing, therefore the numbers change constantly as employees complete the training: The extraction of the total number of completed courses reported is from the 16th of September at 9:30-10:00am CET time.

Communication

Management at Siemens Gamesa must ensure that all our employees are informed about relevant internal compliance rules, processes, and tools and that this information is kept up to date. It is also responsible for establishing proper channels for continuous and adequate communication with suitable outreach at all organizational levels, including the very top levels.

Hence, the Compliance Organization designs an annual compliance communication plan which is submitted to the Audit, Compliance and Related-Party Transactions Committee as well as to executive management for their approval after it has been aligned with the Communication Department. The plan's implementation is coordinated by Compliance together with the Communication Department.

Compliance Risk Assessment

Siemens Gamesa has established the Compliance Risk Assessment (CRA), conducted every 2 years. The CRA ensures the bottom-up identification of risks in individual Siemens Gamesa units worldwide and its goal is to evaluate these risks and to define mitigation measures accordingly.

Moreover, the CRA creates an awareness of Compliance risks, strengthens cooperation between the Compliance Organization and the operational units and emphasizes the responsibility of the Managing Directors and management in general for Compliance-related topics. The CRA 2020 was completed on 28th September 2020. The remediation of identified risks in this CRA will be executed in FY21.

Compliance cases

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

- Their manager and/or
- Directly to the Chief Compliance Officer and/or
- The responsible Compliance Officer and/or
- Human Resources personnel and/or
- The Whistleblowing Channel Integrity Hotline[49], which also gives employees with the chance to remain anonymous, if legally permissible under local law and/or
- Employee representatives

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

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

[49] Whistleblower channel (Integrity Hotline). Link: https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=23wd4&language=eng

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

Table 57 - Compliance cases

	FY18	FY19	FY20
Allegations received at Compliance channel	64	46	64
Compliance cases reported at the end of period	53	37	49
Disciplinary sanctions	6	7	26
Open investigations at the end of period [50]	11	13	33
Closed investigations at the end of period	11	20	21

[L11-SO10] **Nature of Compliance cases** could involve violation of law, violation of a Siemens Gamesa internal regulation, violations of accounting regulations, Breaches of Fiduciary Duties, violation of stock market laws, active corruption, antitrust violations, conflict of interest violations, money laundering or terrorist financing activities, human rights violations or retaliation on a whistle-blower.

Nature of disciplinary consequences varies according to the compliance misconduct in question and appropriate penalties are determined after considering all the material circumstances of the misconduct. The Compliance Organization has introduced basic principles and evaluation criteria to ensure the consistency of central and local disciplinary processes. However, not all Compliance cases result in disciplinary penalties. Some compliance cases may result in, for example, the improvement of the processes in question or other similar remediation measures.

The **remediation process** ensures that weaknesses addressed, the deficiencies and compliance violations detected during Compliance investigations, clarifications and other fact-finding activities are corrected. All Siemens Gamesa departments affected by a compliance case must therefore implement the recommendations included in the relevant investigation report. The Compliance Organization (at a central or local level) holds responsibility for the implementation, follow-up and monitoring of remediation measures resulting from compliance investigations.

Compliance Control Framework

The Compliance Control Framework (CCF) aims at ensuring the adherence and implementation of the globally applied Compliance Frameworks and Processes. It is an integral part of the Policy & Control Masterbook (PCMB), which covers all Compliance-related areas, such as business partners, customer projects, gifts and hospitality, etc. These areas are assessed through the Risk and Internal Control System (R/IC), which supports the Board of Directors, ACRPTC and Executive Committee in its responsibility to manage risks effectively and provide reasonable assurance that the organization's assets are safeguarded, financial reporting is reliable, and laws and regulations are fulfilled.

All compliance-related deficiencies detected should be remediated before the fiscal year-end, where possible. All units therefore have an obligation to organize, track and close measures, regardless of which Siemens Gamesa department has established them.

[50]Referred to as cases that had an ongoing investigation

D2. Human rights

D2.1 Management approach

[L11-H01] [103-1] Siemens Gamesa considers respect for human rights to be an integral part of our responsibility as a global business. For us, this responsibility is a core element of responsible business conduct and we are committed to ensuring respect for human rights within Siemens Gamesa's sphere of influence.

As stated in the Business Conduct Guidelines, Siemens Gamesa recognizes its responsibility for respecting human rights as a core element of responsible corporate behavior. Siemens Gamesa is a member of the United Nations Global Compact. Its ten Principles, and the Industry All Union Global Framework Agreement [51] are binding to the entire company. Siemens Gamesa aims to ensure respect for human rights in its own business operations and to request this in its value chain. The United Nations Guiding Principles on Business and Human Rights (UNGP) provide Siemens Gamesa with valuable guidance.

Siemens Gamesa is committed to embrace and support, within its sphere of influence, the set of core values in the areas of human rights, labour standards, the environment, and anti-corruption included in the United Nations Global Compact (UNGC) as an integral part of its business strategy and operations.

Respecting human rights is covered by Siemens Gamesa's Compliance System as follows:

- Human rights form part of Compliance training.
- Human rights are a module of the Compliance Risk Evaluation (CRE) within the SBA - Sales Business Approval process.
- Human rights risks are a mandatory element of the Compliance Risk Assessment (CRA).
- Human rights are part of the compliance reporting performed by the Chief Compliance Officer.

D2.2 Policy framework

[L11-H03] The group first approved and started implementing the Human Rights Policy [52] in 2018. Commitments in this area are therefore reflected in an individual and specific policy. This policy was first approved by a resolution of the Board of Directors taken on September 12, 2018. Our commitment to this principle is firmly rooted in the Siemens Gamesa Business Conduct Guidelines which set out the fundamental principles and rules governing the way we act within our company and in relation to our partners and the general public.

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

[51] See Global Framework Agreement. Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

[52] See Human Rights Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/human-rights-policiy.pdf?la=en-bz&hash=F332C18BD58C8E5CE8C50824E4AEB31C562D2DF1

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

D2.3 Performance 2020

[L11-H04] At the end of the reporting period, there was no record of any sanctions or fines related to human rights infringements.

The Sales Business Approval (SBA) process is the internal approval process for all SGRE projects which eventually involve external customers (customer projects) including the development of wind farm opportunities. It defines a framework for decision-making regarding project approvals (SAPP[53]) in the project and service business, i.e. when, how, and at what level management decisions based on compliance risks are required.

One of the steps for SAPP approval includes a Project Risk Evaluation when each project must be thoroughly evaluated regarding the potential risk it can bring to make sure that contracted projects are in line with the economic and financial targets as well as the desired risk profile of SGRE. In this process, Compliance is evaluated mandatorily, through the Compliance Risk Evaluation (CRE) using pre-defined questionnaires in order to identify, mitigate and/or approve risks. Human Rights is a module of the CRE within the SBA.

In this module, Siemens Gamesa has a due diligence process to both proactively and systematically identify potential human rights risks. All projects which meet the criteria are subjected to the Siemens Gamesa Human Rights Project Due Diligence process. The project is thoroughly assessed using a predefined detailed questionnaire and external ESG tools for any potential human rights risks with regard to its location, labor rights, local community rights, livelihoods and the partners involved, including customers, suppliers, consortium partners and security detail, where applicable. All potential risks must be mitigated and, if mitigation is impossible, the project will not be approved by the CRE process.

Additionally, human rights risks are a mandatory element of the Compliance Risk Assessment (CRA), conducted every 2 years. Any human rights risks detected during the bottom-up risk assessment conducted on each Siemens Gamesa unit must have a mitigation plan set for it, which must be implemented in the following financial year. The last CRA was conducted in 2018 and no specific human rights risks were detected. In accordance with its two-year cycle, the CRA 2020 was completed on September 28, 2020.

Human rights are universal and every person around the world deserves to be treated with dignity and equality. Basic rights include freedom of speech, privacy, health, life, liberty and security, as well as an adequate standard of living. Siemens Gamesa acknowledges that potential human rights issues could occur in our own operations or in our value chain or the activities related to our business. Siemens Gamesa is therefore expressly and publicly committed to ensuring fair and positive social and labor-related behavior through several high-level policies and requires its employees, business units, affiliated companies, suppliers and business partners to act in accordance with UNGC principles at all times.

53 SAPP is a SGRE online IT environment for online project management, financial follow up, and analysis.

E. Information about Society

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- E3. Responsible Supply chain p. 147
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E1. Social Commitment

[L11-SO02] Siemens Gamesa is deeply anchored in the communities in which we operate. We see it as our duty to collaborate in their sustainable development. That is our business model. Long-term acceptance by local communities is our main priority, and being an active part of their activities, their community, our goal. Through the achievement of the UN's Sustainable Development Goals, we also meet the concerns of employees to engage with communities through volunteer activities. [54]

E1.1 Commitment to Sustainable Development

With the purpose to reinforce its commitment to society Siemens Gamesa has created in 2020 a new area called Social Commitment. Its mission is "to help reduce poverty in our communities, fight climate change and promote STEM education to meet society´s need for technological advancement, all aligned with the UN's SDGs".

Therefore, Siemens Gamesa is committed to achieving harmony between our corporate values and the expectations societies have from us, as well as to foster economic and social development of the communities in which we operate. Improvements in the quality of life and wealth creation are therefore provided by our standard commercial activities, as well as by driving forward socioeconomic development through non-business channels. For that purpose, Siemens Gamesa collaborates with a variety of stakeholders, such as institutions, administrations, and organizations in civil society and actively sponsors social action initiatives worldwide.

E1.2 Policy Framework

[L11-SO03] Community engagement is one of the five pillars of Siemens Gamesa's CSR strategy 2018-20, which emphasizes the importance of contributing to the communities in which the company operates by offering expertise to community members and engaging with them to positively impact society. The Global Corporate Social Responsibility Policy establishes the basic principles and the general framework for conduct in the management of corporate social responsibility practices endorsed by Siemens Gamesa.

The Social Commitment Policy[55] was first approved by a resolution of the Board of Directors on September 12, 2018 and is being reviewed and updated on 2020. Specifically caters to the Community pillar and provides the framework for any community engagement or social action initiatives. It defines the following primary objectives:

- Stimulate sustainability.
- Improve the company's recognition and reputation.
- Increase pride of being a Siemens Gamesa employee and satisfaction among employees and partners.
- Contribute to the improvement of the communities in which the Siemens Gamesa Group does business.

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

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54 Siemens Gamesa Social Commitment video #1 (Social Commitment). Link: https://www.youtube.com/watch?v=s8-KW1hkizE&list=PL9eXVmBTjYIxtZr4RLFXnf4vlaU1XpYq7&index=3

55 Social Commitment policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/social-commitment-policy.pdf?la=en-bz&hash=1B3A106E41B35ED4030EFF6DAE434C307BA95C5F

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

The purpose of Siemens Gamesa's Donations and Charitable Contribution Policy ("POL-51407 Donations and charitable contributions") is to regulate Donations and Charitable Contributions at a group level to comply with the Business Conduct Guidelines on donations and charitable contributions, SGRE's Global CSR Policy and SGRE's Social Commitment Policy. This policy defines the guidelines and framework on how to proceed (initiate, assess and approve) with regard to donations and charitable contributions at Siemens Gamesa.

E1.3 Strategy & targets towards 2023. Priorities & KPIs

[L11-SO03] Our strategy groups all the help to society through actions which are linked to the UN's SDGs and in particular SDG1 No poverty, SDG 4 Quality Education, SDG 13 Climate Action, SDG 14 Life Below Water, SDG 15 Life on Land. Our actions are independent of the business. In order to attain our goals, the company has set out three lines in its strategy:

- To help fight poverty in the communities where we are present.
- To combat the effects of climate change.
- To promote and encourage education in technological matters, especially in STEM.

What	▪ **Combating Poverty**: because we need to be part of the communities. ▪ **Technological Education**: push the talent we'll need in the future. ▪ **Protecting the environment**: for contributing on saving the planet.
Why	▪ Long-term stability & trust on our social commitment. ▪ Employees' sense of belonging and motivation, strongly focused on volunteer work. ▪ Alignment with analysts & investors demands: better Environmental, Social, and Governance (ESG) indexes. ▪ Separate all social activities from the business and unify, coordinate and enhance them.
How	The Social Commitment Area will be digital to become a pioneer in our industry. Our digital platform will allow us to attain greater efficiency, reach more beneficiaries, measure and enhance our impact and connect with volunteers, collaborators, students and the general public (e-learning, volunteer portal, collaborator portal, events, etc.)

This approach is channeled through several initiatives:

2nd SGRE Impact Project 2019/2020

Nine projects to be carried out in nine countries over the course of 2020 were selected in 2019. We received 132 proposals for projects in 36 countries from 98 employees from 17 different countries, whose total cost amounted to €2,843,071. The total cost of the nine projects that were finally chosen amounted to €190,794 and were the following:

- Solar streetlight at the refugee camps in Bangladesh
- Wind People Running for kids with leukemia in China
- Beach cleanup in central Taiwan
- Girls Empowerment Program in Thailand
- Fab Lab ED in Mexico
- Elliott Test Kitchen in the US
- A future through the sport that you love in Germany
- Save the Ocean in Spain and Portugal
- Dolphin Village - Clean Water and Sanitation in Tanzania

All these initiatives encourage employees around the world to become more engaged. They can apply for funding for projects that will bring about positive change to the communities of the places where the company operates.

3rd SGRE Impact COVID-19 Special Edition

Due to COVID-19 pandemic in 2020, company decided to postpone the 3rd SGRE Impact to FY21 and launch a SGRE Impact COVID-19 Special Edition[56] instead. This special edition received 55 proposals to carry out projects in 22 countries from 39 employees from eight countries, which altogether amounted to €1,092,624. Finally, 16 projects in 10 countries were chosen, whose value totaled €499,210, which were the following:

- “Hamburger Tafel” in Germany
- “By your side” in Spain
- “Corona relief Emergency Food Response” in India
- “Social inclusion of vulnerable people through food aid” in Spain
- “Valencia Cose” in Spain
- “Food and Clothing for the Homeless” in Canada
- “Prevention and preparedness for COVID-19 in Kenya's refugee camps” in Kenia
- “Cruz Roja Responde” in Spain
- “Mera Parivar's Food Bank and psychological support” in Rajeev Nagar, India
- “Feeding dignity” in Greece
- “Project Disha” in India
- “Daily meals for Young Students” in Mexico
- “New Start” in Denmark
- “Provide food security and sustainable development” in Morocco
- “COVID-19 Relief for Thalitha Cumi” in South Africa
- “Protection of vulnerable collectives” in Mexico

56 See: Siemens Gamesa Social Commitment video #2 (SGRE Impact 2020. Special Edition). Link: https://www.youtube.com/watch?v=EJZeTzlxC9w&list=PL9eXVmBTjYlxtZr4RLFXnf4vlaU1XpYq7&index=1

SGRE's impact and local social action initiatives around the world strengthen our link to the land and the local community, including the entities and institutions that work within it. The company seeks to maintain stable relationships with local entities and institutions that also strive to broaden the horizons of people.

Matching donation campaign through Red Cross

As a result of the COVID-19 crisis, Siemens Gamesa launched an employee donation campaign in response to the COVID-19 Emergency Appeal launched by the International Federation of Red Cross and Red Crescent Societies (IFRC), which led a wide-ranging program to combat the spread of coronavirus around the world. Siemens Gamesa invited its employees to donate to the Appeal and committed itself to matching staff donations. We provided relief to more than 25,000 people in affected areas both in the healthcare and social areas through this campaign.

Humanitarian Aid COVID-19

Siemens Gamesa pledged to fund the acquisition of €1 million of in-kind medical supplies and food donations for coronavirus relief in April. The donations were targeted at hospitals and communities where the company operates which had been very badly hit by the crisis. By September 2020, this included over 150,000 items of personal protection equipment that had been donated and more than 2.3 million food kits for more than 100,000 beneficiaries in 10 countries affected by the pandemic (Brazil, China, Egypt, France, India, Mexico, Morocco, Spain, UK and the US).

Environmental Projects

The fight against climate change is in the DNA of our business, not only by reducing emissions with our turbines, but also through environmental projects and social action initiatives that contribute to reducing the CO_2 footprint. At Siemens Gamesa we believe that reforestation and cleaning up our coasts are some of the best ways to fight climate change and make a contribution to environmental protection.

- Each mature tree absorbs 22 kgs. of CO_2 per year.
- River, beach, coastal pollution endangers biodiversity.
- Over 3 billion people depend on the ocean for sustenance.

We launched "The forests of Siemens Gamesa"[57] project this year, which aims to restore degraded forests around the globe. We hope to plant over 50,000 trees by 2021 with the support provided by volunteer employees. Its aim is to raise awareness about the relevance of reforestation in the fight against climate change and the importance of protecting our forests through this opportunity to do volunteer work.

On the occasion of World Cleanup Day 2020, Siemens Gamesa launched a Digital Cleanup Day to encourage employees to clean up their electronic devices. We also organized local coastal and riverbank cleanup activities involving employees in Bilbao and Madrid. In Taiwan, we organized another beach cleanup day with employees as part of the SGRE Impact 2019/2020. All above-mentioned activities form part of the Social Commitment Strategy on environmental projects.

57 See: Siemens Gamesa Social Commitment video #3 (The forest of Siemens Gamesa). Link: https://www.youtube.com/watch?v=WwfqZDaJuXU&list=PL9eXVmBTjYIxtZr4RLFXnf4vlaU1XpYq7&index=2

Technological Education projects

#Teaching Future

An initiative launched during the COVID-19 pandemic to help students aged 6 to 18+ build up STEM knowledge while learning about renewable energy, wind power and digitization thanks to videos recorded by employees who volunteered their time during the pandemic. Social Commitment has decided to keep the initiative alive until further notice to create a library of videos for students and teachers alike.

#EU vs Virus Hackathon

In May 2020, Siemens participated at the first pan-European hackathon to fight COVID-19 through innovation, and awarded a prize to The Human Project, a digital solution to help first responders and emergency personnel faced with stressful situations to share their stories and find emotional support.

Robotics with First Lego League

In September 2020, Siemens Gamesa launched a program on robotics for students aged 7 to 16+ with FIRST Lego League. Students will have a chance to develop early engineering skills with real world applications. Starting in Germany, Spain and the United Kingdom, this program also aims to enhance transversal skills such as logic, resourcefulness, communication and innovation.

Megaprojects with the University of Aalborg and 4GUNE Cluster in Basque Country

Siemens Gamesa is supporting the “Megaprojects”, a project-based learning program on “Material and Energy Flows in a Circular Region” at the University of Aalborg, in Northern Denmark. The challenge proposed to students in master’s degrees is How to Achieve an Energy Transition with Sustainable Solutions. The same challenge will be replicated in different universities and in different regions, starting in the Basque country, giving students the opportunity to share learning experiences and findings.

Through 4GUNE, the private and public partnership’s cluster in the Basque Country, four projects will be carried out during the academic year 2020/2021. Students from different academic background will work on how to decarbonize the local energy system while minimizing material impact.

Empowering women in STEM

Through an agreement with the Real Academia de Ingenieria (Royal Academy of Engineering) with outreach programs and mentoring programs such as TECHMI, a hands-on Olympiad for students 12 to 16, and Mujer e Ingenieria (Women and Engineering), an initiative targeting young graduates was launched to encourage them joining the engineering workforce.

#HackSTEM

Siemens Gamesa launched a hackathon in October 2020 to promote STEM education in a sprint-like event where university students were invited to design a videogame for younger students in which STEM concepts are key to progressing and on the subject that concerns them most, namely sustainability.

At Siemens Gamesa we are committed to the communities in which we operate. That is why we also engage in local projects to meet their specific needs and promote sustainable social and economic development. The Social Commitment Area unifies and coordinates these activities to maximize their efficiency and visibility.

Measuring the social return on investment

Siemens Gamesa partnered with the University of Deusto in Bilbao, Spain to assess the Social Return on Investment (SROI) of the projects funded by SGRE Impact, the company's global social action initiative. SROI measures the effectiveness of how the funds invested in these projects have been used. It is obtained by calculating a ratio using Integrated Social Value, which is the consolidation (sum without repetition) of the distribution value to economic players (workers, suppliers, etc.), and the distribution value to beneficiaries (usually through non-market mechanisms). The SROI for the projects implemented in 2018-19 was calculated to stand at €5.54, which means that the actual investment was worth 5.54 times of every euro spent on the projects by Siemens Gamesa.

Investments

[L11-C03] [102-13] The company has protocols in place for the control of donations and charitable contributions for actions of a social nature. By means of these protocols, all contributions of social content, donations and fund allocation are assessed to mitigate compliance risks. In fiscal year 2020 Siemens Gamesa's total donations and charitable contributions amounted to 2.90 million euros (0.43 million euros in FY19). By regions, most of these investments were originated in Europe, Middle East and Africa (68%), followed by Americas (25%) and Asia, Australia (7%).

All the donations and charitable contributions of local nature are included in this overall amount. The largest share of funds, however, is managed directly from Social Commitment Area, which centralizes and directly manages social projects and the allocation of funds. More specifically, the Social Commitment Area made the following investments in fiscal year 2020:

- In Kind and Direct donations due COVID-19: 1,050,000 euros
- SGRE Impact donations: 500,000 euros
- Environmental Projects: 108,000 euros
- Technological Education Projects: 280,000 euros

E2. Memberships and associations

E2.1 Management approach

[L11-SO04] [102-13] Siemens Gamesa, as a global leader in the renewable energy industry, fosters policies for a more sustainable future and shares its global experience with key stakeholders in the markets where we already have a presence and also in new markets. This capacity building activity is conducted through the associations and initiatives of which Siemens Gamesa is a member. Some of the actions that SGRE performs include:

- Sharing information about positive showcases in developing local value chains globally, engagement with communities while supporting Countries to achieve climate targets;
- Contributing with our global experience to build the skeleton of legal frameworks that may set the path to achieve national climate goals while providing private investors with long term visibility and market attractiveness
- Setting ambitious targets for the presence of renewable energies in the energy mix; the elimination of technical, bureaucratic and market constraints that limit the growth of wind power;
- Promotion of R&D and innovation.
- Capacity building through engagement with Universities and training Centers

E2.2 Policy framework for memberships & associations

The purpose of the Group's Membership of Associations Policy ("POL-51819 Membership of Associations ") is to set out the requirements for the registration and approval of company and individual memberships in Associations (such as chambers, clubs, institutions, trade bodies, standardization organizations and other professional organizations) in accordance with the Siemens Gamesa Business Conduct Guidelines, in particular:

- To ensure the proper coordination and dissemination of the strategy and key messages of Siemens Gamesa ("Strategy"), established by the Company's Governance bodies in all relevant Associations (sector-specific or otherwise), and entities in which Siemens Gamesa is represented (referred to as "Associations").
- Concerning Associations, to establish a common and global policy for ensuring alignment and governance of the following issues:
    - Definition of the responsibilities for validation of the proposals of each Association and the designation of the person responsible to represent Siemens Gamesa in any specific entity.
    - Knowledge of the reasons, objectives and the economic cost of the association proposal.
    - Legal validation: for compatibility with the pertinent laws and insofar as Siemens Gamesa's representation in the Association and in its governing bodies.

The policy for Associations and Memberships regulates all the requests for being a member of any Association made by Siemens Gamesa worldwide.

E2.3 Global action

The company actively participates in both industry-specific and business associations and organizations in each significant place where it operates.

Table 58 - Key memberships and trade associations in the wind sector

Global	Regional
GWEC GLOBAL WIND ENERGY COUNCIL The Global Wind Energy Council is the international trade association for the wind power industry. Our mission is to ensure that wind power establishes itself as the answer to today's energy challenges, providing substantial environmental and economic benefits.	Wind EUROPE WindEurope is the voice of the Wind Industry at European level. Encompassing industry representation (OEMs, operators, developers, utilities, suppliers, research, etc. Status of SGRE membership: Leading Member (highest category)

National							
AWEA	ACORE	VDMA	AEE	wind denmark	renewableUK	IWTMA	CII
AWEA is the voice of the wind sector in the U.S. As a trade association, it represents and defends the interests of the wind sector. SGRE is on the Executive Committee of the Board.	ACORE is a U.S. nonprofit that works to promote renewable energy. It educates policy makers and regulators about how to transition to a carbon free energy system. SGRE is on the Board of Directors.	German Machine Building Association. Representation of OEMs and suppliers for both Onshore and Offshore Wind Energy. Energy policies and technical groups (e.g. aviation marking and lighting, decommissioning, etc.)	The Spanish Wind Energy Association (AEE) is the voice of the wind sector in Spain. It promotes the use of wind energy in Spain, Europe and worldwide. It represents and defends the interests of the sector.	WindDenmark. Representation of OEMs, suppliers and developers for both Onshore and Offshore Wind Energy in DK. Policies and technical groups.	RenewableUK. Supports +400 companies to ensure increasing amounts of renewable electricity are deployed across the UK and access markets to export. Members are business leaders, innovators, and expert from right across industry.	Indian Wind Turbine Manufacturers Association (IWTMA) is the apex business association and voice of the Indian Wind Industry.	The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes.

On top of the most relevant global sectorial associations (GWEC, WindEurope, AWEA, IWTMA, ABEEOLICA, AMDEE, VDMA, Danish Industry, etc.), we are also members to the following initiatives:

a. RES4AFRICA Foundation[58], focused in unlocking the full potential of renewables in the continent. Currently focused in the Renew-Africa initiative[59] which may become the Europe-Africa tool to create the appropriate frameworks to accelerate the African Energy transition.

b. EU-Africa High Level Platform on Sustainable Energy Investments[60]

c. Green Recovery Alliance initiative[61],

d. Uniting Business and Governments to Recover Better statement as part of the Science Based Targets initiative and its Business Ambition for 1.5°C campaign[62]

e. IRENA Coalition for action Green Recovery statement[63].

f. Engagement in high level discussions as organized on May 26th, 2020 by GWEC with Executive Director at IEA, Dr Fatih Birol [64]

58 RES4AFRICA: https://www.res4africa.org/
59 Renew Africa Initiative: https://www.renew-africa.org/
60 EU-Africa platform: https://ec.europa.eu/energy/topics/international-cooperation/key-partner-countries-and-regions/africa/high-level-platform-sustainable-energy-investments_en?redir=1
61 Green Recovery Alliance: https://www.euractiv.com/section/%20energy-environment/news/green-recovery-alliance-launched-in-european-parliament/
62 Business ambition for 1.5ºC: https://sciencebasedtargets.org/ceo-climate-statement/
63 Irena coallition: https://www.irena.org/newsroom/articles/2020/Apr/IRENAs-Coalition-for-Action-calls-for-Green-Recovery-Based-on-Renewables
64 Link: https://www.youtube.com/watch?v=varFyg_9n3E

g. The Ocean Renewable Energy Action Coalition (OREAC), an initiative led by major players in the offshore wind industry, formed in response to the 2019 call for ocean-based climate action by the High-Level Panel for a Sustainable Ocean Economy.

h. CEO letter to EU heads of state and government urging them to raise the EU GHG emissions 2030 target to at least 55%, initiative led by University of Cambridge Institute for Sustainability Leadership.

i. Participation in World Bank Offshore Wind Virtual Study Tour organized by the World Bank Group and GWEC, which was held between 15-17 September 2020, to share global expertise about the offshore wind market with emerging countries interested in developing offshore wind markets.

E2.4 Performance 2020

The two initiatives set out below are a good example of the initiatives undertaken in financial year 2020:

- Siemens Gamesa supports policies targeted to promote a transition to a low-carbon economy and energy mix. This support is directly related to SDG 8. Promote sustained, inclusive and sustainable economic growth, and SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We have performed various policy engagement actions in this topic. In October 2019, "The **socioeconomic impacts of wind energy in the context of the energy transition**[65]" report was released. Siemens Gamesa joined forces with KPMG to share its global experience as pioneer in the wind industry about how the Company has been able to become one of the global leaders in the sector while developing local successful value chains in the more than 90 countries where Siemens Gamesa has been operating: investment in new facilities, developing local supplies, engaging with Local Universities, investment in R&D... a showcase on how Siemens Gamesa has built its strategy not only seeking for profitability, but about wealth for all stakeholders engaged with our activity.
- Siemens Gamesa also supports policies targeted at the development of green energy in developing countries, specifically Africa. This support is directly related to SDG7 - Access to energy in developing countries. Siemens Gamesa has been present in Africa for over 20 years and currently holding 55% market share. We have been able to install projects in Morocco, Egypt, Tunisia, Mauritania, Algeria, Kenya, Mauritius, South Africa and are currently working in Djibouti and Ethiopia. We have also carried out several policy engagement actions on this topic, as we are well aware of the vast renewable energy resource Africa is endowed with, its growing energy demand and how socioeconomically impactful renewables can trigger new sustainable economic sectors in Africa. Siemens Gamesa is one of the founding members of the RES4AFRICAs foundation, whose mission geared at creating an enabling environment for renewable energy investments in African countries to meet local energy needs. Renewable energy is essential for Africa to achieve inclusive and sustainable development. As a private sector and member-driven organization, the RES4Africa Foundation bridges the gap between its members and partners, allowing them to interchange viewpoints, initiatives and expertise.

[65] See: "The socio-economic impacts of wind energy in the context of energy transition" (KMG). Link: https://home.kpmg/th/en/home/insights/2019/10/report-siemens-gamesa-global.html

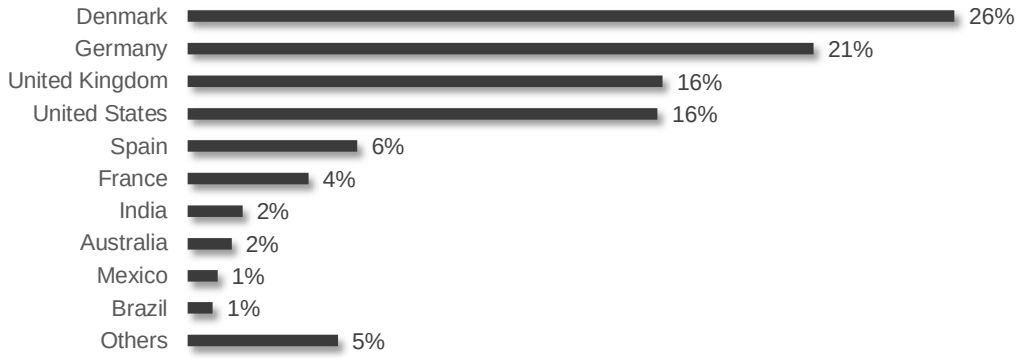
E2.5 Membership fees

Siemens Gamesa was an active member of about 200 organizations and associations around the world in fiscal year 2020, which amounted to a total expenditure of €3.6 million (same as in fiscal year 2019) in membership fees. The relationships of Siemens Gamesa and the companies which belong to the Group with public authorities are guided by institutional respect and fulfillment of the law.

Table 59 - Expenses in memberships and associations (€million)

	FY18	FY19	FY20
Membership fees	3.2	3.6	3.6

Figure 35 – Share of membership fees by Top 10 countries in FY20



E2.6 Lobbying activities

Siemens Gamesa does not make direct financial contributions to lobbying activities. We represent ourselves in public discourse mainly through contributions to trade and business associations. Siemens Gamesa is unable to ascertain what percentage of our contribution is allocated to lobbying from the many trade associations we collaborate with, neither are we able to provide an estimate thereof. As an alternative, we report our expenditure on actions directly performed by Siemens Gamesa which may indirectly influence public policy on the specific topics these actions address.

E2.7 Political contributions

Siemens Gamesa does not make direct political contributions. Our Business Conduct Guidelines expressly state that the companies belonging to the group are strictly forbidden from directly or indirectly making donations to political parties, including federations, coalitions and voter groups, even by way of loans or advances.

E3. Responsible Supply chain

E3.1 Management approach

[102-9] [103-1] As a world leading manufacturer of wind turbines, we source products and services from numerous suppliers based in a wide range of countries and generate significant share of value in our production stages. On the one hand the savings Procurement achieves have a direct impact on the EBIT of the company and we are continuously working with our suppliers to get our material at the best total cost of ownership available in the market. Additionally, together with our cross-functional partners, we strive to find the best sourcing solutions to get materials and services in the right quality on time.

Moreover, we assume supply chain sustainability is increasingly recognized as a key component of corporate sustainability. We believe that supply chain is the engine for today's global economy, serving to deliver goods and services around the world, connecting businesses and the individuals who work for them across geographic, industry, cultural and regulatory boundaries. Supply chain sustainability also ensures that our company will continue to meet the future needs, in economic, social, ethical and environmental terms. It ensures compliance with laws and regulations as well as adherence to and support of international principles for sustainable business conduct.

Siemens Gamesa's Supplier Relationship Policy[66], the Code of Conduct for suppliers and Third-Party Intermediaries[67], the General Purchasing Conditions [68] and our internal rules and procedures form the basis for this, as they all set minimum expectations for suppliers to comply with. They all integrate the Principles of the UN Global Compact on Human Rights, Environment and Anti-Corruption and provide fundamental guidance for our business activities.

E3.2 Procurement organization

Procurement is a corporate function that has transferred into a centralized organization during fiscal year 2020. Thereby, all Procurement forces have been bundled into an efficient streamlined organization within the supply chain, in direct reporting line to Corporate Chief Operating Officer. In order to unleash the full potential of Procurement organization, it is organized as follows:

- **Strategic Procurement** has the global responsibility for the strategic sourcing of goods and services to all turbine platforms, as well as to all company needs that enable, maintain and develop its operations. The sourcing is defined by a cross-functional commodity strategy with Procurement owning the supplier relationship and leading the price and contract negotiation.
- **Cost Value Engineering** works closely together with the Technology functions during product design and development, provides cost and value transparency and fosters the impact on an optimized cost baseline. It develops and manages material cost productivities and thereby contributes to the achievement of the productivity targets.

66 See: Siemens Gamesa Supplier Relationship policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/supplier-relationship-policy.pdf?la=en-bz&hash=552A19E60659E142285C31B2E6921EE4D2041196

67 See: Code of Conduct for Suppliers and Third Party Intermediaries. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/code-of-conduct/code_of_conduct_for_suppliers_and_third_party_intemediaries_en.pdf?la=en-bz&hash=D284F9974754A8848ABC85A15035AF0F1022B007

68 See General Purchasing Conditions. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/purchase-conditions/siemens-gamesa-gpc-002-2018-06-en_sgre-general-purchasing-conditions.pdf?la=en-bz&hash=1AAE86231AB9BD2E3918DE4EEE1DA5BB0DDC316B

- **Supplier Quality & Development** qualifies suppliers and contractors as well as their components and services according to our integrated management system (IMS) requirements. It monitors their performance globally and establishes an effective prevention and correction mechanism of supplier quality and HSE requirements. The claim management team drives the resolution of supplier related non-conformance cases.
- **Business unit Procurement Onshore, Offshore and Service** govern the interface towards Sales & Execution and Operations, as well as ensure the cost input into the Sales Business Approval Process. Furthermore, they implement procurement commodity strategies in local hub response to the related platforms. Therein, Project Procurement supports project phases, from the sales phase up to the commissioning, by strategies with special focus on logistics, crane and installation, as well as Balance of Plant (civil works & substation) activities.
- **Controlling & Reporting and Functional Excellence** ensure the end-to-end transparency in Procurement by means of KPI tracking and by efficient and lean processes, including digitalization initiatives. Thereby, they support all Procurement teams to collaborate as an integral part of the business to create a key competitive advantage for Siemens Gamesa.

E3.3 Supply chain principles and targets

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

- Continuous work on risk mitigation in the supply chain by close supplier collaboration across the globe.
- Strive to reduce the volume of single-source procurement.
- Work with suppliers to achieve world-class component design in order to reduce costs.
- Create 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 as well.

Sharing the commitment to society alongside the supply chain, we aspire:

- By 2021, 85% of purchasing volume (PVO) of our suppliers accept the Supplier Code of Conduct (maintaining the trend of FY20).
- By 2023, 90% of sustainability high risk suppliers assessed and/or audited of total purchasing volume (PVO) that is related to sustainability high risk suppliers (from current 77% at the end of FY20)
- By 2025, 30% of suppliers, covering the categories of purchased goods and services as well as transportation and distribution, will commit to targets that reduce greenhouse gas (GHG) emissions and that are considered as “science-based” in line with the Science Based Target initiative (SBTi). (New target that initiates in FY21)

E3.4 Sustainability focus

[L11-SO05] Our message to suppliers is that they must share with us the common goal of behaving in an ethical, law-abiding manner. The Group has therefore set a specific policy governing supplier relation and contracting which provides a group-wide framework for the management and control of procurement activities, the **Siemens Gamesa Supplier Relationship Policy.**

As a foundation on sustainability for suppliers, and compliant to the Group policy, the **Code of Conduct for Suppliers and Third-Party Intermediaries**[69] (also commonly referred to as "the Code of Conduct"), sets out the Group's binding requirements.

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

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

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

Siemens Gamesa also released the **Booklet for the Code of Conduct for Suppliers and Third-Party Intermediaries** [70] (also commonly referred to as "the Code of Conduct Booklet"). This comprehensive material documents in detail our expectations towards our suppliers in each requirement presented in the Code of Conduct, being an important support for our sustainability detection modules. The development of the Code of Conduct and the Code of Conduct Booklet is the result of the work performed by the Supplier Lifecycle Management and Sustainability community, which Siemens Gamesa has established since 2017. The group has representation in external communities, like the WindEurope® Sustainability Task Force, and is engaged in relevant sustainability topics.

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

E3.5 Mapping Siemens Gamesa supply chain

[102-10] In the reporting fiscal year 2020, Siemens Gamesa purchased almost €7.4 billion (€8.2 billion in FY19) from approximately 19,000 tier-1 suppliers. These suppliers have been impartially screened and assessed for high standards compliance with our excellence value.

Table 60 - Purchasing volume [71]

(€million)	FY18	FY19	FY20
Europe, Middle East and Africa	4,185	5,692	4,376
Americas	978	1,401	1,783
Asia, Australia	867	1,144	1,206
Purchasing volume (PVO)	**6,030**	**8,238**	**7,365**

[69] See: Supplier Code of Conduct. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/code-of-conduct/code_of_conduct_for_suppliers_and_third_party_intemediaries_en.pdf?la=en-bz&hash=D284F9974754A8848ABC85A15035AF0F1022B007

[70] See: Booklet for Code of Conduct for Suppliers and Third-Party Intermediaries. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/suppliers/sgre-conduct-suppliers-and-party-intermediaries.pdf?la=en-bz&hash=D17D5001EF6FD9744633CBC0FE133C20AC0104C0

[71] Notice: Purchase volume based on closed purchasing orders, not on accruals.

Table 61 - No. 1 tier suppliers [72]

	FY18	FY19	FY20
Europe, Middle East and Africa	10,162	11,340	11,481
Americas	3,506	3,542	4,042
Asia, Australia	3,383	3,571	4,014
No. tier-1 suppliers	**17,051**	**17,890**	**18,932**

The number of suppliers whose annual invoicing exceeded €10K at the end of the reporting cycle amounted to 9,449 (7,892 in FY19) what represents 50% of total tier-1 suppliers, giving indication of the balance between large and small suppliers. Additionally, we identified other categories of procurement spend and categories that are critical to our business operations in terms of little or no availability of alternative options and impact of supply chain disruption.

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

In fiscal year 2020, critical suppliers classified under these conditions accounted for 31% of the year's total purchasing volume (approximately €2.3 billion).

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

The suppliers identified as having high sustainability risk to Siemens Gamesa in fiscal year 2020 accounted for 16% of the year's total purchasing volume (approximately €1.2 billion).

Table 62 - Purchasing volume under sustainability focus

(€million)	FY18	FY19	FY20
Purchasing volume of Critical tier-1 Suppliers	**2,061**	**2,037**	**2,275**
Europe, Middle East and Africa	1,323	1,397	990
Americas	300	228	320
Asia, Australia	438	412	965
Purchasing volume of Sustainability High-risk suppliers	**724**	**1,089**	**1,168**
Europe, Middle East and Africa	262	503	348
Americas	83	179	244
Asia, Australia	278	407	576

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

Table 63 - No. of suppliers under sustainability focus [73]

	FY18	FY19	FY20
No. of Critical tier-1 Suppliers	**1,061**	**748**	**1,283**
Europe, Middle East and Africa	487	356	380
Americas	255	142	150
Asia, Australia	319	375	895
No. of Sustainability high-risk suppliers	**792**	**480**	**468**
Europe, Middle East and Africa	268	111	110
Americas	208	85	78
Asia, Australia	316	364	362

E3.6 Sustainability integration in the supply chain

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

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

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

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

E3.7 Commitment to the Code of Conduct

[L11-SO06] An integrated supplier management process is embedded company-wide in unified, mandatory procurement processes and a key part of this is ensuring that our suppliers agree contractually to abide by the Code of Conduct. We developed a system of contractual obligations to ensure that all our suppliers commit to its requirements:

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

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

Siemens Gamesa requires the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries or the Gamesa Code of Conduct for Suppliers to be respected by suppliers.

In fiscal year 2020, the total purchasing volume (PVO) of suppliers that have accepted the Code of Conduct was 85 % in comparison to 84% last fiscal year demonstrating the improvement in the integration of our controls.

Table 64 - Purchasing volume (PVO) covered by Supplier's Code of Conduct

	FY 18		FY 19		FY 20	
	PVO (€million)	% total PVO	PVO (€million)	% total PVO	PVO (€million)	% total PVO
Purchasing volume (PVO)	**3,949**	**65%**	**6,898**	**84%**	**6,269**	**85%**
Europe, Middle East and Africa	2,927	70%	4,880	86%	3,823	87%
Americas	650	66%	1,115	80%	1,488	83%
Asia, Australia	371	43%	903	79%	958	79%

E3.8 Detection Modules

[L11-SO07] Siemens Gamesa implemented a risk-based due diligence process to identify any areas of non-compliance of our Code of Conduct and highlight opportunities to promote improved performance. This includes systematic screening of new and existing suppliers through background checks and risk assessments associated with the sector and countries of operation. For example, reports from external providers provide us with information on geopolitical, commodity and financial risks. If relevant, suppliers are selected to go through one or more detection modules, as is the case for high sustainability risk suppliers.

- **Sustainability Self-Assessments (CRSA):** the supplier receives a Code of Conduct questionnaire and provides its own assessment of fulfilled requirements. The questionnaire is available on Siemens Gamesa's own platform or applied by a third party on behalf of Siemens Gamesa.
- **Supplier Evaluations**: to ensure that suppliers continuously comply with our performance requirements in the course of the supplier relationship, performance of existing Siemens Gamesa suppliers is evaluated regularly based on standardized criteria as stipulated by ISO standards. The supplier evaluation is performed at least once a year and has our most relevant and critical suppliers in scope. The evaluation is carried out by collaborative cross functional teams and results in a standardized classification which ranges from "Excellent" to "Phase out" status.
- **External Sustainability Audits:** Siemens Gamesa has appointed internationally recognized auditing companies to conduct on-site audits based on the universally valid principles of the Code of Conduct. The outcome is an in-depth assessment and report that enables Siemens Gamesa and its suppliers to identify and manage potential sustainability risks. External Sustainability Audits also play an important role in the supplier development scheme by improving the supplier's sustainability performance.
- **Supplier Quality Audits with Sustainability Scope**: as part of our internal Supplier Qualification and Audits processes, audit questionnaires have been devised to include the scope of the Code of Conduct and are applied to critical suppliers from quality perspective.

Table 65 - Supplier monitoring

(number)	FY18	FY19	FY20
Sustainability Self-Assessments (CRSA)	**1,104**	**1,132**	**783**
Europe, Middle East and Africa	706	764	411
Americas	179	224	169
Asia, Australia	219	281	270
External Sustainability Audits	**201**	**130**	**199**
Europe, Middle East and Africa	111	86	118
Americas	48	44	54
Asia, Australia	42	35	56
Quality audits with sustainability questions	**146**	**323**	**197**

Siemens Gamesa ensured that 77% of its purchasing volume (PVO) from sustainability high risk suppliers was covered by at least one of the above-mention detection modules in fiscal year 2020.

E3.9 Consequences of deviations

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

All measures put in place after inspections are incorporated into the company-wide supplier management process at Siemens Gamesa and are systematically selected and pursued. Implementation of the measures has, therefore, an influence on the supplier's annual performance rating and on the assessment of the supplier's future potential, as well as on the approval of the supplier within the regular supplier qualification process.

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

E3.10 Conflict minerals

We are committed to working toward avoiding the use, within our supply chain, of minerals from conflict affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance [74].

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

74 See OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.Link: https://www.oecd.org/daf/inv/mne/mining.htm

Already in fiscal year 2018 Siemens Gamesa harmonized its due diligence process for Conflict Minerals by taking part in the already established process in Siemens AG according to the requirements of Regulation (EU) 2017/821. Siemens AG has established a centralized approach for the due diligence process and follow up for mitigation with suppliers that are identified based on material groups that may potentially contain conflict minerals.

The advantageous position of Siemens AG as active member of the Responsible Mineral Initiative (RMI) gives Siemens Gamesa access to Reasonable Country of Origin Information (RCOI) on smelter level. We purchase 3TG from conformant smelters when these minerals are necessary for manufacturing of our products. In order to mitigate the risk of working with suppliers whose smelters have not been audited by RMI so far, Siemens Gamesa (through Siemens AG) actively engages within RMI's Responsible Minerals Assurance Process (formerly Conflict Free Smelter Program).

E3.11 Rare earths

Rare earths elements (REEs) are a group of 17 metals moderately abundant in the earth's crust - some even more abundant than copper, lead, gold, and platinum - that share certain unique properties including heat resistance and high electrical conductivity. These characteristics make REEs essential to many products, ranging from smartphones to more advanced technologies, particularly green technologies. The manufacturing of magnets represents the single largest and most important end use for REEs, accounting for 21% of total consumption. While REE reserves can be found worldwide, China supplies most of global REE demand.

The wind industry needs REEs for permanent-magnet synchronous generators (PMSGs) employed in some wind turbine models. In connection to this, Siemens Gamesa purchases magnets that contain REEs, but does not purchase directly any Rare Earth elements. Our suppliers of magnets that contain rare earth elements are relatively small and represent a 0.9 % of total purchasing volume in FY20 (0.8% in FY19). These suppliers are subject to the sustainability high-risk category and all related actions to enforce Code of Conduct adherence.

Siemens Gamesa is continuously working to improve the design of its direct drive generators in order to optimize the use of all materials, including rare earth permanent magnets. In particular, Siemens Gamesa aims to reduce and eliminate the use of heavy rare earth elements (Dysprosium and Terbium) in permanent magnets in order to strengthen the products' economic, environmental and social sustainability.

E4. Responsible tax

E4.1 Management approach

[L11-SO11] The responsible tax practices of all Siemens Gamesa Group companies form part of the global Corporate Social Responsibility Policy, which contains the basic principles of action that must be observed. The taxes paid by the group in the countries and territories where it operates constitute the main contribution made by group companies to support public obligations and are therefore one of the group's contributions to society.

The aim of Siemens Gamesa's tax strategy is to ensure compliance with the tax provisions applicable in all territories where it operates, in accordance with the activities undertaken. This fundamental objective to respect and to comply with tax rules is properly combined with pursing the corporate interest and generating shareholder value sustainably over time whilst avoiding tax risks and inefficiencies in the implementation of business decisions.

E4.2 Policy framework

Siemens Gamesa aims to fulfill its tax obligation in all territories in which it does business, and to maintain an appropriate relationship with the relevant Tax Authorities. In order to include that commitment to fulfill, develop and implement good tax practices within the Corporate Governance Rules of Siemens Gamesa, the company corporate tax policy[75] postulates the following practices:

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

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

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

- Cooperate with the competent Tax Authorities in detecting and seeking solutions regarding fraudulent tax practices that may occur in the markets in which the Siemens Gamesa group has a presence, to eradicate those already existing and prevent the expansion thereof.
- Provide tax-related information and documentation requested by the competent Tax Authorities as quickly and completely as possible.

[75] Siemens Gamesa Corporate Tax policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/corporate-tax-policy.pdf

- Use all powers given by the adversarial nature of the audit procedure, strengthening agreements with and approvals of the competent Tax Authorities, to the extent possible.

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

- Prior to the preparation of the annual accounts and the submission of the Corporate Income Tax Return, inform the Board of Directors of the tax standards applied by Siemens Gamesa during the financial year, and particularly the level of compliance with this policy.
- Based on the information received from the tax director, inform the Board of Directors of the tax policies applied by the company and, in the case of transactions or issues that must be submitted for the approval of the Board of Directors, of the tax consequences thereof if they constitute a significant risk factor.

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

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

Siemens Gamesa has voluntarily adhered to the Code of Good Tax Practices of July 20, 2020 since March 2017, which sets a framework of mutually cooperative relationship between the Spanish Tax Agency *(Agencia Estatal de Administración Tributaria)* and the companies that have subscribed it based on mutual trust and transparency.

Furthermore, in compliance with the provisions of the Annex to the Code of Good Tax Practices and with the aim of reinforcing its commitment to tax transparency, Siemens Gamesa submits an "Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code" to the Spanish Tax Agency on an annual basis, the first report of which referred to fiscal year 2018 (filed on July 22, 2019). The report on fiscal year 2019 was filed on July 9, 2020.

E4.3 Tax strategy

Siemens Gamesa's tax policy is approved by the Board of Directors on a yearly basis. The tax strategy focuses on compliance and efficiency. Siemens Gamesa conducts tax planning to the extent required to secure efficient handling of taxes within the constraints of tax law. Our company does not conduct any aggressive tax planning activities and aims for an open and transparent relationship with the tax authorities and to be transparent towards other external stakeholders.

The presence of Siemens Gamesa in countries considered as tax havens is solely and exclusively due to ordinary business activities. In fiscal year 2020, the only two subsidiaries established in tax havens in accordance with the Spanish regulations were Siemens Gamesa Renewable Energy, Ltd. (Mauritius) -100% owned and incorporated on May 2, 2015- and the branch Siemens Gamesa Renewable Energy Eólica S.L., branch in Jordan (Jordan) established on January 1, 2016. Both entities are involved in wind turbine maintenance activities for customers who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of Siemens Gamesa group is not significant (EUR 0.3 million -Mauritius- and EUR 0.7 million -Jordan-).

The income obtained by such entities is subject to Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 30% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a tax haven, the profits are also included in the tax base in Spain. The ownership of these entities does not therefore provide any tax advantage.

Table 66 - Breakdown by country of profit (loss) and taxes paid (million euro)

Country	FY18 (*)	FY18 Income tax paid	FY19 (*)	FY19 Income tax paid	FY20 (*)	FY20 Income tax paid
Argentina	-3	0	0	0	-4	0
Australia	15	-6	0	-6	-11	-1
Austria	0	0	1	0	0	0
Belgium	16	-5	18	-4	1	-3
Brazil	-24	-8	-11	-6	-81	-3
Bulgaria			1	0	1	0
Canada	27	-7	16	-4	6	-1
Chile	4	5	-1	-3	-4	0
China P.R.	30	-13	14	-18	18	-5
Colombia					0	0
Costa Rica	2	-1	3	0	-4	-1
Croatia	5	-2	1	-1	2	0
Cyprus			0		0	0
Denmark	302	-17	388	-81	-172	-29
Djibouti					0	0
Dominican Rep	2	0	-5	0	-2	-2
Egypt	5	0	3	-1	-3	-2
Finland			0		-1	0
France	-16	-2	-11	-2	-15	-1
Germany	-3	-17	51	-13	272	-26
Greece	0	0	0	0	-1	0
Guatemala	-4		4	0	0	0
Honduras			-5	0	-5	0
Hungary	0	-1	1	0	1	0
India	-46	-14	-111	-3	-531	-19
Indonesia	3	0	0	0	1	0
Iran	2		4	-1	2	0
Ireland	7	0	6	-1	12	-1
Italy	1	0	-2	0	-6	0
Jamaica	0				0	0
Jordan	2	-1	3	-1	0	0
Kenya			0		0	0
Korea	1	0	0	0	3	0
Mauritania			-1		0	0
Mauritius			0	0	0	0
Mexico	-34	-7	-25	-5	-54	-2
Morocco	-3	-3	-3	-3	-9	-2
Netherlands	7	-3	7	-2	5	-3
New Caledonia			-1		0	0
New Zealand				0		
Nicaragua		-1	-5	0	-1	0
Norway	1	-1	0		-2	0
Pakistan			0	0	1	0
Peru	2	0	2	-1	0	0

Philippines	2	-1	4	-1	2	-1
Poland	3	1	5	0	3	0
Portugal	0	0	1	0	-7	1
Romania	1	0	2	0	1	0
Russia	-1		-3		-13	0
Serbia					0	0
Singapore				0		
South Africa	8	-6	4	-5	4	-3
Spain	-174	-2	-288	-6	-407	-5
Sri Lanka			0	0	0	0
Sweden	7	-2	5	-3	-8	-2
Taiwan			4		-14	0
Thailand	2	0	3	0	3	-1
Tunisia	6	0	-2	0	1	0
Turkey	-4	-2	1	-3	-20	-1
Ukraine			0			
United Kingdom	74	-4	108	-8	100	-55
United States	-75	21	7	2	-61	-1
Uruguay	14	-1	4	-5	-3	2
Venezuela			0			
Vietnam	0		0	0	-4	0
Other IFRS result	4		-9		-12	0
SGRE Group	**168**	**-103**	**190**	**-191**	**-1,019**	**-172**

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

[L11-SO11] [L11-SO12] In fiscal year 2020, 84% (73% in 2019 and 60% in 2018) of the group's taxes were paid by entities located in the nine most relevant countries: Denmark, Spain, China, Great Britain, Brazil, Germany, Mexico, India and the United States.

Additionally, in this fiscal year, AENOR certified Siemens Gamesa's tax management system, policies and risk management framework in accordance with the requirements set forth in the UNE 19602 standard[76]. The standard is intended to help organizations implement policies and procedures that minimize the risk of tax non-compliance. It also serves as proof to the Spanish Tax Agency and the courts of the absence of willingness to defraud in the event of a disagreement. We become pioneers in the renewable energy sector in obtaining this certificate. The standard is an ideal mechanism for listed companies to comply with the tax management obligations contained in the tax regulations and the Code of Good Tax Practices.

From an ESG perspective, there is growing concern among certain stakeholders about social tax contributions. Listed companies must prove to investors that they are properly contributing to society by also paying taxes. This certification is of utmost importance to prove to these stakeholders that SGRE is continuing to fulfill its tax obligations properly.

Regarding the "Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code" filed by Siemens Gamesa before the Spanish Tax Agency on July 22, 2019, the company met Spanish Tax Authority representatives on October 16, 2019 in order to analyze its content and in February 2020 the company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity.

[76] See link at: https://www.en.aenor.com/certificacion/certificado/?codigo=197479

E4.5 Public subsidies received

[L11-SO13] [201-4] Accepted accounting principles are applied to the monetary value of financial assistance received from the government.

Siemens Gamesa was granted publicly funded aid for its R&D activity in fiscal year 2020 totaling €15.24 million (€8.36 million in fiscal year 2019). This public funding includes both non-refundable grants and refundable loans.

Table 67 - Financial subsidies granted

(€million)	FY18	FY19	FY20
European Comission	6.08	1.37	2.02
Grants	6.08	1.37	2.02
Loans	0	0	0
Spain	2.36	5.29	10.15
Grants	0.53	1.07	2.48
Loans	1.82	4.22	7.67
Germany	0.12	0	2.89
Grants	0.12	0	2.89
Loans	0	0	0
Denmark	0.29	0.99	0.18
Grants	0.29	0.99	0.18
Loans	0	0	0
Rest of countries	0	0	0.00
Grants	0	0.690	0
Loans	0	0	0
SGRE Group	**8.86**	**8.36**	**15.24**
Grants	**7.03**	**4.14**	**7.57**
Loans	**1.82**	**4.22**	**7.67**

The company's main R&D funding programs and bodies In fiscal year 2020 included: H2020 (European Commission), the Centre for the Development of Industrial Technology (Spain), the Government of the Basque Country (Spain), the Government of Cantabria (Spain), NBank from Lower Saxony (Germany) and the Danish Innovation Fund (Denmark).

F. About this report

F1. Statement

[L11-G05] [102-50] On April 3, 2017, the merger of Siemens Wind Power with GAMESA was formalized, qualifying for accounting purposes as a reverse acquisition, in which the wind power business of Siemens AG was the acquirer and GAMESA the acquired, respectively.

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

Continuing this commitment, Siemens Gamesa releases the **Consolidated Non-Financial Statement 2020 - CNFS** (former Sustainability Report) again this year, which is approved by the Board of Directors, after report from the Audit, Compliance and Related Party Transactions Committee of said Board of Directors.

F2. Reporting scene

Law 11/2018 of 28 December on non-financial and diversity reporting was enacted in Spain in 2018. The act transposes into Spanish law Directive 2014/95/EU of the Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

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

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

The report is a method of satisfying the growing demands made by society in general, shareholders and investors for companies to explain their performance in non-financial aspects, which is also known as environmental, social and corporate governance (ESG) given that good performance in these areas is directly linked to business excellence.

F3. Reporting period

Information contained in this Consolidated Non-Financial Statement (CNFS) reflects the situation included in the period between October 1, 2019 and September 30, 2020 (“the reporting period”). This period is referred also as “fiscal year 2020” (FY20).

F4. Reporting framework

[102-54] The report is referenced to the reporting framework and reporting elements included in the Law 11/2018 of 28 December on non-financial information and diversity. This Law stems from Royal Decree-Law 18/2017 of November 24, with important new additions, and brings into Spanish law Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information.

The report includes all material indicators for the Siemens Gamesa group requested in Law 11/2018, relating to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as information relating to Group employees. Where any indicator is not material for the Group, this will be expressly mentioned.

Siemens Gamesa Renewable Energy also followed the recommendations of the Global Reporting Initiative (GRI reporting standards). Siemens Gamesa has referred to selected GRI Reporting criteria for defining report content, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. They have equally guided the quality of information, enabling stakeholders to make sound and reasonable assessments of our organization. Additionally, the report takes into consideration the non-binding Guidelines on non-financial reporting of the European Commission (2017/C 215/01).

This report is subject to external independent review by EY and approval by Siemens Gamesa Renewable Energy S. A.'s Board of Directors.

Notice that EY verification report cannot be an integral part of this Consolidated Non-Financial Statement (CNFS) and cannot be attached to the CNFS document. This verification document is independent and is generated after audit closing. Rationale is the same as in financial audit, the audit report is not part of the financial statements.

F5. Collection of information

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

Rounding: Certain figures included in this statement have been rounded up or down to the nearest decimal. The figures included throughout this document may therefore not add up precisely to the totals provided and the percentages might not accurately reflect absolute figures due to said rounding.

F6. Observations

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

Year-on-year comparative information is provided along the report. Scope and period comparable to the subject matter of sustainability in 2017 are not the same as in 2018, 2019 and 2020. Siemens Gamesa excluded the data from year 2017 to conduct a reliable year-on-year analysis. To analyze trends and data to compare the organization's sustainability performance over time, considers FY18 period to be the baseline.

F7. Reference

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

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

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

F8. Calculations

This document refers to CO_2 emission savings that Siemens Gamesa products bring to customers.

It is correctly interpreted as total CO_2 emissions that would be generated annually with conventional fossil fuels to produce the equivalent amount of electricity (kWh) produced by Siemens Gamesa turbines on an annual basis.

Calculation of these annual CO_2 emission savings is based on the wind turbines total installed capacity - both on Onshore and at Offshore. The following conversion factors are applied:

- Emission factor world fossil ($grCO_2$/KWh): 849
- Offshore wind turbines average capacity factor: 42%
- Onshore wind turbines average capacity factor: 35%
- Average hours equivalent a year (h)= [Average Wind Turbine Generator (WTG) Capacity factor] * 365*24

G. Annexes

Annex I - Materiality analysis

[102-44] Siemens Gamesa's Materiality Analysis is a continuation of the global analysis carried out in the first half of fiscal year 2018. From our perspective, the evolution of material issues does not require an annual update, but rather we propose a review through 3-5-year cycles, depending on the particularities of the business and the trends in stakeholders' needs.

Identification of material aspects

The information sources which enable us to identify more and new relevant matters for the company's stakeholders include: i) Criteria for Environment, Social and Governance (ESG) used by institutional investors and asset managers to select their investment portfolios; ii) ESG requirements used by specialized indexes and rating agencies to analyze the company; iii) reference publications issued by international organizations that are influential in the scope covered by the ESG topic; and iv) ESG requirements expressed by clients in the framework of the daily business relations of the company.

At a global level, we also take into consideration the analyses made by four international standards that currently shape the broader international agreement on responsible behavior of multinational companies: i) the Principles of the United Nations Global Compact; ii) the United Nations Guiding Principles on Business and Human Rights; iii) the OECD Guidelines for Multinational Enterprises and iv) the Global Reporting Initiative Guidelines (GRI) with representation from the business environment, trade unions, civil society, financial markets, auditors and specialists in several disciplines in the business area, regulators and several countries' governing bodies.

All these sources allow us to identify details and particularities, obtaining different lists of issues that affect the group. A single list of issues linked to their corresponding chapter in this report is set out below.

Prioritization of material aspects

The importance of each specific aspect for Siemens Gamesa's top management and regional managers (internal diagnosis) was analyzed and opinion makers' demands in these areas were also identified, as were the best practices implemented by Siemens Gamesa's peers (external diagnosis). The results of the internal and external diagnoses have been deployed in the aggregated materiality analysis as:

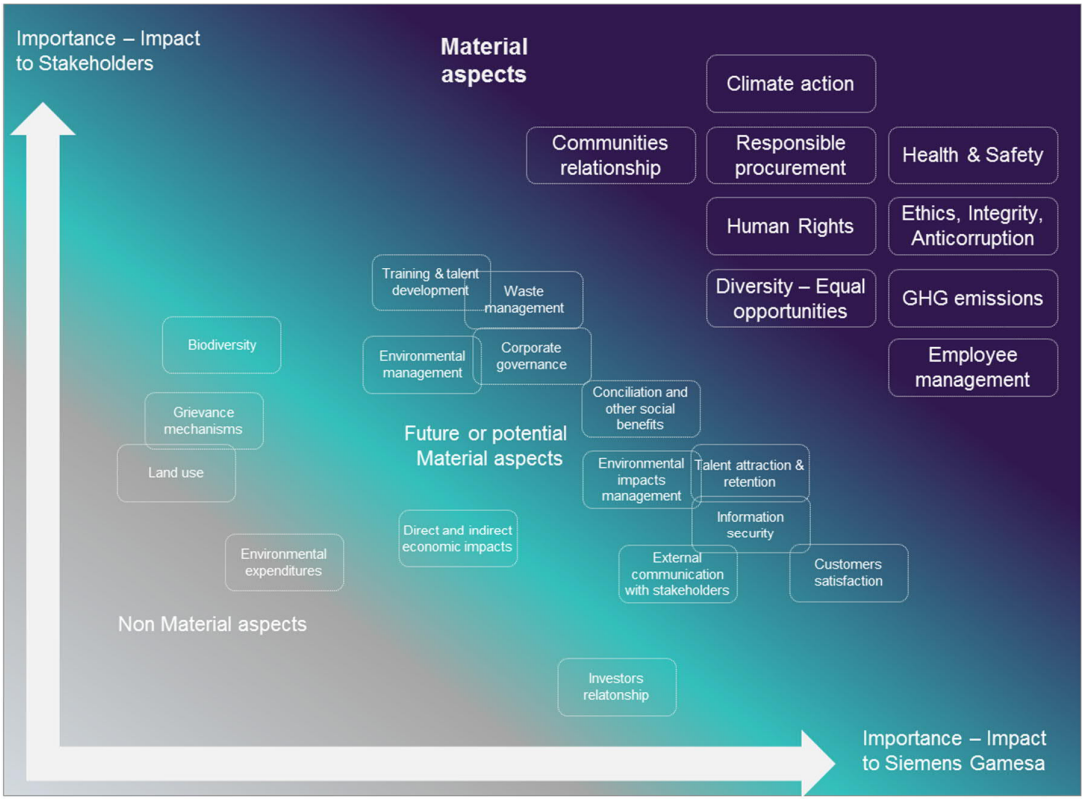
- internal relevance of sustainability aspect (importance for SGRE – materiality matrix's X axis) including an in-depth analysis of the sustainability policies applicable to the group's companies, together with consultations with the business' senior executives, including the Chief Executive Officer and members of the executive committee, who provided their views on the relevance of the issues identified.
- external relevance of sustainability aspect (importance for stakeholders – materiality matrix's Y axis), with a weighting of i) benchmark with industry peers: 60%; ii) sector prescribers: 5% including AEE, WindEurope, IEA, …etc. iii) sustainability opinion makers: 30%; including DJSI, CDP, FTSE4Good, OECD, ILO, GRI…etc.; iv) media: 5%

Validation of material aspects

The assessment and validation of the material aspects was included in the sustainability strategy and actions for the period 2018-2020, which was submitted to the criteria and subsequent validation by the Audit, Compliance and Related Party Transactions Committee at its session held on 16 May 2018.

In the second half of fiscal year 2020 we have seen the outbreak of the COVID-19 pandemic in a broad sense. This effect has not been included in the materiality analysis, pending verification of whether it should be considered a permanent impact or an acute impact, to the extent that this effect may be reflected in the Group's corporate policies. In the current situation it looks like this impact should be regularly evaluated in future materiality analyses and therefore its inclusion should be assessed. However, and for the purpose of this exercise, the non-financial information statement already incorporates several references regarding how this impact has been managed from a business and management systems perspective.

Figure 36 – Materiality matrix



Understanding material aspects

Material aspect: Ethics, Integrity, anti-corruption

Relevance of the material aspect: As part of a company's good governance, it is considered necessary to establish an anti-corruption policy and guidelines for ethical company conduct, in addition to promoting legal compliance and integrity in tenders and bids. A high degree of transparency, efficiency and accuracy in the functioning of the governing bodies is critical to the generation of trust and long-term commitment to stakeholders. It is also a trend for large listed companies to provide more and more information regarding transparency and tax contribution. Section in this report: See Chapter "Ethics, Integrity and Anticorruption"

Material aspect: Health & safety

Relevance of the material aspect: Managing the safety, health and well-being of workers requires a process of awareness and training, along with risk identification and mitigation measures. In addition to achieving a reduction in accidents at work, it is important to transfer the importance of occupational safety and health management to the supply chain. Section in this report: See Chapter “Health and Safety”

Material aspect: Climate change action

Relevance of the material aspect: Measures taken by the company to contribute to climate change mitigation: establish a climate change policy, invest in renewable energy, promote energy efficiency, reduce greenhouse gas emissions, use a carbon or emissions offsetting; adapting projects or assets to extreme weather events; and managing risks and opportunities from climate change. Today, the energy transition and its regulatory mechanisms. The associated impacts on companies are significant. Section in this report: See Chapter “Climate Change”

Material aspect: Responsible procurement

Relevance of the material aspect: Environmental, social and ethical criteria must also be applied in supplier management. This includes the establishment of supplier policies and codes of conduct, as well as the implementation of due diligence mechanisms to ensure compliance. Work must also be done to identify the carbon footprint of suppliers. Section in this report: See Chapter “Responsible Supply chain”

Material aspect: Diversity and equal opportunities

Relevance of the material aspect: Measures that guarantee diversity and equal opportunities in the workplace must be incorporated, from the incorporation of people at risk of social exclusion to training and the promotion of multiculturalism. In addition, policies and actions aimed at promoting work-life balance and reducing the salary gap should be incorporated. Section in this report: See Chapter “Diversity and Equal opportunities”

Material aspect: Human Rights

Relevance of the material aspect: Measures in place to respect the human rights of stakeholders and mechanisms to address possible violations. In addition to the definition of a policy in this respect, it is considered relevant to establish due diligence mechanisms as well as training and awareness on the subject or the assessment of human rights risks in projects and investments, as well as in the supply chain. Section in this report: See Chapter “Human Rights”

Material aspect: Greenhouse Gas emissions (GHG)

Relevance of the material aspect: Global warming and climate change have come to the fore as a key sustainable development issue. Many governments are taking steps to reduce GHG emissions through national policies that include the introduction of emissions trading programs, voluntary programs, carbon or energy taxes, and regulations and standards on energy efficiency and emissions. As a result, we must be able to understand and manage our GHG risks if we are to ensure long-term success in a competitive business environment, and to be prepared for future national or regional climate policies. Section in this report: See Chapter “Sustainable use of resources”

Material aspect: Employee management

Relevance of the material aspect: Strategy and plans to attract and retain talent, as well as to reduce employee turnover: performance evaluation processes, employee satisfaction surveys and investment in training and other instruments to motivate commitment such as grants, or incentives linked to objectives. In addition, measures to promote training on key sustainability issues and to link employee remuneration to the company's sustainability performance are also assessed. Section in this report: See Chapter “Working at SGRE”

Material aspect: Communities relationship

Relevance of the material aspect: Any negative impact of the company's activity on local communities should be managed, starting with appropriate dialogue with them. The effects should consider aspects such as population displacement, noise or dust generated or visual impact. Likewise, the company's activity has a positive impact, such as the generation of wealth and the creation of local employment or the hiring of local suppliers. Furthermore, a positive impact must be added to all social actions of a local and global nature outside the regular business channels. Section in this report: See Chapter “Social commitment”

Annex II- Additional tables

Table 68 - Headcount in fiscal year 2020: Employees by region, gender, age group and level

	Male	Female	Total
Europe, Middle East & Africa	**14,065**	**3,680**	**17,745**
<35	4.320	1.049	5.369
Executive level	0	1	1
Management level	264	67	331
Non-Management level	4.056	981	5.037
35-44	5.404	1.556	6.960
Executive level	62	11	73
Management level	886	282	1,168
Non-Management level	4.456	1.263	5.719
45-54	3.186	843	4.029
Executive level	92	8	100
Management level	635	155	790
Non-Management level	2.459	680	3.139
55-60	779	165	944
Executive level	31	4	35
Management level	110	10	120
Non-Management level	638	151	789
>60	376	67	443
Executive level	2	0	2
Management level	53	6	59
Non-Management level	321	61	382
Americas	**2,740**	**693**	**3,433**
<35	1.106	251	1.357
Executive level	0	0	0
Management level	66	18	84
Non-Management level	1.040	233	1.273
35-44	918	219	1.137
Executive level	9	2	11
Management level	188	38	226
Non-Management level	721	179	900
45-54	431	131	562
Executive level	7	1	8
Management level	98	22	120
Non-Management level	326	109	435
55-60	172	57	229
Executive level	2	0	2
Management level	35	4	39
Non-Management level	135	53	188
>60	113	35	148
Executive level	2	0	2
Management level	12	2	14
Non-Management level	99	33	132
Asia, Australia	**4,410**	**526**	**4,936**
<35	2.610	250	2.860
Executive level	0	0	0
Management level	59	8	67
Non-Management level	2.551	242	2.793
35-44	1.439	234	1.673
Executive level	2	0	2
Management level	205	47	252
Non-Management level	1.232	187	1.419
45-54	319	40	359
Executive level	7	3	10
Management level	154	18	172
Non-Management level	158	19	177
55-60	39	1	40
Executive level	3	0	3
Management level	25	0	25
Non-Management level	11	1	12
>60	3	1	4
Executive level	0	0	0
Management level	1	0	1
Non-Management level	2	1	3
Headcount Total	**21,215**	**4,899**	**26,114**

Table 69 - Hiring in fiscal year 2020: Hiring by region, gender, age group and level

	Male	Female	Total
Europe, Middle East & Africa	**2.873**	**627**	**3,500**
<35	1.346	298	1.644
Executive level	0	0	0
Management level	34	11	45
Non-Management level	1.312	287	1.599
35-44	950	200	1.150
Executive level	7	1	8
Management level	91	23	114
Non-Management level	852	176	1.028
45-54	450	106	556
Executive level	5	0	5
Management level	48	12	60
Non-Management level	397	94	491
55-60	83	16	99
Executive level	2	1	3
Management level	10	0	10
Non-Management level	71	15	86
>60	44	7	51
Executive level	1	0	1
Management level	6	1	7
Non-Management level	37	6	43
Americas	**563**	**107**	**670**
<35	322	64	386
Executive level	0	1	1
Management level	16	0	16
Non-Management level	306	63	369
35-44	173	28	201
Executive level	1	0	1
Management level	35	7	42
Non-Management level	137	21	158
45-54	59	12	71
Executive level	0	0	0
Management level	12	3	15
Non-Management level	47	9	56
55-60	9	2	11
Executive level	0	0	0
Management level	1	1	2
Non-Management level	8	1	9
>60	0	1	1
Executive level	0	0	0
Management level	0	0	0
Non-Management level	0	1	1
Asia, Australia	**617**	**145**	**762**
<35	464	92	556
Executive level	0	0	0
Management level	13	7	20
Non-Management level	451	85	536
35-44	105	44	149
Executive level	0	0	0
Management level	12	4	16
Non-Management level	93	40	133
45-54	37	9	46
Executive level	3	0	3
Management level	11	4	15
Non-Management level	23	5	28
55-60	8	0	8
Executive level	2	0	2
Management level	2	0	2
Non-Management level	4	0	4
>60	3	0	3
Executive level	0	0	0
Management level	1	0	1
Non-Management level	2	0	2
Hiring Total	**4,053**	**879**	**4,932**

Table 70 - Exits in fiscal year 2020. Terminations by gender and type of exit, region, age group and level

	Male Voluntary	Male Non-voluntary	Male sub-total	Female voluntary	Female Non-voluntary	Female sub-total	Total
Europe, Middle East & Africa	**807**	**910**	**1,717**	**191**	**192**	**383**	**2,100**
<35	323	287	610	78	62	140	750
Executive level	0	0	0	0	0	0	0
Management level	15	3	18	4	1	5	23
Non-Management level	308	284	592	74	61	135	727
35-44	267	276	543	65	67	132	675
Executive level	5	1	6	1	0	1	7
Management level	42	20	62	12	4	16	78
Non-Management level	220	255	475	52	63	115	590
45-54	146	211	357	34	45	79	436
Executive level	1	4	5	0	1	1	6
Management level	31	23	54	6	3	9	63
Non-Management level	114	184	298	28	41	69	367
55-60	32	87	119	6	13	19	138
Executive level	3	2	5	0	0	0	5
Management level	5	12	17	0	0	0	17
Non-Management level	24	73	97	6	13	19	116
>60	39	49	88	8	5	13	101
Executive level	0	1	1	0	0	0	1
Management level	4	3	7	2	1	3	10
Non-Management level	35	45	80	6	4	10	90
Americas	**259**	**218**	**477**	**59**	**43**	**102**	**579**
<35	120	95	215	24	26	50	265
Executive level	0	0	0	0	0	0	0
Management level	5	5	10	1	2	3	13
Non-Management level	115	90	205	23	24	47	252
35-44	82	83	165	19	11	30	195
Executive level	0	0	0	0	0	0	0
Management level	18	12	30	3	2	5	35
Non-Management level	64	71	135	16	9	25	160
45-54	40	30	70	9	4	13	83
Executive level	1	1	2	0	0	0	2
Management level	9	3	12	4	1	5	17
Non-Management level	30	26	56	5	3	8	64
55-60	8	8	16	2	2	4	20
Executive level	1	0	1	0	0	0	1
Management level	0	1	1	0	0	0	1
Non-Management level	7	7	14	2	2	4	18
>60	9	2	11	5	0	5	16
Executive level	0	0	0	0	0	0	0
Management level	1	0	1	1	0	1	2
Non-Management level	8	2	10	4	0	4	14
Asia, Australia	**376**	**123**	**499**	**67**	**30**	**97**	**596**
<35	223	64	287	34	10	44	331
Executive level	0	0	0	0	0	0	0
Management level	4	1	5	1	0	1	6
Non-Management level	219	63	282	33	10	43	325
35-44	121	48	169	24	18	42	211
Executive level	0	0	0	0	0	0	0
Management level	24	5	29	4	1	5	34
Non-Management level	97	43	140	20	17	37	177
45-54	25	8	33	9	1	10	43
Executive level	3	0	3	0	0	0	3
Management level	12	2	14	3	0	3	17
Non-Management level	10	6	16	6	1	7	23
55-60	4	2	6	0	0	0	6
Executive level	1	1	2	0	0	0	2
Management level	3	1	4	0	0	0	4
Non-Management level	0	0	0	0	0	0	0
>60	3	1	4	0	1	1	5
Executive level	1	1	2	0	0	0	2
Management level	2	0	2	0	0	0	2
Non-Management level	0	0	0	0	1	1	1
Exits Total	1,442	1,251	2,693	317	265	582	3,275

Annex III - Law 11/2018 content index

Index of contents required by Law 11/2018, of December 28, which modifies the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Audit of Accounts, regarding non-financial information and diversity.

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
General topics					
Business Model					
Brief description of the Group's business model	Our Company	L11G01	GRI 102-1 GRI 102-2 GRI 102-3 GRI 102-5 GRI 102-7 GRI 102-10 GRI 102-18	6	
Markets where it operates	Our Company	L11G02	GRI 102-4 GRI 102-6	6	
Organizational objectives and strategies	Strategy	L11G03	GRI 102-14 GRI 102-40 GRI 102-44	27	
Key factors and trends that could affect the future outlook	Strategy	L11G04	GRI 102-14 GRI 102-15	29	
General					
Reporting framework	About this report	L11G05	GRI 102-45 GRI 102-46 GRI 102-47 GRI 102-50 GRI 102-51 GRI 102-52 GRI 102-53 GRI 102-56	161	
Management approach					
Description of applied policies	Sustainability approach	L11G06	GRI 103-1 GRI 103-2	34	
Results of these policies	Sustainability approach	L11G07	GRI 103-3	39	
Risks related to the aspects linked to the Group's activities	Risk Management	L11G08	GRI 102-15	43	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Environmental matters

Environmental management

Current and foreseeable impact of the company's activities on the environment	Environmental management	L11M01	GRI 102-15	98	
Environmental assessment and certification procedures	Environmental management	L11M02	GRI 103-2 Management approach to environment	99	
Resources devoted to environmental risk prevention	Environmental management	L11M03	GRI 103-2 Management approach to environment	99	
Implementation of the precautionary principle	Environmental management	L11M04	GRI 102-11	99	
Amount of provisions and warranties for environmental risks	Environmental management	L11M05	GRI 103-2 Management approach to environment	98	

Pollution

Measures to prevent, reduce or repair carbon emissions (includes noise and light pollution)	Sustainable use of resources	L11M06 L11M08	Internal operating framework	115 117	Note 1

Circular economy and waste prevention and management

Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	Sustainable use of resources	L11M07	GRI 103-2 Management approach to waste Internal operating framework	121	
Actions to avoid food waste	Sustainable use of resources	L11M09	-	-	Note 2

Sustainable use of resources

Water consumption and water supply in accordance with local limitations	Sustainable use of resources	L11M10	GRI 303-1	119	
Consumption of raw materials and measures to improve the efficiency in use	Sustainable use of resources	L11M11	GRI 103-2 Management approach of materials Internal operating framework	113	
Consumption, direct and indirect, of energy measures taken to improve energy efficiency and the use of renewable energies	Sustainable use of resources	L11M12	GRI 103: Management approach to energy GRI 302-1 GRI 305-4	114	
Use of renewable energies	Sustainable use of resources	L11M13	GRI 302-1	114	

Climate change

Important elements of greenhouse gas emissions generated as a result of the activities of the company	Climate change	L11M14	GRI 103-2 Management approach to emissions GRI 305-1 GRI 305-2 GRI 305-5	106	
Measures to adapt to climate change	Climate change	L11M15	GRI 103-2 Management approach to emissions	109	
Voluntary medium and long-term targets set to reduce greenhouse gas emissions and the measures implemented to that end	Climate change	L11M16	GRI 103-2 Management approach to emissions Internal operating framework	111	

Protection of biodiversity

Measures to preserve or restore biodiversity	Sustainable use of resources	L11M17	GRI 103-2 Management approach to biodiversity Internal operating framework	124	
Significant impacts of activities, products, and services on biodiversity	Sustainable use of resources	L11M18	Internal operating framework	124	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Social and Human Resources related matters

Employment

Total number of employees and distribution by country, gender, age and occupational classification	Working at SGRE	L11HR01	GRI 103-2 Management approach to employment GRI 102-8 GRI 405-1	56	
Total number and distribution of the conditions of the work contract	Working at SGRE	L11HR02	GRI 102-8 Internal data linked to Workday- SAP system procedure	58	
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Working at SGRE	L11HR03	GRI 102-8 GRI 405-1	58	
Number of dismissals by sex, age and professional category	Working at SGRE	L11HR04	GRI 401-1	59	
Average remuneration by sex, age and professional category	Compensation & Benefits	L11HR05	GRI 405-2	96	
Gender pay gap, the remuneration of equal or average jobs in society	Compensation & Benefits	L11HR06	GRI 103-2 Management approach of employment GRI 405-2	96	
Average remuneration of counselors and managers by sex	Our Company	L11HR07	Internal operating framework	16	
Implementation of policies to allow employees to disconnect from work	Diversity &Equal Opportunity	L11HR08	Internal operating framework	77	
Number of employees with disabilities	Diversity & Equal Opportunity	L11HR09	Internal operating framework	77	

Work organization

Working hours organization	Working at SGRE	L11HR10	Internal operating framework	53	
Number of hours of absenteeism	Occupational Health & Safety	L11HR11	Internal operating framework	69	
Measures to promote work-life balance and co-parenting responsibilities	Diversity &Equal Opportunity	L11HR12	GRI 103-2 Management approach of employment	77	

Health & Safety

Health & safety conditions in the workplace	Occupational Health & Safety	L11HR13	GRI 103-2 Management approach of Health & Safety	61	
Number of work accidents and occupational diseases by sex, frequency and severity rate by gender	Occupational Health & Safety	L11HR14	Internal operating framework	67	Note 3

Labour relations

Social dialogue organization	Labor Relations	L11HR15	GRI 103-2 Management approach to labour relations	80	
Percentage of employees covered by collective agreements, by country	Labor Relations	L11HR16	GRI 102-41	80	
Results of collective agreements, especially in the field of health and safety	Labor Relations	L11HR17	Internal operating framework	81	

Training

Training policies implemented	Learning and training	L11HR18	GRI 103-2 Management approach to training and education	88	
Number of hours of training by professional category	Learning and training	L11HR19	GRI 404-1	92	Note 4

Accesibility

Universal accessibility of people with disabilities	Diversity &Equal Opportunity	L11HR20	GRI 103-2 Management approach of diversity, equality and no discrimination	77	

Equality

Measures taken to promote equal treatment and equal opportunities for women and men	Diversity &Equal Opportunity	L11HR21	GRI 103-2 Management approach of diversity, equality and no discrimination	72	
Equality plans measures adopted to promote employment, protocols against sexual and gender-based harassment	Diversity &Equal Opportunity	L11HR22	GRI 103-2 Management approach of diversity, equality and no discrimination	74	
Integration and universal accessibility for people with disabilities	Diversity &Equal Opportunity	L11HR23	GRI 103-2 Management approach of diversity, equality and no discrimination	77	
Policy against all types of discrimination and, where appropriate, management of diversity	Diversity &Equal Opportunity	L11HR24	GRI 103-2 Management approach of diversity, equality and no discrimination	72	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Information on respect for Human Rights

Human Rights

Application of due diligence procedures in the field of human rights, preventing the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	Human Rights	L11H01	- GRI 103: Management approach to human rights GRI 102-17	134	
Complaints about cases of violation of human rights	Human Rights	L11H02	Internal operating framework	132	
Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization regarding freedom of association and the right to collective bargaining, the elimination of job discrimination, the elimination of forced labour and the effective abolition of child labour.	Human Rights	L11H03	GRI 103-2 Management approach to human rights GRI 407-1	134	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Disclosures on the fight against corruption and bribery

Corruption and bribery

Measures taken to prevent corruption and bribery	Ethics, Integrity and anti-corruption	L11C01	GRI 103-2 Management approach to compliance GRI 102-17 Internal operating framework	129	
Measures to combat money laundering	Ethics, Integrity and anti-corruption	L11C02	Internal operating framework GRI 206-1	130	
Contributions to non-for-profit organizations	Ethics, Integrity and anti-corruption	L11C03	Internal operating framework GRI 102-13	142	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

Information about society

Commitment to sustainable development

Impact of the company's activity on employment and local development	Strategy	L11SO01	GRI 103-2 Management approach to local communities	31	
Impact of the company's activity on local populations and territories	Social Commitment	L11SO02	Internal operating framework	137	
Company's relations with local communities´ agents and dialogue channels	Social Commitment	L11SO03	GRI 102-12 GRI 102-13	138	
Partnerships and sponsorship actions	Memberships and associations	L11SO04	GRI 102-13	143	

Sustainable supply chain

Inclusion of social, gender equality and environmental matters in the company's purchasing policy	Responsible Supply chain	L11SO05	GRI 103-2 Management approach to responsible supply chain	148	
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	Responsible Supply chain	L11SO06	GRI 102-9 GRI 308-1	151	
Monitoring and supervision systems and related results	Responsible Supply chain	L11SO07	GRI 102-9 Internal operating framewrok	152	

Consumer relationship

Measures to protect consumers´ health and safety	Occupational Health & Safety	L11SO08	GRI 103-2 Management approach	70	
Claims systems	Our Company	L11SO09	Internal reporting framewrok	22	
Complaints received and resolution of them	Ethics, Integrity and anti-corruption	L11SO10	Internal reporting framewrok	133	

Tax information

Profits obtained per country	Responsible Tax	L11SO11	Internal data linked to SAP system	158	
Taxes paid on profits	Responsible Tax	L11SO12	Internal data linked to SAP system	158	
Public subsidies received	Responsible Tax	L11SO13	GRI 201-4 Internal data linked to SAP system	159	

Notes included into the Law 11/2018 content index:

Note 1: Light pollution is not considered a material aspect for Siemens Gamesa.

Note 2: Due to the nature of Siemens Gamesa's business and based on the materiality assessment, the required information on "food waste" is not considered relevant to be reported.

Note 3: Our occupational safety and health data recording protocols do not allow for the inclusion of gender in our accident and incident records. This information is considered to compromise the privacy of the employee's identity, even if the employee's name has not been entered. However, the company is committed to processing this data in FY21 and onwards, ensuring employee privacy is protected, with the aim of breaking down the number work accidents and occupational diseases including a gender perspective.

Note 4: This fiscal year, the Group's training hours and trained employees are provided, audited data, but it does not include an additional breakdown by professional category. The reason for this is the existence of a data platform reconciliation problem, which the company is committed to solve along 2020-21. Full breakdown will be provided at the end of fiscal year 2021.

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The report is available in English and Spanish. Both versions can be downloaded from Siemens Gamesa's corporate website:

www.siemensgamesa.com

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Independent Assurance Report on the Consolidated Non-Financial Report
for the year ended September 30, 2020

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES

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Building a better working world

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORT 2020

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Siemens Gamesa Renewable Energy, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended September 30, 2020 of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the Annex III "Law 11/2018 content index" included in the accompanying Consolidated Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of Siemens Gamesa Renewable Energy, S.A. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the Annex III "Law 11/2018 content index", of said report.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of Siemens Gamesa Renewable Energy, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence as well as confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFR, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the NFR based on the materiality analysis made by the Group and described in the Annex I "Materiality analysis", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2020 NFS.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFS and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the NFS of the Group for the year ended September 30, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) as well as other criteria described in accordance with that indicated for each subject in the Annex III: "Table of contents required under "Law 11/2018 content index", included in the aforementioned Statement.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Alberto Castilla Vida

November 27, 2020

Annual Corporate Governance Report

of Listed Companies

2020

SIEMENS Gamesa
RENEWABLE ENERGY

ISSUER IDENTIFICATION

YEAR-END DATE: 09-30-2020

Tax Identification No. A01011253

Company Name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered Office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (BIZKAIA)

NOTICE:

i)The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.

ii) Due to rounding, numbers presented throughout this Annual Corporate Governance Report may not adjust precisely to the numbers or total amounts, or to those provided in other related documents and percentages may not precisely reflect absolute figures.

A. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
04-03-2017	115,794,374.94	681,143,382	681,143,382

Please state whether there are different classes of shares with different associated rights:

Yes ☐ **No X**

Class	Number of shares	Par value	Number of votes	Associated rights

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
SIEMENS ENERGY AKTIENGESELLSCHAFT	0.00	67.071	0.00	0.00	67.071

Breakdown of the indirect holding

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named Siemens Gas & Power GmbH & Co. KG)	67.071	0.00	67.071

State the most significant shareholder structure changes during the year:

Most significant movements

On January 1, 2020, Siemens Aktiengesellschaft ("Siemens AG" or "SAG"), as communicated to the Spanish Stock Market Commission ("CNMV") on January 2, 2020, transferred its 30.123% Siemens Gamesa Renewable Energy, S.A. (hereinafter "SIEMENS GAMESA" or the "Company") direct stake to Siemens Gas and Power GmbH & Co. KG ("Siemens KG") (fully owned by SAG) and communicated that the management body of Siemens KG, the entity Siemens Gas and Power Management GmbH ("SKG Manco"), which represents Siemens KG and therefore has the discretion to exercise the voting rights of Siemens KG, is fully owned and under the control of SAG.

On January 31, 2020, SAG, as communicated to the CNMV on February 3, 2020, transferred its 28.877% SIEMENS GAMESA indirect stake owned by Siemens Beteiligungen Inland GmbH ("SBI") (fully owned by SAG) to Kyros 63 GmbH (fully owned by SBI). SAG also communicated that its stake in Siemens KG and SKG Manco was contributed to SBI. After these contributions SAG still remained as indirect owner of 59% of SIEMENS GAMESA share capital.

On February 5, 2020, Iberdrola Participaciones, S.A.U., (fully owned by Iberdrola, S.A.) transferred its 8.071% stake in SIEMENS GAMESA to SAG, as communicated by Iberdrola, S.A. to the CNMV through significant events number 286473 and 286526, and SAG became owner of 67.071% SIEMENS GAMESA stake, holding 59% indirectly and 8.071% directly, as communicated by Siemens AG to the CNMV on February 6, 2020.

On March 31, 2020, as communicated by SAG to the CNMV on April 1, 2020, SAG and Kyros 63 GmbH transferred, respectively, their 8.071% and 28.877% SIEMENS GAMESA direct stake to Siemens KG, becoming therefore Siemens KG the direct owner of the 67.071% stake in SIEMENS GAMESA. The communication also informs of the change of ownership in Siemens KG, formerly wholly owned by SBI, with the result that now SAG owns 87.98% and SBI owns 12.02%.

On September 25, 2020, SAG, as communicated to the CNMV on September 28, 2020, completed an internal reorganization within the group resulting on no longer owning SIEMENS GAMESA's shares. As communicated by Siemens Energy Aktiengesellschaft ("Siemens Energy AG" or "SEAG") to the CNMV on September 28, 2020, SEAG indirectly holds 67.071% of the voting rights in SIEMENS GAMESA as follows: (i) SEAG wholly owns and control SKG Manco; (ii) SKG Manco is the sole general partner and management company of Siemens KG; (iii) as general partner, SKG Manco represents Siemens KG and therefore has the discretion to exercise the voting rights owned by Siemens KG; and (iv) Siemens KG owns directly 67.071% of the voting rights in SIEMENS GAMESA.

Siemens KG changed its corporate name to "Siemens Energy Global GmbH & Co. KG" with effects October 15, 2020.

Finally, on November 12, 2020, BlackRock Inc., as communicated to the CNMV on November 13, 2020, crossed the 3% threshold of voting rights attached to shares or through financial instruments in the share capital of SIEMENS GAMESA. Therefore, BlackRock Inc. became a significant shareholder of SIEMENS GAMESA as it was, as of November 12, 2020, the indirect owner of 3.001% of the voting rights of the share capital of SIEMENS GAMESA, divided in two direct stakes one of 2.836% in shares and another stake of 0.165% through financial instruments. As stated in the communication sent to the CNMV, the shares and financial instruments referred in the disclosure correspond to funds, accounts and portfolios managed by investment managers under the control of BlackRock Inc.

A.3. In the following tables, list the members of the Board of Directors (hereinafter "directors") with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Total percentage of voting rights held by the Board of Directors						0.000	

Remarks
Mr. Andoni Cendoya Aranzamendi, former director of the Company, was the direct holder of 1,000 shares of SIEMENS GAMESA, representing 0.0001% of the share capital, at the time of his resignation as a director, which took place with effects on February 23, 2020. Mr. Carlos Rodríguez-Quiroga Menéndez, former director of the Company, was the direct holder of 315 shares of SIEMENS GAMESA, representing 0.0000% of the share capital, at the time of his voluntary ceasing as a director, which took place with effects on February 23, 2020. Mr. Markus Tacke, former CEO of the Company, was the direct holder of 5,000 shares of SIEMENS GAMESA, representing 0.0007% of the share capital, at the time of his resignation as director, which took place on June 17, 2020. The shareholders acting at the General Meeting of Shareholders of SIEMENS GAMESA held on March 23, 2018 approved a "Long-Term Incentive Plan" (hereinafter, LTI) for the 2018-2020 period, which was amended by resolution of the shareholders at the Company's General Meeting of Shareholders held on March 27, 2019, which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO, among others. In relation to the aforementioned LTI, the Board of Directors assigned to the CEO Mr. Andreas Nauen (new CEO since June 17, 2020 replacing former CEO Mr. Markus Tacke), 28,856 stock awards for the FY2018 cycle (see section C.1.13), 67,380 stock awards for the FY2019 cycle, and 79,164 stock awards for the FY2020 cycle (once updated the assignment of stock awards for FY2020 after his appointment as CEO), resulting in a total of 175,400 stock awards (the former CEO, Mr. Markus Tacke was assigned by the Board of Directors with a total of 112,746 stock awards for the three cycles (see section C.1.13) once amended the initial assignments of each cycle after his resignation). The amount of *stock awards* just means the potential maximum number of shares to be awarded to the CEO in case of maximum achievement of all objectives established for such cycles, but it does not imply in any case that all or part of them will be awarded. The number of shares which, if that is the case, are finally awarded, will be calculated over the basis of the level of effective achievement of the objectives to which it is subject to. No share has been awarded to the current or former CEO, under any of the cycles of the LTI, by the date of issuance of this report, as explained in more detail in section C.1.13 of this report.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

Remarks

The contractual relationships that exist between the significant shareholder and SIEMENS GAMESA and/or its group (understood as the group of companies where SIEMENS GAMESA is the mother company, the "SIEMENS GAMESA Group" or the "Group") arise in the ordinary course of business and are not included in this section A.5. View section D.2. for more detail.

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties.

Shareholders with significant interests are represented on the Board of Directors through proprietary non-executive Directors. According to article 11.1 and 11.2 of the current Regulations of the Board of Directors of SIEMENS GAMESA approved by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Board of Directors") the categories of directors are "(…) *(a) Executive Directors; and (b) Non-executive Directors. Non-executive Directors may also be Independent, Proprietary or other External Directors.*

The status of each Director will be determined in accordance with legal provisions and must be explained by the Board of Directors before the General Shareholders' Meeting that will carry out or approve their appointment and confirm or, where applicable, revise it annually in the Annual Corporate Governance Report after being verified by the Appointments and Remunerations Committee."

It should also be noted that article 9.4 of said Regulations of the Board of Directors states that "*The Board of Directors shall attempt to include Proprietary and Independent Directors in the majority group of Non-executive Directors, maintaining a balance regarding the complexity of the Group, the ownership structure of the Company, the absolute and relative importance of significant shares, as well as the degree of continuity, commitment and strategic links with the owners of these stocks with the Company.*"

And then article 13.4 of said Regulations provides that "*The provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors*."

The Board of Directors of SIEMENS GAMESA is currently made up of the following proprietary directors:

- Mr. Tim Dawidowsky, appointed on an interim basis (co-option) by the Board of Directors on September 28, 2020 at the proposal of Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) to replace Dr. Andreas C. Hoffmann. The appointment will be submitted for ratification at the next General Meeting of Shareholders. Mr. Tim Dawidowsky is Senior Vice President Project Excellence of Siemens Energy Global GmbH & Co and member of the Board of Directors of Siemens Pakistan.

- Mr. Tim Oliver Holt, appointed on an interim basis (co-option) by the Board of Directors on February 10, 2020 at the proposal of Siemens AG to replace Ms. Lisa Davis, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Mr. Tim Oliver is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Maria Ferraro, appointed on an interim basis (co-option) by the Board of Directors on May 5, 2020 at the proposal of Siemens AG to replace Mr. Michael Sen, her appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Ms. Maria Ferraro is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Mariel von Schumann, appointed at the Extraordinary General Meeting of Shareholders held on October 25, 2016 at the proposal of Siemens AG, her appointment becoming effective on April 3, 2017. Siemens Gas and Power

GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Ms. Mariel von Schumann, originally proposed by Siemens AG, will maintain her condition as proprietary director.

- Mr. Miguel Angel López Borrego, appointed on an interim basis (co-option) by the Board of Directors on 16 October 2018 effective December 1, 2018 at the proposal of Siemens AG to replace Ms. Rosa María García García, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on March 27, 2019. Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Mr. Miguel Angel López Borrego, originally proposed by Siemens AG, will maintain his condition as proprietary director.

In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Holt, Tim Oliver	SIEMENS ENERGY AG		Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Labor Director
Holt, Tim Oliver	SIEMENS ENERGY AG	Ethos Energy Group Ltd.	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens W.L.L. Qatar	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Ltd. Saudi Arabia	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Foundation US	Member of the Board of Trustees
Ferraro, Maria	SIEMENS ENERGY AG		Member of the Managing Board
Ferraro, Maria	SIEMENS ENERGY AG		Chief Financial Officer
Ferraro, Maria	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Energy Global GmbH & Co. KG	Senior Vice President Project Excellence
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Pakistan	Member of the Board of Directors

Remarks

As of September 25, 2020, date when Siemens AG ceased to be significant shareholder of SIEMENS GAMESA, the following proprietary directors appointed at the proposal of Siemens AG, hold the following posts or relationship with Siemens AG or companies of its group:

- Mr. Miguel Angel López Borrego holds, as of September 25, 2020, the post of Chairman and CEO of Siemens, S.A., Chairman of Siemens Holding, S.L.U, member of the Board of Directors of Siemens Rail Automation, S.A.U., member of the Board of Directors of Siemens S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U.

- Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until September 28, 2020, holds, as of September 25, 2020, the post as member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Gas and Power Management GmbH (Dr. Hoffmann resigned from this post on September 25, 2020), member of the Supervisory Board of Siemens Healthcare GbmH, member of the Board of Directors of Siemens Ltd., China, General Counsel and Head of Legal and Compliance of Siemens AG and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).

- Mr. Tim Oliver Holt holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, member of the Board of Directors of Siemens Ltd. India, member of the Board of Directors of Siemens W.L.L. Qatar, member of the Board of Directors of Siemens Ltd. Saudi Arabia, member of the Board of Directors of Ethos Energy Group Ltd. and member of the Board of Trustees of Siemens Foundation US.

- Ms. Mariel von Schumann holds, as of September 25, 2020, the post of member of the Board of Directors of Siemens Ltd. India and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).

- Ms. Maria Ferraro holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board of Siemens Gas and Power Management GmbH; Vice President of the Board of Directors of Siemens S.p.A., Italy; member of the Board of Directors of Siemens Ltd. Seoul, Korea; member of the Board of Directors of Siemens S.A. Spain; Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu; Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd.; Supervisor in the Supervisory Board of IBS Industrial Business Software (Shanghai) Ltd.; Supervisor in the Supervisory Board of TASS International Co. Ltd.; Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou; Supervisor in the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd.; Company Supervisor in Siemens Numerical Control Ltd., Nanjing; Supervisor in the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited; member of the Governing Board of Siemens AB, Sweden; Chief Financial Officer of Siemens AG Digital Industries Division, until April 2020; and Chief Diversity Officer of Siemens AG Digital Industries Division, until April 2020.

The following proprietary directors appointed at the proposal of Siemens AG, as SIEMENS GAMESA's significant shareholder until September 25, 2020, who resigned before such date, held the following posts or relationship with Siemens AG or companies of its group as of their resignation date:

- Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until November 27, 2019, holds, as of his resignation date, the post as member of the Managing Board and Chief Financial Officer of Siemens AG; member of the Supervisory Board and Chairman of the Audit Committee of Siemens Aktiengesellschaft Österreich; and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.

- Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until February 10, 2020, holds, as of her resignation date, the posts of member of the Managing Board of Siemens AG; and Chairwoman of the Board of Directors of Siemens Proprietary Ltd., South Africa.

- Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until March 31, 2020, holds, as of his resignation date, the posts as member of the Managing Board of Siemens AG (until March 2020); Chairman of the Supervisory Board, Chairman of the Chairman's Committee, member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019) .

Mr. Pedro Azagra Blázquez, proprietary director appointed at the proposal of Iberdrola Participaciones, S.A.U. and member of the Board of Directors of SIEMENS GAMESA until February 5, 2020, date when Iberdrola S.A. ceased to be significant shareholder of SIEMENS GAMESA, held, as of his resignation date, the posts as member of the Executive Committee at Iberdrola, S.A.; Corporate Development Director of the Iberdrola Group, and member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

Finally, after fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes ☐ **No X**

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ **No X**

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

As a consequence of the transfer of the stake in SIEMENS GAMESA owned by Iberdrola Participaciones, S.A.U. to Siemens AG effective on February 5, 2020 and considering that Iberdrola Participaciones, S.A.U. would no longer be a shareholder of SIEMENS GAMESA, both parties, Iberdrola Participaciones, S.A.U. and Siemens AG agreed to terminate the shareholders agreement entered into by them on 17 June 2016. Termination of this agreement was communicated to the Spanish Stock Market Commission by Iberdrola, S.A. on February 4, 2020 (significant event number 286473).

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

Yes X **No ☐**

Name of individual or company
SIEMENS ENERGY AG

Remarks
The significant shareholder SIEMENS ENERGY AG owns indirectly 67.071% of the share capital of SIEMENS GAMESA and therefore can exercise control over it according to article 42 of the Commerce Code. The Company has five external proprietary directors in the Board of Directors.

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,625,869	0	0.239

Remarks
SIEMENS GAMESA signed on July 10, 2017 a liquidity contract with Santander Investment Bolsa, which was reported to the CNMV through Significant Event (number 254428) and entered into force on July 11, 2017. This liquidity contract was terminated on January 31, 2020 and this circumstance was reported to the CNMV on the same date through Significant Event number 286394. Likewise, during 2020 fiscal year the CNMV has been notified of transactions carried out within the scope of the referred liquidity contract during the first quarter of 2020 fiscal year and also during the period of time from the start of the second quarter of 2020 fiscal year until its termination date, via Significant Events number 285644 and 286490.

(*) through:

Name of direct shareholder	Number of direct shares
N/A	N/A
Total:	

Explain any significant changes during the year:

Explain significant changes
Pursuant to article 40 of Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union (the "Royal Decree 1362/2007"), these issuers must inform the CNMV of the proportion of voting rights held when, from the last treasury stock acquisition announcement, they acquire their own shares amounting to at least 1% of the voting rights via either a single or successive transactions. In this regard, during the 2020 fiscal year SIEMENS GAMESA made one announcement of direct acquisitions of treasury stock for reaching or exceeding the 1% threshold of the voting rights since the previous similar announcement. The referred announcement was made on December 27, 2019, including a total number of directly acquired shares of 6,816,872 representing a capital share of 1.001%.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

As at the date of approval of this report, the approval by the shareholders at the Company's Annual General Meeting of Shareholders held on July 22, 2020 under item thirteen on the agenda, pursuant to which the Board of Directors was authorized to acquire treasury shares of the Company, is in effect. The text of the resolution adopted by the shareholders at said Meeting in item thirteen on the Agenda is set forth verbatim below:

"Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:

(a) *Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.*

(b) *Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.*

(c) *Acquisitions may be made at any time up to the maximum amount allowed by law.*

(d) *Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.*

(e) *This authorisation is granted for a period of five years from the adoption of this resolution.*

(f) *The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below*

the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015."

A.11. Estimated free float

	%
Estimated free float	32.690

Remarks

The free float is calculated by deducting the capital belonging to significant shareholders, directors and treasury stock by the total amount of share capital as of September 30, 2020.

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No X**

Description of restrictions

Do not exist.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes ☐ **No X**

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

No resolution has been adopted.

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes ☐ **No X**

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share
All the shares in SIEMENS GAMESA's share capital are of the same class and series and confer the same political and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital. The Company's shares are admitted to trade on the stock exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System (Continuous Market).

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

Yes ☐ **No X**

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1st call	N/A	N/A
Quorum required at 2nd call	N/A	N/A

Description of differences
Do not exist.

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes ☐ **No X**

Describe how it is different from that contained in the LSC.

	Qualified majority different from that established in Article 201.2 LSC for Article 194.1 LSC matters	Other matters requiring a qualified majority
% established by the company for adoption of resolutions	N/A	N/A

Describe the differences
Do not exist.

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the By-Laws of SIEMENS GAMESA is governed by the provisions of: (i) Sections 285 to 290 of the Corporate Enterprises Act, (ii) its By-Laws y (iii) its Regulations for the General Meeting of Shareholders.

Articles 14.h) of the By-Laws and 6.1 i) of the Regulations for the General Meeting of Shareholders provide that said amendment is within the purview of the shareholders acting at a General Meeting of Shareholders of SIEMENS GAMESA.

Furthermore, articles 18 of the By-Laws and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements and articles 26 of the By-Laws and 32 of the Regulations for the General Meeting of Shareholders provide for the majorities required to adopt resolutions at the General Meeting of Shareholders. All of said articles refer to the legal provisions on these matters.

Additionally, article 31.4 of the Regulations for the General Meeting of Shareholders provides that the Board of Directors, in accordance with the provisions of law, shall formulate different proposed resolutions relating to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately. Within the context of amending the By-Laws, this rule means that each article or group of articles that is substantially independent shall constitute a separate proposal and shall be subject to individual approval.

Finally, pursuant to Section 518 of the Corporate Enterprises Act, for purposes of the call of a General Meeting of Shareholders at which an amendment of the By-Laws is proposed, the Company's website shall include the full text of the proposed resolutions regarding the items on the agenda in which said amendment is proposed, as well as the reports of the competent bodies in relation to these items.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

	Attendance data				
Date of General Meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
07-22-2020	0.63	86.92	0.00	0.00	87.55
Of which, free float:	0.63	19,85	0.00	0.00	20,48
03-27-2019	9.47	74.42	0.00	0.00	83.89
Of which, free float:	1.40	15.42	0.00	0.00	16.82
03-23-2018	9.01	72.39	0.00	0.00	81.40
Of which, free float:	0.93	13.39	0.00	0.00	14.32

Remarks

The free-float percentages have been calculated by dividing the shares present in person and by proxy less those belonging to significant shareholders and directors participating at each General Meeting of Shareholders, according to the information available on the attendance roll, by the total number of shares outstanding on the date the Meeting is held. For these purposes, significant equity interests deposited into omnibus accounts (that are not in the name of the holders of said equity interests) have been subtracted from the shares present in person and by proxy, as the Company was aware of the participation of said significant shareholder at the Company's General Meeting of Shareholders.

At the General Meeting of Shareholders held on July 22, 2020, seven shareholders, holding a total of seven thousand eight hundred sixty-three (7,863) shares, used the electronic absentee voting platform.

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

Yes ☐ **No X**

Points on agenda not approved	% votes against (*)

(*) If the non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes ☐ **No X**

Number of shares required to attend General Meetings	
Number of shares required for distance voting	

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes ☐ **No X**

Explain the decisions that must be subject to the General Shareholders' Meeting, other than those established by law

Do not exist.

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Article 48 of the By-Laws of SIEMENS GAMESA governs the activation of the Company's website pursuant to applicable law.

At its meeting of September 13, 2017, the Board of Directors of SIEMENS GAMESA approved the change of the corporate website from www.gamesacorp.com to www.siemensgamesa.com. The change was registered with the Commercial Registry of Biscay on October 24 2017 and was published in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) (BORME) on November 2, 2017, all for purposes of the full effectiveness thereof pursuant to Section 11 bis of the Corporate Enterprises Act.

General shareholders' meeting

The corporate website includes all information and content that must be published (directly accessible at https://www.siemensgamesa.com/en-int/investors-and-shareholders) pursuant to the Restated Text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October (the "Securities Market Act"), the Corporate Enterprises Act, Order ECC/461/2013 of 20 March Determining the Content and Structure of the Annual Corporate Governance Report, the Annual Remuneration Report and Other Information Instruments of Listed Companies, Savings Banks and Other Entities that Issue Securities Admitted to Trading on Official Securities Markets, and CNMV Circular 3/2015 of 23 June on Technical and Legal Specifications and Information that must be Contained in Websites of Listed Companies and Savings Banks that Issue Securities Admitted to Trading on Official Secondary Securities Markets.

As to mandatory content, the Company seeks to continously improve accessibility for users, particularly shareholders and investors, and this content is kept permanently updated pursuant to applicable law.

As regards accessibility of the mandatory content, it should be noted that access is provided on the home page of the corporate website. This access is located in the upper part of the page under the title "Investors and shareholders" (accessible at https://www.siemensgamesa.com/en-int/investors-and-shareholders), where there is a drop-down list of sections with all of the content that must be included on the websites of listed companies pursuant to the legal provisions mentioned above. These sections can also be accessed directly at their respective addresses:

- https://www.siemensgamesa.com/en-int/investors-and-shareholders/share-and-dividend
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/financial-information
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/communications-to-the-cnmv

It should also be noted that this access to section "Investors and shareholders" is also available at the bottom of the website's home page.

The corporate website also contains other information of interest for shareholders and investors and news relating to the Company's activities.

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	10

Remarks

The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 agreed, under item number eleven of the agenda, to set the number of members of the Board of Directors at ten, under article 30.2 of the By-laws and article 9.2 of the Regulations of the Board of Directors.

C.1.2. Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
López Borrego, Miguel Angel		External Proprietary	Chairman	12-01-2018	03-27-2019	General Meeting
Nauen, Andreas		Executive	Chief Executive Officer	06-17-2020	07-22-2020	General Meeting
Dawidowsky, Tim		External Proprietary	Director	09-28-2020	09-28-2020	Board of Directors Co-option
Ferraro, Maria		External Proprietary	Director	05-05-2020	07-22-2020	General Meeting
Hernández García, Gloria		Independent	Director	05-12-2015	03-27-2019	General Meeting
von Heynitz, Harald		Independent	Director	02-10-2020	07-22-2020	General Meeting

Holt, Tim Oliver	External Proprietary	Director	02-10-2020	07-22-2020	General Meeting
Krämmer, Rudolf	Independent	Director	02-20-2019	03-27-2019	General Meeting
Rosenfeld, Klaus	Independent	Director	04-03-2017	04-03-2017	General Meeting
von Schumann, Mariel	External Proprietary	Director	04-03-2017	04-03-2017	General Meeting

Total number of directors	10

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
Thomas, Ralf	External Proprietary	04-03-2017	11-27-2019	None	Yes
Azagra Blázquez, Pedro	External Proprietary	03-27-2019	02-05-2020	Appointments and Remunerations Committee	Yes
Davis, Lisa	External Proprietary	04-03-2017	02-10-2020	None	Yes
Cendoya Aranzamendi, Andoni	Independent	03-27-2019	02-23-2020	Appointments and Remunerations Committee	Yes
Alonso Ureba, Alberto	Independent	03-23-2018	02-23-2020	Audit, Compliance and Related Party Transactions Committee	Yes
Rodriguez-Quiroga Menéndez, Carlos	Executive	06-20-2017	02-23-2020	None	Yes
Sen, Michael	External Proprietary	06-20-2017	03-31-2020	None	Yes
Tacke, Markus	Executive	06-20-2017	06-17-2020	None	Yes
Hoffmann, Andreas C.	External Proprietary	07-22-2020	09-28-2020	None	Yes

Reason for leaving and other remarks

Nine members of the Board of Directors stepped down during fiscal year 2020.

Mr Pedro Azagra Blázquez, in his condition as proprietary Director, resigned on the grounds of the sale by Iberdrola Participaciones, S.A.U. of its entire shareholding in SIEMENS GAMESA, as explained in his resignation letter.

Mr Andoni Cendoya Aranzamendi explained in his letter of resignation that, after a long and rewarding collaboration, during which great efforts and dedication have been required to adapt the Company to the changes resulting from its merger, he considered his time in the Company fulfilled and that with his resignation he wanted to facilitate the

adaptation of the Company to the challenges of the new phase resulting after the significant changes in its shareholding structure with the best composition and structure of its Board of Directors.

Mr Alberto Alonso Ureba explained in his letter of resignation that it was grounded only on the relevant changes in the shareholding structure of SIEMENS GAMESA, resulting from the restructuring initiated by Siemens AG in May 2019 and the agreement in February 2020 between Siemens AG and Iberdrola group that lead to a new phase for the Company. In this letter, he considered his duty as Director to facilitate with his resignation that the Board of Directors and the General Meeting of Shareholders might adopt the resolutions they deemed more convenient in relation to the Board of Director's composition and structure, in light of the new circumstances of the Company.

Mr Carlos Rodríguez-Quiroga Menéndez explained in his letter of resignation that, after 18 years of service to SIEMENS GAMESA since he was appointed as Director in 2001, having participated in the important successes of the Company during this year, he thought it was moment to pursue new professional opportunities and dedicate more time to his profession as a lawyer, referring also the important structural changes occurred in the Company in the last few years and, in particular, the merger with the wind business of the Siemens group.

Mr Andreas C. Hoffman, in his condition as proprietary Director, resigned on the ground of the spin-off by Siemens AG of its energy business resulting on no longer holding shares in SIEMENS GAMESA as explained in his resignation letter.

Mr Michael Sen, in his condition as proprietary Director, resigned on the grounds that he would be leaving the Siemens group at the end of March 2020.

Mr Markus Tacke resigned in accordance with art. 16.2.b) of the Regulations of the Board of Directors in force, on the grounds of his termination as Chief Executive Officer of SIEMENS GAMESA.

Dr Ralf Thomas and Ms Lisa Davis, proprietary Directors, resigned for personal reasons.

To supplement the chart of the members of the Board of Directors, it should be noted that Mr. Juan Antonio García Fuente, former Deputy Secretary non-member of the Board of Directors, holds the position of Secretary non-member of the Board of Directors and Legal Counsel (*Letrado Asesor*) of the Company since his appointment on March 18, 2020.

C.1.3. Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organizational chart of the company	Profile
Nauen, Andreas	Chief Executive Officer	Born in Krefeld (Germany). He is currently Chief Executive Officer and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Mechanical Engineering Degree from the University of Duisburg (Germany) and a Commercial Degree from the University of Hagan. He served as CEO of the Offshore Business Unit of Siemens Gamesa Renewable Energy, S.A. since November 2017 until June 2020. Mr. Andreas Nauen has a large experience in the renewable energy sector, which he started in the Siemens group, where over the course of a decade he operated in branches worldwide in diverse and key roles. He was appointed and held the position as CEO of the global wind turbines business of Siemens from 2004 to 2010, leading the integration of the newly acquired company Bonus Energy A/S. Subsequently he was appointed CEO for the global wind turbines business at REpower/Senvion (2010-2015). Lastly, for a year he was Managing Director at KTR Systems GmbH in Rheine (Germany). Mr. Andreas Nauen is currently on the supervisory board of NKT A/S.

Total number of executive directors	1
Percentage of Board	10.00

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented	Profile
López Borrego, Miguel Angel	SIEMENS ENERGY AG	Born in Frankfurt am Main (Germany) but of Spanish nationality, he holds the position of Chairman of the Board of Directors and Chairman of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada). He currently holds the position as Chairman and Chief Executive Officer of Siemens, S.A. (Spain) as well as Chairman of the Board of Directors of Siemens Holding S.L.U., member of the Board of Siemens Rail Automation S.A.U., member of the Board of Directors of Siemens, S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U. In addition to this, he is also member of the Managing Board of the Deutsche Handelskammer für Spanien (German Chamber of Commerce for Spain), member of the Managing Board of Innobasque (Basque Innovation Agency) and member of the Business Advisory Council of CEOE (Confederation of employers and industries of Spain). His professional career started as plant controller in VDO AG. Afterwards he was appointed Chief Financial Officer of VDO Instrumentos in Spain and of VDO's global Instruments Division. Within the Siemens Group he held the position as Chief Financial Officer of the Interior & Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls & Distribution Business Unit in the Siemens Automation & Drives group, of the Industry Automation Division, of Siemens' Industry Sector, until in 2014 he was appointed CFO of Siemens Digital Factory Division. In 2017 he held the position of CFO of Siemens Gamesa Renewable Energy. Throughout his entire professional career, he held different positions on various boards of directors around the world. As an example, he has served on Primetals Technologies' Board of Directors in Austria and Great Britain; Valeo Siemens eAutomotive or several positions in China and in other countries such as France and Portugal.
Dawidowsky, Tim	SIEMENS ENERGY AG	Born in Husum (Germany), he currently holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Degree in Industrial Engineering and Business Administration by the Technical University of Berlin (Germany). Currently he holds the position as Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG. Mr. Dawidowsky has developed his professional career in the Siemens AG group since 1993 where he held several positions as, among others, Data Management Director (1998-2000) and Supply Management Director (2000-2003) both in the Power Generation unit, and Procurement Vice President (2000-2006) in Industrial Solutions & Services. From 2006 until 2009 he was CEO of Industrial Solution for North East Asia and afterwards, from 2009 until 2012, he held the position as Senior Vice President for Casting and Rolling in Siemens VAI Metals Technologies.

		More recently, Mr. Dawidowsky has held the position as CEO for business unit EPC (2019-2020), CEO for business unit Large Drives (2015-2019) and CEO for business unit Transmission Solution (2012-2015) in Siemens AG and member of the Board of Directors of Siemens Pakistan.
Ferraro, Maria	SIEMENS ENERGY AG	Born in Hamilton (Canada), she currently holds the position of Member of the Board of Directors and Member of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She holds a degree in Accounting from Brock University (Canada), and she is also a certified accountant by the Canadian Institute of Chartered Accountants. Ms. Ferraro currently holds the position of Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH. She previously held the post as CFO of Siemens Digital Industries and CDO (Chief Diversity Officer) of Siemens AG. Throughout her professional career she also held various positions within the Siemens group related to the accounting, controlling or finance departments, including CFO of Siemens UK or CFO of Siemens Canada. Ms. Maria Ferraro is member of the Advisory Board of the Technical University of Munich.
Holt, Tim Oliver	SIEMENS ENERGY AG	Born in Bremerhaven (Germany), he currently holds the position of Member of the Board of Directors and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a degree in Aerospace Engineering from the Technical University in Berlin (Germany), and MBA from Northwestern University's Kellogg School of Management in Evanston, Illinois (U.S.). Mr. Holt is member of the Managing Board of Siemens Energy AG and member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, and he is also Board member of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi Arabia and the Siemens Foundation US. He previously served as Chief Operating Officer (COO) of Siemens Gas & Power from 2019 to 2020 and as the CEO of the Siemens Power Generation Services Division from 2016 to 2019. He has also held other roles within Siemens Group including CEO of Wind & Renewable Energy Services, Vice President of Business Development for the Power Generation Services Division, as well as other roles in sales, engineering, and strategy.
von Schumann, Mariel	SIEMENS ENERGY AG	Ms. von Schumann holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Born in Brussels (Belgium), she graduated from ICHEC University of Brussels (Bachelor in Economics and Business Administration and Management), and from EAP-ESCP Europe with a master's in International Business Administration and Management. She completed a number of postgraduate programs, among others at INSEAD and LBS. Throughout her professional career, she has held various management posts in Product Management, Mergers and Acquisitions, Strategy and Investor Relations. At Siemens AG, she served as Head of Investor Relations until October 2013 and held the posts as Chief of Staff and Head of Governance & Markets until July 2019. Currently, she is also on the Board of Directors for Siemens India and for the Siemens Foundation (*Siemens Stiftung*).

Total number of proprietary directors	5
Percentage of the Board	50.00

INDEPENDENT DIRECTORS

Name of director	Profile
Hernández García, Gloria	Born in Madrid, she holds the position of Member of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory. Currently she is non-executive Director in the Board of Directors of NORTEGAS. Until January 2019 she held the post as General Director of Finance and Capital Markets of Bankinter, S.A., manager of the treasury of the company, of balance sheet risk management, of solvency and calculation, and of the management of the resources of the Bankinter Group, as well as responsible for the budget control and the efficiency, the investors relations, accountancy policies and the financial control, the accounts and the financial information of the Bankinter group and the coordination of the relationship of the entity with the ECB. She was member of the Management Committee of Bankinter, S.A., Director as representative of Bankinter in Linea Directa Aseguradora, S.A., Bankinter Consumer Finance and Bankinter Global Services. Before joining Bankinter, S.A., she served for over seven years as the Financial Director of Banco Pastor, S.A. Ms. Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of General Manager of the Treasury. She also was nata Director of the CNMV and the Bank of Spain. At last, she has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.
von Heynitz, Harald	Born in Munich (Germany), he holds the position of Member of the Board of Directors, Chairman of the Audit, Compliance and Related Party Transactions Committee and Member of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. He is also a certified public accountant in the U.S. as a member of the AICPA since 22 years. Mr. von Heynitz is registered in own practice since January 2020. In March 2020 he started as a member of management of FAS Steuerberatungsgesellschaft mbH, Munich. He has extensive experience in accounting, auditing, financial and business advisory and worked for 33 years for KPMG in Munich and New York. In 1999 he became partner and throughout his career he served large publicly listed companies in Germany including Siemens, Airbus Group, and Linde, as Audit Lead Partner and/or Global client Lead Partner. During the last 15 years he held different leadership positions within KPMG, among others, he was the Lead Audit Partner for Siemens from 2001 to 2004, Partner in charge of the Audit function for Southern Germany from 2004 to 2007 and member of the KPMG Europe LLP Board from 2007 until 2012.
Krämmer, Rudolf	Born in Rosenheim (Germany), he holds the position of Member of the Board of Directors, Member of the Delegated Executive Committee, Member of the Audit, Compliance and Related Party Transactions Committee and Chairman of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. Mr. Krämmer has extensive experience in accounting, auditing, financial and business

	advisory. He worked for almost 15 years for Arthur Andersen and Andersen Consulting in Munich, Chicago, Moscow and St. Petersburg, the last six years as partner in different leadership positions. In 2002 he joined EY Germany as partner and was lead audit partner on significant publicly listed companies in Germany including Siemens AG. Overall, he served EY for 14 years thereof almost 10 years as member of the managing board. Currently he is registered in own practice and engaged in voluntary social work in his community. He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.
Rosenfeld, Klaus	Born in Bonn (Germany), he holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany). Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014. He started his professional career in 1993 holding several positions in the Investment Banking Division in Dresdner Bank AG. In 2002 he became member of the Board of Directors, being responsible for Finance and Controlling, Compliance and Corporate investments Dresdner Bank AG. He joined the Schaeffler AG in March 2009 as Chief Financial Officer. During this period he led the corporate and financial restructuring of the group, after the takeover bid for Continental AG, and led, in 2012, Schaeffler AG's access to the debt markets and its IPO in October 2015. He is also a member of the management and supervisory bodies of various industrial companies. In particular, he is a member of the Supervisory Board and the Audit Committee of Continental AG, in Hanover (Germany), and the Board of Directors of Schaeffler India Ltd., in Mumbai (India). He is also a member of the Executive Committee of the Federation of German Industries (BDI) in Berlin.

Number of independent directors	4
Percentage of the Board	40.00

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Statement of the Board
N/A	N/A	N/A

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
N/A	N/A	N/A	N/A

Total number of other external directors	0
Percentage of the Board	0.00

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
N/A	N/A	N/A	N/A

C.1.4. Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	4	4	40.00%	33.33%	66.67%	66.67%
Independent	1	1	2	2	25.00%	20.00%	40.00%	50.00%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	3	6	6	30.00%	23.08%	46.15%	50.00%

C.1.5. State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes X **No ☐** **Partial policies ☐**

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

The composition of the Board of Directors is a key element of SIEMENS GAMESA's Corporate Governance system. As such, it must help the governance bodies to adequately perform their management and oversight functions, providing different viewpoints and opinions, fostering debate, analysis and critical review of the proposals submitted for its consideration. Thus, the Board of Directors currently consists of a combination of people with wide experience and knowledge of the energy sector and expertise on different fields of interest to SIEMENS GAMESA (such as auditing, finance, controlling, M&A and restructuring or multinational businesses), overall achieving adequate balance and diversity in its composition, allowing for a better operation.

SIEMENS GAMESA is aware of the significance of the principle of diversity both in the composition of the Board of Directors and in the processes of selection and re-election of candidates for director, and this is set forth in its current Regulations of the Appointments and Remunerations Committee (art. 7.4) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Appointments and Remunerations Committee"), the current Regulations of the Audit, Compliance and Related Party Transactions Committee (art. 15.2) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Audit, Compliance, and Related Party Transactions Committee"), and in the "Director Selection Policy" the last version of which was approved under the name of "Board of Directors Diversity and Director Selection Policy" by resolution of the Board of Directors after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020. By way of example, the function to oversee compliance with this principle is given to the Appointments and Remunerations Committee, which supports it in processes within its purview, like searching for candidates for Director of the Company, preparing reports and procedures for appointment or re-election of directors.

Specifically, the "Board of Directors Diversity and Director Selection Policy" of SIEMENS GAMESA, includes among its objectives the search for persons whose appointment favours diversity of gender, knowledge and experience within the Board of Directors. Furthermore, the Company must take into account the principle of diversity, among other principles, in the formulation of proposals or reports issued in relation to candidates for director of the Company, as provided in section 4.c) of said Policy: "*The selection of directors may not suffer from implied bias that might entail discrimination of any kind, and particularly that might hinder the selection of female directors.*"

Moreover, the new section 5 of said Policy states that *"The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period."*

Likewise, the Audit, Compliance and Related Party Transactions Committee according to article 15 of its Regulations shall seek diversity in the composition thereof, particularly as regards gender, career experience, skills, sector-specific knowledge and geographical origin.

In line with the foregoing, during fiscal year 2020 the Company changed six directors making up its Board of Directors, which has allowed the inclusion of new skills and experiences. Regarding the number of members of the Board of Directors, the General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved, in item eleven on the agenda, its reduction from thirteen to ten. The aforementioned appointments are described below:

- Dr. Andreas C. Hoffmann was appointed as a director by the Board of Directors on November 27, 2019 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Dr. Andreas C. Hoffmann resigned on September 28, 2020.

- Mr. Tim Oliver Holt was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Holt was appointed as a member of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020. Mr. Holt resigned from his position on the referred Committee on May 5, 2020, being replaced by Ms. Maria Ferraro, and continuing as

member of the Board of Directors of the Company. Mr. Holt was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Harald von Heynitz was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of independent non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. von Heynitz was appointed as a member of the Appointments and Remunerations Committee and of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020 and was appointed as Chair of the latter committee on February 12, 2020.

- Ms. Maria Ferraro was appointed as a director by the Board of Directors on May 5, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and she was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Ms. Ferraro was appointed as member of the Audit, Compliance and Related Party Transactions Committee on May 5, 2020.

- Mr. Andreas Nauen was appointed as a director by the Board of Directors on June 17, 2020 through the interim appointment (co-option) procedure, with the classification of executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Nauen was appointed as Chief Executive Officer by the Board of Directors on June 17, 2020 and said delegation of powers was ratified after his re-election as executive director as described in Section C.1.9 of this report. Mr. Nauen was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Tim Dawidowsky was appointed as a director by the Board of Directors on September 28, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment will be submitted for ratification at the next General Meeting of Shareholders.

SIEMENS GAMESA publishes on its corporate website (www.siemensgamesa.com) the internal rules mentioned at the beginning, as well as the Activities Report of the Board of Directors and of its consultative Committees, in which one can analyze in greater detail the objectives and duties of the internal bodies, the procedures, and the profiles of the directors.

Board of Directors skills and diversity matrix

Our Board of Directors' composition provides the balance of knowledge, capabilities, qualifications, diversity and experience required to execute our strategy. This balance is reflected in the Board´s skills and diversity matrix that was approved in 2019 and updated in 2020.

The SIEMENS GAMESA's skills and diversity matrix included here below, separates the skills in two groups, general and specific, with reference to the degree of coverage of each of them by each Director, and by the Board of Directors as a whole.

Together with the section related to skills, there is another section related to diversity in relation to geographical origin or international studies, women, and independence of the members of the Board of Directors.

Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10
A. General										
Administration, senior management and experience in boards of directors (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sectorial experience and expertise in **energy or business related engineering or industry (50%)**	✓	✓		✓					✓	✓
International capacity or experience **(100%)**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience and expertise in **strategy (50%)**		✓	✓	✓	✓					✓
Accounting and financial knowledge **(70%)**	✓		✓		✓	✓	✓	✓		✓
Audit, internal control and risk management knowledge and experience **(60%)**	✓		✓			✓	✓	✓		✓
Institutional, regulatory and legal/corporate governance (20%)					✓	✓				
B. Specific										
Digitization and Information Technologies (50%)	✓			✓	✓			✓	✓	
Human resources, culture, talent and remuneration systems (40%)		✓		✓	✓			✓		
Corporate social responsibility and sustainable development (40%)			✓	✓	✓			✓		

Geographical origin or international studies:

The Board of Directors is composed of 90% of Directors with geographical origin or international education in Europe, 40% in North America or the United Kingdom and 10% with international education in APAC.

Women:

Currently, the Board has 3 women, that make up 30% of members of the Board.

Independence:

When it comes to tenure, 90% of Board Directors have been in office between 0 and 4 years and 10% have been between 5 and 8 years.

C.1.6. Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women.

Explanation of means

By application of article 14 of the Regulations of the Board of Directors, the Appointments and Remunerations Committee has established standards for selecting Directors of renowned reputation, credibility, solvency, competence and experience, endeavoring to ensure that female candidates meeting this profile are included in the selection process.

Likewise, the consolidated text of article 7.4 of the Regulations of the Appointments and Remunerations Committee provides that the Committee will "*ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, age, competencies, personal skills and sector knowledge, international experience or geographical origin.*" Furthermore, article 7.5 of the Regulations of the Appointments and Remunerations Committee provides that one of its tasks is to *"set a representation target for the gender that is least represented on the Board of Directors and prepare guidelines on how to achieve it."*

For the same purpose as above, the Board of Directors has amended the "Director Selection Policy" after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020, in order to give further relevance to diversity, resulting on an amendment of the Policy title to "Board of Directors Diversity and Director Selection Policy" which refers expressly to diversity on the Board of Directors, and by adding a new Section 5 incorporating the amended recommendation of the Good Governance Code for Listed Companies in terms of presence of female directors in the Boards of Directors, and which reads as follows: "*The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period".*

Finally, the Company is compliant with 30% of female members in the Board of Directors. As of September 30, 2020, the Board of Directors of SIEMENS GAMESA has three women among its ten members representing 30% of the total members of the Board of Directors.

Moreover, the Diversity & Inclusion Strategy for FY20-FY22 was approved by the Executive Committee in February 25, 2020 and is driven by four Long Term Goals in the aim of cultivating diversity and equal opportunities as impactful and competitive advantages, being one of them to increase the female representation in the Company's Board of Directors, in the overall workforce and in senior management position. The objective of this plan is to design and share a new and common concept of diversity, to truly embrace it through different specific and global initiatives focused especially on gender equality, culture, inclusion, and work-life balance.

Likewise, SIEMENS GAMESA is part of the Programme "*Más mujeres, mejores empresas*" ("More women, better companies") of the Spanish Ministry of Equality for increasing the number of women in management positions and executive committees and for a balanced composition of Board of Directors between men and women within four years.

During 2020 fiscal year SIEMENS GAMESA has increased the proportion of women holding senior and middle management positions and proportions are expected to grow in accordance with the application of best working practices.

Finally, it should be highlighted that Ms. Beatriz Puente, will join SIEMENS GAMESA on December 1, 2020, as Chief Financial Officer becoming part of the senior management staff.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

N/A

C.1.7. Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020

The conclusions of the verification of compliance with the "Director Selection Policy" during 2020 fiscal year carried out by the Appointments and Remunerations Committee are the following:

- The Appointments and Remunerations Committee confirms that the Company's processes for the selection, appointment and re-election of directors complied during financial year 2020 with the requirements imposed by law and the Corporate Governance Rules of Siemens Gamesa, as well as the recommendations of the Good Governance Code.

- The Appointments and Remunerations Committee has expressly verified that the process of selecting candidates for director as well as their subsequent appointment as members of the Board of Directors during financial year 2020 complied with the "Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A." which last version was approved by the Board of Directors on November 4, 2020.

- The Board of Directors of Siemens Gamesa, as a company with a high level of internationalisation, has members with different geographical and national origins, who also have a wide variety of personal qualifications, knowledge and professional experience, which reflects the Company's clear commitment to diversity in the composition of its management decision-making body. The background and professional profile of the six directors appointed during 2020 is a good evidence of such commitment as different areas as technical, legal, financial, auditing and accountancy are covered.

- With respect to gender diversity in the composition of the Board of Directors, Siemens Gamesa complies with the aim of having the presence of at least 30% women in 2020, as established in the Policy, as the Company has, by the end of 2020 fiscal year, 3 women on its Board of Directors, representing 30% of its members since the Annual General Meeting of Shareholders held on July 22, 2020 set the number of its members at ten.

- This is without prejudice to the Company's continue commitment to improving the application of the good governance standards, principles and rules regarding the selection of directors and it will promote that such selection processes take into account the recommendations of the Good Governance Code regarding diversity. In this sense, the Company has set already the ambition that the presence of women in the Board of Directors increases to 40% by 2022 without falling below 30% during this period.

C.1.8. If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	N/A

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes ☐ **No X**

Name of shareholder	Explanation

C.1.9. State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
Nauen, Andreas	The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers to Mr. Andreas Nauen as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decide to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.
Delegated Executive Committee	The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee which has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the Bylaws and of the Regulations of the Board of Directors. See the Regulations of the Delegated Executive Committee for further detail on the specific functions delegated into this Committee.

C.1.10. Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Does the director have executive powers?
N/A	N/A	N/A	N/A

C.1.11. List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
Nauen, Andreas	NKT A/S	Member of the Supervisory Board
Rosenfeld, Klaus	Schaeffler AG	Chief Executive Officer
	Continental AG	Member of the Supervisory Board and Member of its Audit Committee
	Schaeffler India Ltd.	Member of the Board of Directors
Dawidowsky, Tim	Siemens Pakistan	Member of the Board of Directors
Holt, Tim Oliver	Siemens Energy AG	Member of the Managing Board

	Siemens Ltd. India	Member of the Board of Directors
von Schumann, Mariel	Siemens Ltd. India	Member of the Board of Directors
Ferraro, Maria	Siemens Energy AG	Member of the Managing Board

Remarks

Mr. Andreas Nauen, Chief Executive Officer of SIEMENS GAMESA, was a member of the Supervisory Board of Semco Maritime A/S until July 2020.

Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on November 27, 2019, was a member of the Managing Board of Siemens AG and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.

Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until the date of her resignation on February 10, 2020, was a member of the Managing Board of Siemens AG, member of the Board of Directors of Penske Automotive Group Inc, USA, and member of the Board of Directors of Kosmos Energy Ltd.

Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on March 31, 2020, was a member of the Managing Board of Siemens AG.

Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on September 28, 2020, was a member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG.

Mr. Pedro Azagra Blázquez, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on February 5, 2020, was member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

After fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

C.1.12. State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes X **No ☐**

Explanation of the rules and identification of the document where this is regulated

Article 10 of the Regulations of the Board of Directors of SIEMENS GAMESA establishes rules on the maximum number of companies' boards its directors may be a part of:

"*Article 10. Incompatibilities for becoming a Director*

The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:
(…)

b) Any individual acting in the position of Director of more than three companies whose shares are traded in domestic or foreign securities markets.
(…)"

C.1.13. State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	5,869
Amount of vested pension interests for current members (thousand euros)	548
Amount of vested pension interests for former members (thousand euros)	0

Remarks

In addition to the information provided above it shall be mentioned that:

a) Pursuant to articles 45.3 and 45.6 of the Bylaws of SIEMENS GAMESA and as agreed by virtue of the fifteenth resolution of the agenda of the 2015 General Meeting of Shareholders, the remuneration of the Company to all directors as fixed annual remuneration and allowances for their dedication and attendance does not exceed the maximum amount of three million euro (€3,000,000) as established by the cited General Meeting of Shareholders, as such consideration is compatible with and independent from the remuneration received by executive directors.

b) The remuneration of the Board of Directors includes, according to the 2020 Annual Report on Remunerations of the members of the Board, the amounts of, among others, the following recognized concepts to the previous CEO, Mr. Markus Tacke, during the fiscal year 2020: severance pay, no advance notice, and the non-competition clause, implemented at his departure from the Company. Further detail on remuneration of members of the Board of Directors can be found in the referred 2020 Annual Report on Remunerations available on the corporate website (www.siemensgamesa.com).

c) The information included in this section C.1.13 regarding the total remuneration received by the Board of Directors differs from Note 19 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to the CEO Mr Andreas Nauen (15,871 shares valued 375 thousand Euro) and to the former CEO Mr Markus Tacke (25,814 shares valued 609 thousand Euro) under the Cycle FY2018 of the Long Term Incentive Plan whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

   As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

   In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.

C.1.14. Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
Bartl, Jürgen	General Secretary
Bauer, Pierre	CEO Offshore Business Unit (interim)
Gutiérrez, Juan	CEO Service Business Unit

Immink, Marc	Internal Audit Director
Nauen, Andreas	CEO Onshore Business Unit (interim)
Spannring, Thomas	Chief Financial Officer (interim)
Wollny, Christoph	Chief Operations Officer

Total senior management remuneration (thousand euros)	7,901

Remarks

The list above refers to those people who are qualified as senior managers according to SIEMENS GAMESA'S Corporate Governance framework, which does not necessarily imply a special labour relationship under Spanish Labor Law (RD 1382/1985).

The remuneration of the Top Management includes (i) the remuneration corresponding to those who have been part of the Senior Management during part or the whole fiscal year (including those in acting role, Mr. Spannring as acting CFO and Mr. Bauer as acting CEO Offshore). This includes the remuneration accrued by the current CEO, Mr. Andreas Nauen, in his role as CEO Offshore until June 16, 2020, and (ii) the amount of a severance pay and the amount due to a non-competition clause accrued by two senior managers due to termination of their labor relationship.

During fiscal year 2020 four senior managers left SIEMENS GAMESA and one left his senior manager position.

Mr. David Mesonero Molina, former Chief Financial Officer, stepped down from his role on April 1, 2020. Since such date Mr. Thomas Spannring is acting as interim CFO until the appointment of the new CFO, Ms. Beatriz Puente is effective as of December 1, 2020.

Mr. Andreas Nauen, former CEO of Offshore Business Unit, was appointed as CEO of Siemens Gamesa on June 17, 2020. Since such date Mr. Pierre Bauer has been acting as interim CEO Offshore until the appointment of the new CEO of Offshore Business Unit, Mr. Marc Becker is effective as of February 1, 2021.

Mr. Mark Albenze, former CEO of Services Business Unit, retired stepping down from his role on August 18, 2020, being replaced by Mr. Juan Gutierrez.

Mr. Alfonso Faubel, former CEO of Onshore Business Unit, stepped down from his role on August 15, 2020. Since such date Mr. Andreas Nauen is acting as interim CEO Onshore until the appointment of the new CEO Onshore, Mr. Lars Bondo Krogsgaard is effective as of November 1, 2020.

Mr. Felix Zarza, former Internal Audit Director retired and stepped down from his role on April 1, 2020, being replaced by Mr. Marc Immink.

The information included in this section C.1.14 regarding the total remuneration received by the senior management differs from Note 20 of the Individual Report and Note 32 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to senior management under the Cycle FY2018 of the Long Term Incentive Plan valued 1,387 thousand Euro in total, whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.

C.1.15. State whether the Board rules were amended during the year:

Yes X **No ☐**

Description of amendment
The Board of Directors approved on August 5, 2020 the amendment of its Regulations. The main purpose of this amendment to the Regulations of the Board of Directors was to adapt some of its paragraphs dealing with the Delegated Executive Committee to the Recommendations of the Good Governance Code of Listed Companies (the "Code"), in accordance with the revision approved by the National Securities Market Commission in June 2020. Likewise, the Board of Directors approved after 2020 fiscal year closing (November 27, 2020) further amendments of its Regulations to: (i) reflect the modifications on the recommendations of the Code as reviewed in June 2020; and (ii) include certain other changes of a technical nature. The rationale behind the changes to the Regulations approved was to ensure that the Company keeps strengthening its Corporate Governance framework. Among the amendments approved are a more detailed regulation of the cases when Directors must resign or the explanations they must provide when they leave the Board of Directors ahead of the end of their term.

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Selection and appointment procedure:

As provided by article 30 of the By-Laws of SIEMENS GAMESA, the members of the Board of Directors are "*appointed or approved by the General Shareholders' Meeting"* with the provision that *"if there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held*", always in accordance with the applicable provisions of the Corporate Enterprises Act and the By-Laws.

Furthermore, pursuant to article 13.2 of the Regulations of the Board of Directors "*the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remunerations Committee; and (b) in other cases, a report from the aforementioned committee."* In this regard, article 13.3 of said Regulations provides that *"when the Board of Directors declines the proposal or the report from the Appointments and Remunerations Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes."*

Article 13.4 of said Regulations then provides that *"the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors."*

Finally, article 14 of said Regulations provides that *"the Board of Directors and the Appointments and Remunerations Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience"* and adds that *"concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."*

New Directors joining the Board of Directors receive an appropriate introduction designed to provide an overview of the business and the Company (Directors' Information Manual) which covers:

- The internal corporate rules and corporate policies in force, as well as financial and business information regarding SIEMENS GAMESA and compliance with the recommendations of the Good Governance Code for Listed Companies.

- A Corporate Governance overview, with content covering the corporate governance organization, with references to the General Meeting of Shareholders (regulation, duties, details from last General Meeting of Shareholders held); Board of Directors (regulation, duties, composition, organization of its meetings and duties of its Chairman and CEO); Committees of the Board of Directors (duties and composition of each of them); and a section which analyzes in deeper detail two topics concerning the Directors which are the remuneration and the duties, with specific references to the duties of care, loyalty and avoidance of conflicts of interest.

- Corporate Social Responsibility

New Directors are also offered an informative session about the Duties of a Director, and the Internal Regulations for Conduct in a Securities Market, as derived from being a listed company and so ruled by the Spanish Stock Market Law.

Directors who are appointed members of a Committee receive a specific introduction to their role as such, by describing the duties/responsibilities attributed to each Committee, the recommendations of the Good Governance Code for Listed Companies, the internal regulations applicable, and how each Committee complies with them.

Re-election procedure:

Article 15 of the Regulations of the Board of Directors provides that *"proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remunerations Committee, while the re-election of other Directors must have a prior favorable report from this committee."*

In this regard, section 2 of said article adds that *"directors that are part of the Appointments and Remunerations Committee must abstain from taking part in the deliberations and votes that affect them."*

Finally, section 3 of said article states that "*the re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors."*

Evaluation procedure:

Article 25.8 of said Regulations of the Board of Directors governs the procedure for evaluation of directors, and provides that *"the Board of Directors shall evaluate at least once a year: (a) the quality and effectiveness of its operation; (b) the performance of duties of the Chairman of the Board of Directors, and if applicable, of the CEO and Coordinating Director, based on the report submitted to the Appointments and Remunerations Committee; and (c) the operation of the committees based on the reports they submit to the Board of Directors."*

In this regard, article 8 of the Regulations of the Appointments and Remunerations Committee provides that said committee shall have the following main functions regarding the evaluation of the Board:

"1. To promote and coordinate the annual assessment of the performance of the Chairman of the Board of Directors and, where appropriate; the CEO; Board of Directors; Delegated Executive Committee; Audit, Compliance and Related Party Transactions Committee; Appointments and Remunerations Committee; Coordinating Director and any other advisory committee constituted in accordance with the provisions of the Corporate Governance Standards.

2. To submit to the Board of Directors the results of said evaluation together with a draft action plan and with recommendations to correct any deficiencies identified or to improve the functioning of the Board of Directors or its committees.

3. As part of the evaluation, the Committee shall also monitor the attendance of the directors at meetings.

4. To perform the evaluations, the Committee shall have the internal means it deems appropriate in each case, and the support of independent external consultants at least every three years. Consultants supporting the Committee in the exercise of its powers of evaluation provided for in the Corporate Governance Rules shall be different from any that advise the Company in the process of selecting directors or members of Top Management or in relation to the remuneration thereof."

Removal procedure:

Pursuant to the By-Laws, directors will hold their position for four years, for so long as they are not removed by resolution of the General Meeting of Shareholders or they do not resign from their position.

Article 16 of the referred Regulations of the Board of Directors provides that *"Directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."*

The processes and standards to follow for removal will be those provided for in the Corporate Enterprises Act and in Royal Decree 1784/1996 of 19 July approving the Regulations of the Commercial Registry.

Finally, section 2 of article 16 of said Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit, subject to a report from the Appointments and Remunerations Committee.

C.1.17. Explain how the annual evaluation of the Board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

Description of changes

The governance bodies of SIEMENS GAMESA are continuously improving their corporate governance systems, identifying key actions that contribute to the improvement of the operation and effectiveness of the Board of Directors and its committees.

The most important advances that the Company has achieved during fiscal year 2020 are the following:

- The Delegated Executive Committee has been activated to increase the agility of the governance bodies and to help the Board of Directors channel its relationship with top management.
- The achievement of a 30% female representation by year 2020 as recommended in the Good Governance Code.
- As to composition, the incorporation of new directors' profiles has helped to add new capabilities and strengthen the existing ones.
- The Audit, Compliance and Related Party Transactions Committee has increased the number of members.
- Succession planning continues being a priority and the Board of Directors has reviewed the Company's succession plan for top managerial roles and has reviewed and updated the succession protocol for the Chairman and the Chief Executive Officer.
- As to operation, the implementation of flexibility measures for remote connections has allowed the Company to adapt to the restrictions caused by the global COVID-19 pandemic.
- As to skills development, the training sessions have improved both in the content and in the duration.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors of SIEMENS GAMESA evaluates its performance on an annual basis. Thus, on July 29, 2020 the Board of Directors approved the commencement of the process of evaluation of the Board of Directors itself, of the Audit, Compliance and Related Party Transactions Committee, of the Appointments and Remuneration Committee and of the chair of the Board of Directors. This fiscal year it was decided not to assess the Chief Executive Officer due to his recent appointment on June 17, 2020.

For this process, it was determined to hire PricewaterhouseCoopers Asesores de Negocios, S.L. ("PwC") as an external adviser.

The evaluation process, which has included the analysis of more than 160 indicators, has covered the following areas: (i) composition of the bodies, (ii) operation thereof, (iii) development of skills and performance of duties, and (iv) relations with other bodies. These areas have been analyzed from 3 perspectives: (i) compliance with internal rules and with applicable regulations; (ii) analysis of future trends in corporate governance; and finally, (iii) level of compliance with the improvement areas identified in the previous year's assessment processes. During this

assessment, individual interviews were held with all directors and with the Secretary of the Board of Directors and of the Audit, Compliance and Related Party Transitions Committee.

The process concluded at the meeting of the Board of Directors held on November 4, 2020, with the approval of the results of the evaluation and the Action Plan for fiscal year 2021.

The conclusions of the evaluation process show a high degree of compliance with the indicators reviewed and that the operation of the Company's governance bodies continued to improve during the fiscal year. These results should also be viewed within the context of significant events affecting the shareholder composition and a global COVID-19 pandemic. Both of these topics have required to convene various extraordinary meetings to further analyze the situation of the Company and to strengthen procedures to be able to comply with the duties of the Board (e.g. use of videoconference, etc.).

The Action Plan 2021 deriving from the evaluation process focuses on continuing to advance in the operation of the governance bodies and to keep aligning with best practices in the corporate governance. For this reason, among other areas for advancement, work will continue devoting even more time to analyze the Company's strategy through specific off-site meeting, continuing to incorporate more women to the Board and improving the Company's training sessions.

C.1.18. Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

The business relations of the consultant and the companies of its group with SIEMENS GAMESA during the last fiscal year amounted to 2.1 million euros (representing less than 0.5% of PwC España's billing and less than 0.001% of PwC's billing worldwide).

C.1.19. State the situations in which directors are required to resign.

As established in Article 16.2 of the Regulations of the Board of Directors, *"directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remunerations Committee in the following cases:*

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.

b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.

c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.

d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.

e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.

f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.

g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.

i) When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group."

C.1.20. Are qualified majorities other than those established by law required for any specific decision?

Yes X **No ☐**

If so, please describe any differences.

Description of differences
The Regulations of the Board of Directors (article 4.4) requires at least a two-third majority of the Directors attending the meeting to pass amendment thereof (save for modifications imposed by mandatory standards, in which case a simple majority of the votes present or represented at the meeting will be required to adopt the resolution). Article 18.3 of said Regulations of the Board of Directors stipulates that in case the position of Chairman of the Board of Directors is held by an Executive Director, "removal from the position of this Director will require the absolute majority of the members of the Board of Directors."

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes ☐ **No X**

Description of requirements
Do not exist.

C.1.22. State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes ☐ **No X**

	Age limit
Chairman	N/A
CEO	N/A
Directors	N/A

C.1.23. State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes ☐ **No X**

Additional requirements and/or maximum number of term limits	N/A

C.1.24. State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 25.3 of the Regulations of the Board of Directors states that *"the Directors must attend the meetings that are held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive Directors may only delegate representation to another Non-executive Director."*

For the purposes of delegating votes, each time a meeting of the Board of Directors is convened, the specific proxy award model for that meeting is made available to the directors so that they can confer their representation and, where applicable, voting instructions if deemed necessary by the represented director are included. All aforementioned is in

compliance with article 32.2 of the By-laws of SIEMENS GAMESA which states that *"any Director may cast his/her vote in writing or confer his/her representation to another Director, specifically for each meeting. Non-executive Directors may only do so to another Non-executive Director."*

C.1.25. State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	25
Number of Board meetings without the chairman	0

Remarks

One of the twenty-five meetings held by the Board of Directors during the 2020 fiscal year was in writing and without a meeting, according to Article 25.5 of the Regulations of the Board of Directors.

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Executive Committee	1
Number of meetings held by the Audit Compliance and Related Party Transactions Committee	24
Number of Meetings held by the Appointments and Remunerations Committee	12

C.1.26. State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance:

Number of meetings where at least 80% of the directors attended	20
% of attendance over total votes during the year	88.73%
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	92.00%

Remarks

Pursuant to the provisions of article 25.5 of the Regulations of the Board of Directors, during fiscal year 2020 the Board of Directors met once in writing and without a meeting, which, due to the nature of such procedure, has not been considered for this section C.1.26. Leaving said meeting in writing and without a meeting aside, the personal attendance of at least 80% of the Directors occurred in 20 out of the 24 remaining Board of Directors meetings considered in this section.

During fiscal year 2020, there were four Directors who missed one meeting, three Directors who missed two meetings, one Director who missed three meetings, one Director who missed eight meetings, and one Director who missed eleven meetings. In all cases but one, they delegated their proxy to another Director of the same category and in eight occasions the proxy was granted with specific instructions.

C.1.27. State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes X **No ☐**

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position
Nauen, Andreas	CEO
Spannring, Thomas	Chief Financial Officer (interim) and Accounting, Reporting and Controlling Director
Wollny, Christoph	Chief Operation Officer

Remarks

The SIEMENS GAMESA's Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union .

To ensure the external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance, an accounting-related internal control system called Internal Controls over Financial Reporting (ICFR) is established, which is based on the internationally recognized "Internal Control-Integrated Framework" developed by COSO.

According to SIEMENS GAMESA's internal processes the Managing Directors and Heads of Accounting of fully consolidated companies sign a Quarterly Internal Certification for their area of responsibility, providing confirmation among others for the following topics: i) confirmation of the representations in the Representation Letter to the auditor, ii) correctness and completeness of financial reporting and related disclosures, iii) Quarterly bank account attestation, iv) Compliance with internal regulations, v) Completeness of internal certifications, vi) Independence of external auditor and vii) Adherence to the Business Conduct Guidelines. These Quarterly Internal Certifications are the basis for SIEMENS GAMESA´s Group CEO, COO, CFO and Head of Accounting to confirm the Group Consolidated Financial Statements.

C.1.28. Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Board of Directors, through the Audit, Compliance and Related Party Transactions Committee, has a crucial role in the supervision of the process of preparing the financial information of the Company.

Therefore, the work of the Audit, Compliance and Related Party Transactions Committee deals with the following main topics:

A) Audit of accounts

Article 6 of the Regulations of the Audit, Compliance and Related Party Transactions Committee gives the Audit, Compliance and Related Party Transactions Committee the following powers, among others, in relation to the audit of accounts:

"e) Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks.

f) Request from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

g) Assess the results of each audit and the management team's response to its recommendations.

(…)

i) Oversee the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, trying that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders. In this sense, the Committee shall oversee the main findings of the audit work in conjunction with the auditor and, if necessary, propose adequate measures to the Board of Directors in order to remove the impairments found by the auditor."

B) Supervision of the process of preparation and presentation of the mandatory financial information

It should also be noted that article 8 of said Regulations of the Audit, Compliance and Related Party Transactions Committee describes the following principal functions of said Committee regarding the process for preparing economic/financial information:

"a) Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

b) Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

c) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

d) Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

e) Be informed of the significant adjustments identified by the auditor or arising from the Internal Audit Department's reviews, and management's position on such adjustments.

f) Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

g) Oversee on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the oversight, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary."

C) Supervision of the efficiency of the internal control of the Company

Article 10 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee includes the key functions of the aforementioned Committee regarding the internal control and risk management systems:

"a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this oversight the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies on the control and management of risks identify or determine at least:

i. The different types of financial and non-financial risks (financial, operational, strategic and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks

ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

d) Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks."

g) Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management, reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements."

D) Internal Audit Supervision and, in particular, according to Article 7 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee:

a) Oversee the activities of the Internal Audit Department, which shall report functionally to the Committee.

b) Ensure the independence and effectiveness of the Internal Audit Department of the Company and its Group.

c) Approve the direction and annual plan of the Internal Audit Department, ensuring that it exercises its powers proactively and that its activities are mainly focused on significant risks to the Company and its Group (including reputational risks), as well as receive periodic information regarding the activities carried out by the Internal Audit Department.

d) Propose to the Board of Directors the budget for the Internal Audit Department, overseeing that both the Internal Audit Department and its personnel have sufficient resources, encompassing (internal and external) human resources and financial and technological resources, to carry out its work.

e) Approve the objectives of the Internal Audit Director and assess the performance of the Internal Audit Department, for which the Committee shall seek the opinion of the chief executive officer.

The conclusions of the assessment shall be notified to the Internal Audit Department and taken into account for the purpose of determining the variable components of the annual remuneration.

f) Receive regular information on the activities carried out by the Internal Audit Department of Siemens Gamesa and the companies of its Group and, particularly, on the implementation of the annual work plan, any issues found and an annual report, which shall include a summary of the activities carried out and reports issued over the year with the recommendations and action plans as well as the level of compliance with the recommendations made by the Internal Audit Department in its reports .

g) Oversee that Senior Management bears in mind the conclusions and recommendations of Internal Audit Department reports."

One of the main purposes of the reports prepared by the Audit, Compliance and Related Party Transactions Committee is to bring to light any aspects that might involve qualifications in the audit report of SIEMENS GAMESA

and its Group, making any appropriate recommendations in order to avoid them. Said reports are submitted to the full Board of Directors prior to the approval of the financial information.

It should also be noted that the External Auditor appeared before the Audit, Compliance and Related Party Transactions Committee on several occasions during the fiscal year ended on September 30, 2020:

- appearance on October 29, 2019 in connection with the monitoring of statutory audit work for fiscal year 2019.
- appearance on November 14, 2019 in connection with the fees approved for the audit of fiscal year 2019 and non-audit services provided by the auditor.
- appearance on November 18, 2019 in connection with the audit of the annual accounts for fiscal year 2019.
- appearance on January 29, 2020 in connection with the review of the financial information for the first quarter of fiscal year 2020.
- appearance on February 11, 2020 in connection with the presentation of its Management Letter Comments.
- appearance on May 4, 2020 in connection with the fees agreed for the FY20 audit limited review of the half-yearly financial statements at March 31, 2020 and Non-Audit Services provided by auditor during Q1 and Q2 of FY20
- appearance on May 4, 2020 in connection with the limited review of the half-yearly financial statements at March 31, 2020.
- appearance on June 9, 2020 in connection with Audit Plan and presentation of audit works.
- appearance on July 24, 2020 in connection with the limited review of the financial statements as of June 30, 2020, and presentation of audit works.

The audit reports on the individual and consolidated annual accounts formulated by the Board of Directors have historically been issued without qualifications, as set forth in the information contained in the corporate website and in the information on SIEMENS GAMESA contained in the website of the CNMV.

As included later in section F ("Internal Risk Management and Control Systems related to the process of publishing financial information (ICFR)") in this Annual Corporate Governance Report 2020, SIEMENS GAMESA has a proper Internal Risk Management and Control system related to the process of publishing financial information (ICFRS).

C.1.29. Is the secretary of the Board also a director?

Yes ☐ **No X**

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
Garcia Fuente, Juan Antonio	N/A

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

1. Mechanisms to preserve the independence of the auditor:

SIEMENS GAMESA has established a procedure for this purpose, called "Protection of auditor independence (Non-audit services)", which allows it to:

• Align the independence policies of SIEMENS GAMESA and Siemens AG (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards) about the External Auditor's services in accordance with the requirements defined by the European Union and endorsed by regulatory bodies in Spain and Germany.

- Ensure that the policy and the limits for accepting or not accepting non-audit services are aligned also at group level (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards).

- Provide a practical method of compliance with the requirements without needlessly asking SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee to approve non-audit services that are considered insignificant for SIEMENS GAMESA, by means of the establishment of a pre-approved list by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

- All requests for services included in the pre-approved list are subject to review and approval by SIEMENS GAMESA's Director of Internal Audit, who, prior to giving approval, must confirm that the services are acceptable and included in the pre-approved list after a statement by the external auditor to the effect that said services are permissible under all applicable independence rules and standards. These services must subsequently be approved by Siemens AG (by Siemens AG until September 25, 2020, and by Siemens Energy AG afterwards).

In this regard, different approval levels are classified, specified (if there is a list of services) and defined both by the Audit, Compliance and Related Party Transactions Committee and by other departments, for the services provided by the external auditor:

- Audit services.
- Non-audit services:
  - Other verification services:
    - Reasonably related to the audit (pre-approved list).
    - Not reasonably related to the audit (individualized approval).
  - Prohibited services:
    - Tax services.
    - Other services.

SIEMENS GAMESA's Internal Audit Department is responsible for maintaining an appropriate and continuous register of non-audit services provided to SIEMENS GAMESA by the External Auditor throughout the fiscal year, together with the amount thereof and the percentage they represent of the total fees received for audit services during such fiscal year and must periodically report thereon at the meetings held by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

For this reason, the internal auditor and the external auditor appear before the full Audit, Compliance and Related Party Transactions Committee on a half-yearly basis in order to present an itemized list of each and every service provided during the period in question and to state that they are included in the pre-approved list.

It should also be pointed out that the External Auditor's total fees for Non-audit Services provided to SIEMENS GAMESA may not exceed 30% of the External Auditor's total fees for all Audit Services provided to SIEMENS GAMESA on a worldwide basis during the applicable fiscal year. However, if there is a convincing reason to hire the External Auditor for the provision of non-audit services beyond the aforementioned limit, and so long as it falls within the applicable limit under the law, said provision will be possible following individual approval by the Audit, Compliance and Related Party Transactions Committee.

Article 34 of the Regulations of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA, and section 4 of the Statutory Auditor Hiring Policy govern the relations of said Committee with the External Auditor. The full texts are available at www.siemensgamesa.com.

2. Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

SIEMENS GAMESA regulates this matter in its "Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors", the current version of which was approved by resolution of the Board of Directors on November 4, 2020, which establishes that the general principles are those of transparency, accuracy, equal treatment, promotion of ongoing information, collaboration, taking advantage of new technologies, and compliance with the provisions of law and the Corporate Governance Rules, as well as with the principles of cooperation and transparency with competent authorities, regulatory bodies and government administrations.

By application of said principles, the provision of information to financial analysts and investment banks and the presentation of results and of other relevant documents issued by the Company are carried out simultaneously for all of them after submission thereof to the CNMV, always in the strictest compliance with securities market regulations.

Specifically, in compliance with the CNMV's Recommendations of December 22, 2005 on informational meetings with analysts, institutional investors and other securities market professionals, SIEMENS GAMESA announces the meetings with analysts and investors at least seven calendar days in advance, indicating the date and time at which

the meeting is scheduled to be held and any technical means (teleconference, webcast) which any interested party can use to follow the meeting in real time.

The documentation supporting the meeting is made available on the Company's website (www.siemensgamesa.com) before the beginning thereof. Finally, a recorded broadcast of the meeting is made available to investors for one month on the Company's website.

Spanish/English interpretation services are also made available to the participants.

Furthermore, road shows are periodically carried out in the most significant countries and financial markets, where individual meetings are held with all these market players. Their independence is protected by the existence of a contact person specifically assigned to them, who ensures objective, equal and non-discriminatory treatment.

Finally, the Company has various channels of communication and service to analysts and investors:

- E-mail on the corporate website (info_accionista@siemensgamesa.com for minority shareholders and irsg@siemensgamesa.com for institutional shareholders and financial analysts).
- Telephone line for shareholder information (+34 944 20 93 18).
- Periodic publications, information relating to quarterly results, corporate transactions, business prospects.
- In-person and recorded broadcasts of presentations.
- Mailing of releases and news.

C.1.31. State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes ☐ **No X**

Remarks

The General Meeting of Shareholders held on July 22, 2020, approved, under item twelve of the agenda to re-elect Ernst & Young, Sociedad Limitada as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group, providing audit services during the fiscal year running between 1 October 2019 and 30 September 2020.

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes ☐ **No ☐**

Explanation of disagreements

N/A

C.1.32. State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes X **No ☐**

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	370	156	526
Amount invoiced for non-audit services/Amount for audit work (in %)	8.32	3.51	11.82

Remarks
The audit related fees such as “other attest services” and “other audit related attest services” have been considered as non-audit fees.

C.1.33. State whether the auditors’ report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes ☐ **No X**

Explanation of reasons
N/A

C.1.34. State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	23.33%	23.33%

C.1.35. State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes X **No ☐**

Explanation of procedure
The Company’s internal regulations regulate the procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time. Thus, the Regulations of the Board of Directors provides on its article 26.3 when referring to the call that “*The call to convene shall be at least six business days in advance, will always include the meeting agenda and best efforts will be made so that the relevant information for the meeting is accompanied with the aforementioned advance of six business days. Exceptionally, information may be provided with a minimum period of at least three business days, the Board of Directors not being able to make a decision if such information has not been made available to the Directors with the aforementioned advance notice The Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no Director opposes it.”* On a similar sense, article 24.2 of the Regulations of the Audit, Compliance, and Related Party Transactions Committee states that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting”.* Also, article 18.2 of the Regulations of the Appointments and Remunerations Committee provides that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting”.*

SIEMENS GAMESA's internal regulations set also that directors can receive external experts' support for the developments of their functions.

In this sense, pursuant to the provisions of article 36 of said Regulations of the Board of Directors:

"1. The Board of Directors may request the aid of legal, accounting and financial experts, as well as the other external experts at the Company's expense, when it is deemed necessary or beneficial for the performance of its competencies.

2. Non-executive Directors, in order to be aided in the performance of their duties, may also request contracting external experts at the Company's expense.

3. The contracting request must be drawn up by the Chairman."

On similar terms, article 37 of the referred Regulations of the Audit, Compliance and Related Party Transactions Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal, accounting and financial consultants, as well as the aid of other experts at the Company's expense. The Committee shall provide an annual report to the Board of Directors on the expenses incurred."*

Article 27 of the referred Regulations of the Appointments and Remunerations Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal consultants or other experts. The Committee shall provide an annual report to the Board of Directors on the expenses incurred, subject, if the Board of Directors so deems appropriate, to a review of the Audit, Compliance and Related Party Transactions Committee with the support of the internal audit function, if any.*

2. The Committee shall ensure that potential conflicts of interest the of external professionals do not prejudice the independence of the outside advice received."

For supporting the procedures described above, the Directors access to the documentation through a secure and efficient software tool named *Diligent Boards* tool where they can review the information deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof in accordance with each agenda. Directors have access to the call to the meetings, documentation uploaded concerning the Items of the agenda, as well as the minutes of the proceeding session.

C.1.36. State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes X **No ☐**

Explain the rules

As stated in section C.1.19 above, article 16 of the Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit.

These include instances that might damage the credit or reputation of the Company.

Specifically, Directors must proceed in the manner indicated:

(i) "*When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards*." (article 16.2.d).

(ii) "*Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or* whenever *they are involved in a sanction for a serious or very serious offense brought by supervisory authorities."* (article 16.2.e).

(iii) "*Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company*." (article 16.2.f).

(iv) "*Whenever their continuity on the Board of Directors could put the Company's interests at risk (...).*" (article 16.2.g).

(v) "*When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company*." (article 16.2.h).

(vi) *"When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group." (article 16.2.i)*

For its part, article 35.2.d) of said Regulations of the Board of Directors provides that a Director must inform the Company of "*any legal, administrative or any other type of proceedings that are filed against the Director, and which, due to their significance or characteristics, may negatively affect the reputation of the Company. Particularly, Directors must promptly inform the Company, through the Chairman, if he/she is accused in any criminal proceeding and of the occurrence of any significant procedural steps in such proceedings.*

In this case, the Board of Directors, following the report by the Appointments and Remunerations Committee, will examine the case as soon as possible, and take the measures it considers the most appropriate regarding the interests of the Company, such as opening an internal investigation, requesting the resignation of the director or proposing the removal thereof.

The Company shall report the adoption of said measures in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes of the Board."

C.1.37. State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

Yes ☐ **No X**

Name of director	Criminal charge	Remarks
N/A	N/A	N/A

State whether the Board of Directors has examined the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes ☐ **No ☐**

Decision/Action taken	Explanation
N/A	N/A

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the "2017 Strategic Supply Agreement") by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS GAMESA group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, on May 20, 2020 entered into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens AG remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 3 months prior notice.

On May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG ("SEAG") signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that SEAG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as SEAG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "Siemens Gamesa" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SGRE" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if SEAG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Energy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes SEAG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

Finally, it shall be pointed out the as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

C.1.39. Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	88
Type of beneficiary	**Description of agreement**
CEO, Top Management, Managers, and Employees.	***CEO (1 agreement):*** The CEO, as executive director and in compliance with the "Policy of remuneration of directors" approved by the General

	Meeting of Shareholders held on 27 March 2019, as amended by the General Meeting of Shareholders held on July 22, 2020, has a one-year fixed salary severance pay. ***Top management (6 agreements)***: The policy currently applied by the Company to the Top Management recognizes the right to receive a severance pay equal to one year of fixed remuneration in case of termination of the relationship provided that it is not a result of a breach attributable thereto or solely to the desire thereof. ***Managers and Employees (81 agreements):*** The agreements with managers and employees of SIEMENS GAMESA do not contain, as a general rule, specific severance payment clauses, so in case of termination of the labor relationship the general rule established under labor law shall apply. However, the Company has specific severance payment clauses agreed with some managers and employees. The severance payment amount is generally fixed depending on seniority and the remuneration and professional conditions of each of them and the reason for the termination of the manager or employee. A lot of these agreements have been agreed in jurisdictions where this severance pay is a common labor market practice. The warranty clauses of these agreements are lower than one-year fixed salary in 77% of cases.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	**X**	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	**X**	

Remarks

In relation to the information provided regarding the CEO it shall be pointed out that his contract, and as included in the Annual Report about the Remunerations of the Members of the Board, provides for a post-contractual non-competition obligation for a term of 1 year, which is remunerated with the payment of one year of his fixed remuneration payable 50% upon termination and the other 50% after the passage of six months from termination. Therefore, the total severance pay is aligned with best practices and in fulfillment of Recommendation 64 of the Good Governance Code of Listed Companies.

It is also mentioned that the Board of Directors must authorize the clauses related to the CEO and Top Management but not those related to the rest of beneficiaries.

Finally, it is pointed out that the information about these clauses is notified to the General Meeting of Shareholders with the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors, and the Directors Selection Policy (amended as "Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.") available to the shareholders when the meeting is called.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

DELEGATED EXECUTIVE COMMITTEE

Name	Post	Category
López Borrego, Miguel Angel	Chairman	Proprietary
Nauen, Andreas	Member	Executive
Holt, Tim Oliver	Member	Proprietary
Krämmer, Rudolf	Member	Independent

% of executive directors	25%
% of proprietary directors	50%
% of independent directors	25%
% of external directors	0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Delegated Executive Committee.

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee, with its current composition as communicated as Other Relevant Information (*Otra Información Relevante*) (with registration number 4015) to the CNMV on August 6, 2020.

Duties:

The Delegated Executive Committee shall not be delegated with all the powers of the Board of Directors but only with the powers specifically delegated to it by the Board of Directors. In particular, the Committee will have the functions contemplated in Chapter II of the Regulations of the Delegated Executive Committee, approved by resolution of the Board of Directors dated November 4, 2020, except those which cannot be delegated by law or the bylaws at any given time.

Articles 5 to 7 of Chapter II of said Regulations of the Delegated Executive Committee establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The main duties of the Delegated Executive Committee relate to monitoring and supervision of budgetary matters, business performance, corporate transactions, strategic matters and capital and liquidity as well as to preliminary analyze the proposals to the Board of Directors regarding its reserved matters. Moreover, the Delegated Executive Committee has decision-making powers in relation to such matters and mandates delegated by the Board of Directors.

Composition:

a) The Committee shall comprise a minimum of four and a maximum of eight directors, at least two of whom must be non-executive and at least one independent.

b) The Board of Directors on its own initiative based on a report from the Appointments and Remunerations Committee or at the proposal thereof, shall establish the number of members.

c) The Chairman of the Board of Directors and the Chief Executive Officer of the Company shall form part of the Committee.

d) Members of the Committee shall be appointed and removed by the Board of Directors.

e) The members of the Committee shall be appointed for a maximum term of four years and can be re-elected one or more times for terms of equal duration.

f) The appointment of the Committee members and the permanent delegation of powers thereto shall be made by the Board of Directors with the favourable vote of at least two-thirds of its members. Their re-election shall be carried out at the time, in the form and with the number decided by the Board of Directors, in accordance with the rules envisaged in the Corporate Governance Standards.

g) The Committee shall be chaired by the Chairman of the Board of Directors.

h) In his absence, one of the vice chairmen of the Board of Directors member of the Committee (if any) shall act as the Chairman and, in their absence, the director that the Committee designates at the meeting in question from among the attending members shall act as the chair.

i) The Committee's secretary shall be the secretary of the Board of Directors and, failing this, one of its vice secretaries and, failing all of them, the director that the Committee designates at the meeting in question from among the attending members shall act as the secretary.

j) Members of the Committee shall no longer hold their office when they cease to be directors of the Company or by resolution of the Board of Directors.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at least once a month, after the Chairman convenes the meeting. Meetings shall also be held whenever at least two of the members so request.

b) The Chairman shall convene the Committee, in any case, whenever the Board of Directors so requests, and shall in any event ensure that the meetings are held sufficiently in advance of meetings of the Board of Directors, especially when matters to be decided by the Board of Directors are to be discussed.

c) The call to convene, except in the case of emergency meetings, shall be issued at least three business days in advance and include the agenda of the meeting.

d) It will not be necessary to convene the Committee when all members are present and unanimously agree to hold a meeting.

e) Resolutions shall be adopted by the absolute majority of members present at the meeting.

f) If there is an even number of Committee members and the outcome of the voting is a draw, the Chairman, or the person standing in for him at the meeting in question, shall have the casting vote.

Most important activities:

During fiscal year 2020, the Delegated Executive Committee has held only one meeting.

Company administrative structure

AUDIT, COMPLIANCE AND RELATED PARTY TRANSACTIONS COMMITTEE

Name	Post	Category
von Heynitz, Harald	Chairman	Independent
Ferraro, Maria	Member	Proprietary
Hernández García, Gloria	Member	Independent
Krämmer, Rudolf	Member	Independent

% of proprietary directors	25%
% of independent directors	75%
% of external directors	0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Audit, Compliance and Related Party Transactions Committee.

Furthermore, the changes occurring within the Audit, Compliance and Related Party Transactions Committee during the fiscal year are described below:

At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on 10 February 2020 the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Audit, Compliance and Related Party Transactions Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director. Mr. von Heynitz was appointed as chair of the Audit, Compliance and Related Party Transactions Committee on February 12, 2020 to replace Mr. Rudolf Krämmer, in accordance with Notice of Other Relevant Information (*Otra Información Relevante)* (with registration number 51) sent to the CNMV on February 12, 2020.

At the referred meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Mr. Tim Oliver Holt as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Mr. Tim Oliver Holt as a new member of the Audit, Compliance and Related Party Transactions Committee. The Board of Directors at its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1999) sent to the CNMV on May 5, 2020, approved that its Audit, Compliance and Related Party Transactions Committee would be composed of four members (until such date it was composed of five members) and also agreed the replacement as member of said committee of Mr. Tim Oliver Holt, after having presented his resignation, by Ms. Maria Ferraro. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Tim Oliver Holt and approved his re-election as a proprietary director.

On February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Alberto Alonso Ureba resigned as member of the Board of Directors, and as member of the Audit, Compliance and Related Party Transactions Committee.

At its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante)* (with registration number 1994) sent to the CNMV on May 5, 2020 the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Ms. Maria Ferraro as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Ms. Maria Ferraro as a new member of the Audit, Compliance and Related Party Transactions Committee in replacement of Mr. Tim Oliver Holt, as stated above. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Ms. Maria Ferraro and approved her re-election as a proprietary director.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Duties:

The Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 to 14 of Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee, establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The functions of the Audit, Compliance and Related Party Transactions Committee mainly relate to supervision of the Company's internal audit, review of the systems for internal control of the preparation of economic/financial and non-financial information, the audit of accounts, related party transactions and regulatory compliance upon the terms set forth in its regulations.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) non-executive Directors, a majority of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee and can be re-elected one or more times for terms of equal duration.

b) The Board shall encourage the diversity of composition, especially in relation to gender, career experience, skills, sector-specific knowledge and geographical origin, and that at least one of the independent directors is appointed taking into account his or her knowledge and experience in accounting, auditing and risk management.

   Without prejudice to the foregoing, the Board of Directors and the Appointments and Remunerations Committee shall endeavor to ensure that the members of the Committee as a whole, and especially its chair, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and risk management, both financial and non-financial.

c) The Committee shall choose its Chair from among the independent directors, for a maximum term of 4 years, at the end of which the director holding the position cannot be re-elected as Chair until the term of one year has elapsed from ceasing to hold this office; and a Secretary thereof, who need not be a Director.

d) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than the majority; and c) when agreed on by the Board of Directors.

e) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chair's behest and, in any case, the Committee shall have a minimum of four annual meetings. Meetings shall also be held whenever two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting. In the event of a tie, the Chairman will have the casting vote.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2020, the Audit, Compliance and Related Party Transactions Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Audit, Compliance and Related Party Transactions Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	von Heynitz, Harald
	Ferraro, Maria
	Hernández García, Gloria
	Krämmer, Rudolf
Date of appointment of the chairperson	February 12, 2020

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Category
Krämmer, Rudolf	Chairman	Independent
von Heynitz, Harald	Member	Independent
Rosenfeld, Klaus	Member	Independent
von Schumann, Mariel	Member	Proprietary

% of proprietary directors	25%
% of independent directors	75%
% of external directors	0%

Remarks

It should also be pointed out that Mr. Salvador Espinosa de los Monteros Garde holds the position of Secretary non-member of the Appointments and Remunerations Committee since his appointment dated July 15, 2020, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 3412) sent to the CNMV on July 15, 2020, and after the resignation, with effects on February 23, 2020, of Mr. Carlos Rodriguez-Quiroga Menéndez as Secretary member of the Board of Directors, and as Secretary non-member of the Appointments and Remunerations Committee, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 199) sent to the CNMV on February 24, 2020.

Furthermore, the changes occurring within the Appointments and Remunerations Committee during the fiscal year are described below:

On February 5, 2020, and in accordance with Notice of Significant Event (*Hecho Relevante*) (with registration number 286549) sent to the CNMV on February 5, 2020, Mr. Pedro Azagra Blázquez resigned as member of the Board of Directors, and as member of the Appointments and Remunerations Committee.

At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Appointments and Remunerations Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director.

With effects on February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Andoni Cendoya Aranzamendi resigned as member of the Board of Directors, and as member and Chairman of the Appointments and Remunerations Committee.

In addition, at its meeting of April 23, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1714) sent to the CNMV on April 23, 2020, Mr. Rudolf Krämmer was appointed as chair of the Appointments and Remunerations Committee to cover the vacancy after the resignation of Mr. Andoni Cendoya Aranzamendi referred above.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Functions:

This committee is a permanent internal body of the Board of Directors, without executive duties, for information and consultation, entrusted with informing, advising and making recommendations on matters within its purview.

Articles 5 to 9 of Chapter II of the Regulations of the Appointments and Remunerations Committee establish the functions of this Committee. In particular, this committee has the essential function of supervising the composition and functioning as well as the evaluation of the Board of Directors, its committees and its members, and the remuneration of the Board of Directors and of the Top Management of the Company.

The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, at least two of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee, and may be re-elected one or more times for terms of equal duration.

b) The Committee chooses its Chair from among the independent directors and a Secretary, who need not be a director.

c) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

d) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. Meetings shall also be held whenever at least two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2020, the Appointments and Remunerations Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Appointments and Remunerations Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	Number	%	Number	%	Number	%	Number	%
Delegated Executive Committee	0	0.00%	N/A		N/A		N/A	
Audit, Compliance and Related Party Transactions Committee	2	50.00%	1	33.33%	2	66.67%	2	100.00%
Appointments and Remunerations Committee	1	25.00%	1	20.00%	3	60.00%	3	60.00%

C.2.3. State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Delegated Executive Committee

The Delegated Executive Committee is governed by the By-Laws, the Regulations of the Board of Directors, and its own Regulations of the Delegated Executive Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Delegated Executive Committee were approved by resolution of the Company's Board of Directors dated November 4, 2020.

The current text of the Regulations of the Delegated Executive Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Audit, Compliance and Related Party Transactions Committee

The Audit, Compliance and Related Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Audit, Compliance and Related Party Transactions Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Audit and Compliance Committee were approved by the Company's Board of Directors on September 29, 2004 and were subsequently amended on October 21, 2008; April 15, 2011; January 20, 2012; March 24, 2015; and February 22, 2017.

On April 4, 2017 the Board of Directors approved a revised version of said Regulations and changed the name of the Committee to the Audit, Compliance and Related Party Transactions Committee.

The Company's Board of Directors approved an amendment of the restated text of said Regulations on March 23, 2018 and endorsed a restated text on July 26, 2018.

Moreover, the Company's Board of Directors endorsed new restated texts of the Regulations on February 19, 2020, and August 5, 2020. The first of the aforementioned two last amendments of the Regulations of the Audit, Compliance and Related Party Transactions Committee, carried out during 2020 fiscal year was executed in order to establish that the Chair of the Committee shall have the casting vote in the event of a tie; and the second was executed in order to eliminate the restriction which impeded the members of the Delegated Executive Committee to be on the Audit, Compliance and Related Party Transactions Committee.

Finally, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Audit, Compliance and Related Party Transactions Committee, by resolution dated November 27, 2020 amending the articles referred to its functions, composition and functioning, and relations with other bodies in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Audit, Compliance and Related Party Transactions Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Appointments and Remunerations Committee

The Appointments and Remunerations Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Appointments and Remunerations Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Appointments and Remunerations Committee were approved by the Company's Board of Directors on April 4, 2017 and subsequent amendments thereof were approved by the Board of Directors on July 26, 2018 and July 29, 2019.

Likewise, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Appointments and Remunerations Committee, by resolution dated November 27, 2020 amending the articles referred to its functions in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Appointments and Remunerations Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

Article 33 of the Regulations of the Board of Directors regulates the transactions of the Company and the Group with Directors, significant shareholders or their related persons establishing the procedure for the approval of such transactions.

Its two first paragraphs establish the requirement of the approval of said transactions by the Board of Directors, after receiving a report from the Audit, Compliance and Related Party Transactions Committee. The Board of Directors shall thereby endeavor to ensure that transactions with related parties are carried out in accordance with the corporate interest, on arms'-length terms, ensuring transparency in the process and observing the principle of equal treatment of shareholders in the same condition and according to applicable law.

Further to the above and according to paragraph 2 of article 33 of said Regulations of the Board of Directors, the Board of Directors approved on the meeting held on July 26, 2018, the "Policy regarding related party transactions with directors, significant shareholders and parties related thereto" (the "Policy"), which is included in the Corporate Governance Rules of SIEMENS GAMESA, and is available on the corporate website (www.siemensgamesa.com).

Further, in case of transactions which are qualified as material according the referred Policy, paragraph 3 sets forth the need of an independent expert report, which shall be at the disposal of the Board of Directors before approval of the relevant transaction. Paragraph 4 of article 33 deals with cases of transactions within the ordinary course of business that are customary and recurring and executed at market prices, as well as cases so determined by the Policy, for which a general prior framework approval by the Board of Directors, after receiving a favourable report from the Audit, Compliance and Related Party Transactions Committee, may be sufficient. As stipulated in paragraph 5 of article 33, the approval by the Board of Directors shall not be required if such transactions simultaneously meet all of the following three requirements: (i) they are conducted under contracts whose terms and conditions are standardized and apply on an across-the-board basis to a large number of customers; (ii) they are conducted at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed one per cent of the annual revenue of the Company based on the audited annual accounts for the last fiscal year ended on the date of the transaction in question. Finally, according to Paragraph 6 of article 33, the authorization of a related-party transaction will be necessarily agreed by the General Meeting of Shareholders when the value of a related party transaction exceeds 10% of the corporate assets appearing on the last approved and audited consolidated balance sheet.

The conclusion of a related-party transaction with a Director, or a related person to a Director, would put that Director in a conflict of interest situation, and consequently the article 31 of the Regulations of the Board of Directors will apply where appropriate.

It shall be also pointed out that paragraph b) of article 13 of the Regulations of the Audit, Compliance and Related Party Transactions Committee points out that the referred Committee shall have, among others, as main purpose: *"report, prior to their authorization by the Board of Directors or the General Shareholders' Meeting, as appropriate, any operations or transactions that could represent conflicts of interests:*

(i) *with the Company and companies of its Group;*

(ii) *with directors of the Company and the Group and their related parties;*

(iii) *with shareholders that have a significant holding or are represented on the Board of Directors and their related parties;*

(iv) *with senior management and other managers, except if those are part of any company of the Group that has created an audit committee, in which case that committee will be in charge of elaborating the corresponding report, having to inform the Committee; as well as*

(v) *any other relevant transaction related thereto, unless unnecessary in accordance with the law or the Corporate Governance Standards.*

The Committee shall be able to rely on the corresponding advice of the internal units or departments of the Company in order to issue said report, and may also request outside advice if it so deems necessary".

Finally, it shall be pointed out that additional information about related party transactions is included and available in the financial statements, this annual corporate governance report, annual activities report of the Audit, Compliance and Related Party Transactions Committee, and in the Report of the Audit, Compliance and Related Party Transactions Committee about its interventions regarding the related party transactions, all available in the corporate website (www.siemensgamesa.com).

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)

Remarks

The change of SIEMENS GAMESA's significant shareholder took place on September 25, 2020, as detailed in Section A.2 of this report, and therefore despite there are transactions with companies belonging to Siemens AG group until September 25, 2020, and belonging to Siemens Energy AG group as from such date, there are no cost positions assigned to Siemens Energy Group during fiscal year 2020. All transactions with related parties are consequently reported under D.5 in this Section.

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
N/A	N/A	N/A	N/A	0

D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
N/A	N/A	0

Remarks

SIEMENS GAMESA Group companies established in countries or territories considered to be tax havens for being included in the list of the Decree Law 1080/1991 of 5 July 1991, and which do not fulfill the requirements to be excluded of such qualification are classified as operating companies and all transactions carried out by them are exclusively ordinary business activities. The table below includes the list of such companies.

The company SIEMENS GAMESA has not concluded any transaction with its subsidiaries established in countries or territories that are considered a tax haven.

The transactions within the SIEMENS GAMESA Group carried out by subsidiaries of SIEMENS GAMESA, with entities established in countries or territories that are considered a tax haven are all transactions carried out in the ordinary course of business and are eliminated within the process of drawing up the consolidated financial statements, with the detail described below.

At the end of the fiscal year 2020, the only two entities of SIEMENS GAMESA Group resident in tax havens in accordance with Spanish regulations are Siemens Gamesa Renewable Energy, Ltd. (Mauritius) - 100% interest and incorporated on February 5, 2015 - and the branch Siemens Gamesa Renewable Energy Eólica SL, Jordan branch (Jordan) - incorporated on January 12, 2016 -. Both entities' main activity is the performance of wind turbine maintenance services for third-party clients who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of SIEMENS GAMESA Group is not significant (EUR 0.3 million -Mauritius- and EUR 0.7 million -Jordan- out of a total amount of EUR 9,483 million in the 2020 consolidated financial statements).

The income obtained by such entities is subject to the Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 30% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a tax haven, the profits are also included in the tax base in Spain. Therefore, the ownership of these entities does not provide any tax advantage to SIEMENS GAMESA Group.

Company name of the entity in its group	Brief description of the transaction	Report (thousands of euros)
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany financing interest	4
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany sales and services rendering	32
Siemens Gamesa Renewable Energy Eolica S.L. (Jordan)	Intercompany sales and services rendering	276

D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Iberdrola, S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,186
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Eólica S.L.	20,165
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Renewable Energy Eólica, S.L.	6,782
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Wind Farms, S.A.	9,459
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Energia Renovável Ltda.	6,402
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Deutschland GmbH	2,660
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	2,276
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Romania S.R.L.	1,003
VejaMate Offshore Project GmbH	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,917
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	22,454
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	5,695
Tromsoe Vind AS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy AS	1,567
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	31,866
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	5,289
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	2,666
ScottishPower Renewables (UK) Ltd	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	268,339
ScottishPower Renewables (UK) Ltd	Rendering of services by Siemens Gamesa Renewable Energy Limited	15,159
El Cabo Wind LLC	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Inc	2,135
Energías Renovables Venta III, S.A	Rendering of services by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,346
Parque Industrial de Energía	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	2,301

ZeeEnergie C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	14,162
Buitengaats C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	14,162
OWP Butendiek GmbH & Co. KG	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	16,869
Schaeffler Hong Kong Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	1,399
Schaeffler Danmark ApS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	1,383
Schaeffler Group USA INC	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc	1,755
Iberdrola Renovables Bajío S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,231
Schaeffler AG	Purchases of finished goods or not by Gamesa Energy Transmission, S.A. Unipersonal	15,453
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	37,005
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy SARL	4,077
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Power Private Limited	2,799
Raudfjell Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	43,161
Torres Eolicas do Brasil Ltda.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	3,311
Stavro Holding I AB, Stockholm	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	108,645
Siemens plc	Reception of services by Siemens Gamesa Renewable Energy Limited	6,695
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	70,294
Siemens AG	Licensing agreements by Siemens Gamesa Renewable Energy A/S	16,701
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy A/S	9,778
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy A/S	1,534
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GbmH & Co. KG	63,272
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	12,360

Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,161
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,213
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Limited	5,007
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy S.A.	3,586
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Pty Ltd	1,543
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,214
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,187
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,068
Siemens Ltd.	Reception of services by Siemens Gamesa Renewable Energy Pty Ltd	1,018
Siemens Corporation	Reception of services Siemens by Gamesa Renewable Energy, Inc	4,621
Siemens A/S	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	11,948
Siemens A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	3,034
Siemens A/S	Reception of services by Siemens Gamesa Renewable Energy A/S	1,422
Siemens Ltd., China	Reception of services by Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	1,274
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	5,828
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Egypt LLC	2,398
Siemens Nederland N.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	3,415
Siemens Nederland N.V.	Reception of services by Siemens Gamesa Renewable Energy B.V.	1,012
Siemens Industry Software A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	4,527
Siemens Industry, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	2,170
Siemens Financial Services, Inc.	Operating Lease contracts by Siemens Gamesa Renewable Energy, Inc.	1,048

Siemens Financial Services Ltd.	Operating Lease contracts by Siemens Gamesa Renewable Energy Limited	1,277
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,986
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	5,669
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,962
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	6,455
Flender Corporation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,176
Flender Corporation	Reception of services by Siemens Gamesa Renewable Energy, Inc.	2,675
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	41,207
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	12,114
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	53,060
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not Siemens Gamesa Renewable Energy A/S	17,641
Siemens Field Staffing, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,479
Siemens Field Staffing, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,630
Siemens Generation Services Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,067
SEG KG, Werk Erlangen	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	43,573
SEG KG, Werk Erlangen	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	3,156
Siemens Energy, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,235
Siemens Energy B.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	6,923
OOO Siemens Gas Turbine Technologies	Purchases of finished goods or not by Siemens Gamesa Renewable Energy LLC	2,590
Siemens Energy S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,377
Siemens Electrical Drives Ltd.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	10,053

Remarks

For the purposes of the present section D.5 only the transactions of an amount over 1,000 thousand euros are considered as significant.

Likewise, it shall be pointed out that such information matches with Note 30 of the Consolidated Report which is part of the financial statement of fiscal year 2020.

Regarding the amount attributed to "Purchases and services received" of other related parties, included in cited Note 30 of the Consolidated Report it shall be remarked that only those transactions for an amount over 1,000 thousand euro were included, for being considered as significant. The amount of the transactions included in "Purchases and services received" of other related parties. in the referred Note 30 but not included in section is 38,244 thousand euro.

Finally, according to the referred relevancy criteria the amount of the transactions included in "Sales and services rendered" to other related parties in the referred Note 30 but not included in section is 5,553 thousand euro.

D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

a) Possible conflicts of interest between the Company and/or its Group, and its directors:

Article 31 of the Regulations of the Board of Directors regulates the conflicts of interest between the Company or any other company within its group and its directors. In particular, paragraphs 1 and 2 define the situations in which a Director or manager has a conflict of interest and lists persons who, given that they are considered linked thereto, could generate situations of conflicts of interest.

Likewise, the following sections in this article regulate the mechanisms for resolving situations of conflict of interest. In particular, paragraphs 3 and 4 establish that any director who incur in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board through its Chairperson and refrain from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters affecting the said conflict. The votes of Directors affected by the conflict and who, therefore, had to abstain, will not be considered in order to calculate the required majority of votes to adopt the relevant resolution.

The following paragraph in article 31 of the Regulations of the Board clarifies that *"in unique cases, the Board of Directors or the General Shareholders' Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest".*

Paragraph 6 specifies that *"the waiver shall be preceded by the corresponding report of (a) the Audit, Compliance and Related Party Transactions Committee regarding the operation subject to a possible conflict of interest, in which it will propose the adoption of a related specific resolution, or (b) the Appointments and Remuneration Committee regarding the waiver of fulfillment of contract duties".*

Paragraph 7 of the cited article states that *"the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding Committee, deciding to approve or not the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."*

Finally, paragraphs 8 and 9 state that the Annual Corporate Governance Report shall include conflict-of-interest situations involving Directors or persons related thereto, and that the report of the annual financial Statements shall detail the transactions incurring in conflict of interest that have been authorized by the Board, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the fiscal year of the financial statements.

b) Possible conflicts of interest between the Company and/or its Group, and its managers:

The Senior Management of the Company and/or of the companies constituting the SIEMENS GAMESA Group, as well as any professional of the Company and/or of the companies constituting the referred Group who, by undertaking his/her activity in areas related to the securities markets or having regular, recurring access to Privileged Information, are classified as Affected Persons (as defined in article 6 of SIEMENS GAMESA's Internal Regulations for Conduct in the Securities Markets (RIC)) by the Ethics and Compliance Division, will be subject to the Internal Regulations for Conduct in the Securities Markets, which most recently revised version was approved on 25 September 2019.

In this regard, according to article 20 of the RIC managers and professionals considered to be Affected Persons must immediately inform either their supervisor or senior manager or the Ethics and Compliance Division of situations that

could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) Possible conflicts of interest derived from transactions between the Company and/or its Group with directors and significant shareholders:

Article 33 of the Regulations of the Board regulates the transactions of the Company and its Group with directors and significant shareholders or their respective related persons. Section D.1 above details the content of such article so we refer to the same. In any case, the full text of the Regulation of the Board of Directors is available on the corporate website (www.siemensgamesa.com).

d) Relationships of the directors and/or significant shareholders with companies of the Group:

Article 37 of the Regulations of the Board states that *"the obligations of the Directors of the Company and of the shareholders that own a significant stake which are referred to in this Chapter will be understood as applicable, analogically, regarding their possible relations with companies of the Group."*

The Business Conduct Guidelines of the Company approved by the Board on September 12, 2018, dedicate a paragraph to conflict of interest which is applicable to all Group professionals regardless of their hierarchical position.

D.7. Is there more than one company in the group listed in Spain?

Yes ☐ **No X**

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies
N/A

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group;

Yes ☐ **No ☐**

Describe the business relationship between the parent and subsidiary listed companies as well as between the subsidiary and other members of the group

Identify measures taken to resolve potential conflicts of interest between the listed subsidiary and the other group companies:

Measures taken to resolve potential conflicts of interest

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

SIEMENS GAMESA has certain **Risk Control and Management Systems** that are part of our internal framework that we call ERM (Enterprise Risk Management) and which is covered by the **Corporate Governance** rules. ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and also based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The **Risk Control and Management Systems within ERM** are promoted by the Board of Directors and Top Management and implemented throughout the organization. SIEMENS GAMESA has an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a "RIC" tool.

The **General Risk Control and Management Policy**, which establishes the foundations and general context for the key elements of ERM that are summarized below, is the foundation for these systems.

The general risk management process classifies risks in four categories:

- **Strategic**: Risks that are directly influenced by strategic decisions, arise from long-term strategies or relate to top-level objectives.
- **Operational**: Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and profitability targets.
- **Financial**: Risks resulting from financial transactions and from non-compliance with tax, accounting and/or reporting requirements.
- **Compliance**: Risks resulting from non-compliance with the Business Conduct Guidelines or legal, contractual or regulatory requirements.

The ERM process is a continuous cycle intended to proactively manage business risks. It is based on six phases:

- **Identify:** Aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the Company's strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on top-down and bottom-up approaches throughout the organization, represented by corporate, business-unit and regional R/O-maps supported by specific risk management systems and the necessary consistency between micro- and macro-risk.

- **Evaluate**: Evaluate and prioritize the identified R/Os in order to focus management attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and the probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control and mitigation measures.

- **Respond**: Focuses on the definition, approval and implementation of response plans to manage identified risks by selecting one of our general risk response strategies (avoid, transfer, accept and mitigate). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones.

- **Monitor**: Deals with appropriate controls and continuous supervision to permit timely notification of significant changes in the R/O situation, of progress on KRIs and of response plans.

• **Report and scale**: Focuses on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management.

• **Continuous improvement**: Risk management in SIEMENS GAMESA's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The **Board of Directors**, as Company's main decision, supervision and control body, authorizes and approves all relevant transactions. It is also responsible for establishing the general policies and strategies, included the General Risk Control and Management Policy and the tax strategy of the Company and for supervising the implementation thereof and the internal reporting and control systems.

The Company's Risk Control and Management Systems are applied by means of **an organization structured into four levels of defence**:

1. Ownership of risk control

As owner of the top risks, among other aspects, the Executive Committee (ExCo) is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire SIEMENS GAMESA Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group.

2. Monitoring and compliance

- **Risk Department (ERM**): Integrated within the Financial Department, it participates in defining the risk strategy and in the mitigation of risks, endeavouring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.

- **Governance and Internal Control Department (GOV/CON)**: Reporting to the Operations Directorate, has the governance role and is responsible for the process to test the effectiveness of the internal control systems.

- **Ethics and Compliance Directorate**: Reports directly to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, and is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3. Independent assurance

The Internal Audit Directorate reports to the Board of Directors' Audit, Compliance and Related Party Transactions Committee and to the CEO, and is responsible for informing, advising and directly reporting on the following matters, among others:

- The Company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.

- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.

- The Company's transactions with third parties if they involve a conflict of interest or are transactions with shareholders holding a significant stake in the Company.

- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.

- Adequacy and integration of internal control systems.

- Inform and advise the Committee on audit matters of a technical nature.

- Report on the incidents that occur in the development of its annual work plan and submit an activity report at the end of each year.

- Information within its purview to be included in the Annual Corporate Governance Report prior to approval by the Board of Directors.

4. Supervision

The Audit, Compliance and Related Party Transactions Committee supports the Board of Directors in the supervision of the system and reports thereto regarding the sufficiency thereof.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the auditor in the course of its statutory auditing work. As a result of this supervision, the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies related to the control and management of risks identify or determine at least:
   i. The different types of financial and non-financial risks (including operational, technological, financial, legal, fiscal, reputational, climatic, social, political, environmental or related to corruption) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
   ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Rules.
   iii. The planned measures to mitigate the impact of identified risks, should they materialize.
   iv. The information and internal control systems used to control and manage risks.

d) Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Oversee that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

g) Generally oversee that the internal control policies and systems are affectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management,

reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the SIEMENS GAMESA Group considers acceptable (risk tolerance criteria in accordance with ERM methodology), which are aimed at maximizing and protecting the economic value of SIEMENS GAMESA within controlled variability.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

In deploying its strategic and operational planning, SIEMENS GAMESA faces various risks inherent to the sector and the countries in which it operates. These risks can affect the achievement of business objectives.

Generally, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

We set out below a brief summary of the principal risks that could affect the achievement of business objectives and that have been monitored in 2020.

Strategic

• Industry and SIEMENS GAMESA operations that may be affected by **infectious diseases, health crises**, and particularly the recent **Covid-19** pandemic, both locally and globally.

• **Pressure on contribution margin and on MW volumes**, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.

• As a result of geographic diversification and the extensive base of customers and suppliers, SIEMENS GAMESA is exposed to "**country risk**", which is understood as the environment in which socio-political and security conditions may affect the local interests of SIEMENS GAMESA, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like Brexit in the UK, trade wars with the United States, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.

• **Climate change** might generate heavy rains and floods, which potentially could affect certain company´s assets.

• Significant changes in the share ownership of SIEMENS GAMESA that could give rise to **uncertainty in the securities market.**

Operational

• Operational risks relating to the launch of **new products**, the set-up of our supply chain including make or buy decisions and **the quality of our products and services.**

• Risks relating to the **commitments made** in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.

• Risk that the **cost reduction processes for some products do not occur as quickly as required** to offset the pressure on prices.

• Due to the complexity of the projects managed by SIEMENS GAMESA, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a **risk in project execution** that could lead to additional project cost and, hence, negative deviations in the project margins.

• **Cyberattack risks**: Like many other multinational companies, SIEMENS GAMESA is exposed to the growing threat of increasingly professionalised cybercrime, within an environment of continued improvement of information technology systems.

• **Supply chain risks**, due to the existence of critical components that could cause delays or cost increases in the production of SIEMENS GAMESA wind turbines or the execution of its construction projects.

• **Market price risks**: SIEMENS GAMESA is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of specific products in some countries that could affect supply chain costs.

Financial

• **Risks relating** to the needs of the wind market with respect to **third party guarantees**.

• **Risks that could affect the strength of the balance sheet**, the amount and structure of working capital, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.

• **Exchange rate risk**: SIEMENS GAMESA engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the euro and future cash flows of entities of the SIEMENS GAMESA Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.

• **Interest rate risk**: the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. SIEMENS GAMESA uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.

• **Tax risks** arising from local and/or global requirements and direct or indirect taxation.

Compliance

• **Risk of occurrence of severe and/or fatal accidents** with the additional effects of delays, damage to assets and reputational loss, caused by, among other things, the high risk profile of some works, potential failures in the processes of selection, monitoring and qualification of contractors, and work in emerging market environments with a less mature culture in relation to safety, health and environmental standards.

• **Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations**, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report for fiscal year 2020 includes additional details regarding some of the risks associated with the activities of SIEMENS GAMESA.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Top Management establishes and Board of Directors approves the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to assume to achieve its objectives.

SIEMENS GAMESA uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated, at least each time changes are made to the strategy and/or policies.

SIEMENS GAMESA essentially has 3 complementary ways of establishing risk tolerance levels:

1) By means of regularly reviewed specific policies and internal regulations, particularly including the following:
- General Risk Control and Management Policy
- Corporate Tax Policy
- Investment and Finance Policy (exchange rate, credit and interest rate risks)
- Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
- Business Conduct Guidelines
- Crime Prevention and Anti-Fraud Policy
- Cybersecurity Policy

2) The setting of objectives on an annual basis or based on strategic regularity, for indicators that are used to monitor certain risks. These indicators include:
- EBIT, cash conversion, net financial debt, CAPEX and working capital
- MW sold and new orders
- Sustainability
- Cyberattacks

- Frequency and severity index in relation to Health & Safety

3) A risk is considered to exceed tolerance and to require mitigation plans when it is rated as major or high. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a particular risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once the risks (including tax-related risks) threatening achievement of objectives have been identified, the risk owners or those delegated thereby, with the support of the ERM Department and other support functions, make an assessment thereof and manage the plans for their mitigation.

E.5. State which risks, including tax compliance risks, have materialized during the year.

The risk factors that have materialized during 2020 in the countries and markets in which SIEMENS GAMESA has done business have had an adverse impact on the Group's financial results, the most significant being project execution, **Covid-19**, price pressure and slowdown in the Indian market.

It is noteworthy that activities in 2021 will be subject to the continuation of these same risk factors in the development of the wind market. The Group also expects to face uncertainties arising from the process of negotiating the United Kingdom's exit from the European Union and the policies adopted by the United States government relating to its tariff policies and embargoes on various countries.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

Strategic

• Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk.

• Development of new business opportunities, entry into new countries, and cost reduction programmes at all units to mitigate the risk of pressure on the margin and on volumes.

• The possible effects of specific drops in business due to "country risk" are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.

• SIEMENS GAMESA is carbon neutral as of 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department

• Creation of a project team in charge of analysing the implications of a change in share ownership and of implementing the relevant mitigation measures.

Operational

• New products and production centres are regularly monitored to ensure that both cost and quality are fulfilled as expected.

• Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.

• There is an ongoing reduction in costs through specific goal-based programmes deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.

• A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project implementation. The Company also analyses its projects on a recurring basis and has defined controls within the ICFR system to monitor the management thereof.

• A multidisciplinary Security Committee leads and continuously improves our Information Security Model that is capable of preventing and mitigating the external threats of cyberattacks.

• We implemented a second source supply strategy to mitigate supply chain risks and signed long-term agreements with suppliers of critical components to ensure their availability.

• Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, a search for secondary sources of supply, and even the redesign of some components.

Financial

• Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.

• Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event occurred which requires a so-called impairment test that could result in an impairment.

• Various actions are taken to reduce exposure to foreign exchange rate risk, including: increase in local content, hedging through the use of derivative financial instruments, monitoring of exposure to fluctuations while ensuring compliance with the Group's hedging policy that requires a minimum level of hedging, including the analysis of currency sensitivity.

• The division of external financing between variable and fixed rates is constantly analysed in order to optimise exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.

• Tax risks are controlled with various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

Compliance

• The risk of serious and fatal accidents is mitigated through various actions, including: strengthening of the zero tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.

• SIEMENS GAMESA has a Handbook and Systems for monitoring regulatory changes and crime prevention in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business. This include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

Additional information regarding response plans and supervision is enclosed in the Management Report included in the Annual Report and in the Consolidated Financial Statements of 2020.

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

• Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.

• Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities.

- Insurance of operational third-party risks, with annual update and review of coverages.
- External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.
- Aenor certificate in UNE 19602 standard related to the tax compliance management system.
- Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being effectively managed.
- Evaluations, including independent evaluations, by Management, by the internal audit department and by external audit of the effectiveness of the risk management systems.
- Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.
- Internal audits of significant risks by the Internal Audit Department.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANICAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

According to section 4.b of Article 529.quaterdecies of the **Corporate Enterprise Act**, and without prejudice to the other duties stipulated in the by-laws or in compliance with them in addition to those set out in the board of directors' regulations, the **audit committee** shall have, as a minimum, the following duties: to supervise the efficiency of the company's internal controls, internal audit and risk management systems, in addition to discussing with the accounts auditor any significant weaknesses in the internal control system detected in the course of the audit, without compromising its independence. To this end, and where appropriate, recommendations or proposals may be submitted to the board of directors and the corresponding time frame for follow-up activities.

Internal risk management and control systems related to the process of publishing finanical information (ICFR)

According to Article 33.5.g of SIEMENS GAMESA's By-Laws, the **Board of Directors** has among its competencies "preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting". Likewise, as established by Article 7.3a) of the Regulations of the Board of Directors, the Board of Directors has, among others, the competency of supervising the internal information and control systems and the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly.

The **Regulations of the Audit, Compliance and Related Party Transactions Committee** establish that it is within the purview of said Committee to supervise the effectiveness of the Company's internal control system, the systems for the management of risks, including tax risks and oversight of the process of preparing and filing the regulated financial information.

In relation to the powers relating to the process of preparing the economic and financial information, the Audit, Compliance and Related Party Transactions Committee performs the following functions, among others, as defined in Article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

- Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

- Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

- Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

- Be informed of the significant adjustments identified by the auditor or arising from Internal Audit reviews, and management's position on such adjustments.

- Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

- Supervise on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the supervision, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.

In relation to the internal control and risk management systems, as defined in Article 10 of said Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.

- Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

- Oversee that policies on the control and management of risks identify or determine at least:

    i. The different types of financial and non-financial risks (financial, operational, strategic, and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

- Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Oversee that the Risk department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Management of SIEMENS GAMESA Group is responsible through its Internal Control department and Internal Control Over Financial Reporting (ICFR) team for the design, implementation and maintenance of ICFR. The Internal Control department is responsible for the overall Internal Control governance and reports to the Chief Operating Officer (COO). Furthermore, there is an Enterprise Risk Management (ERM)/ ICFR team reporting to the Chief Financial Officer (CFO). Both functions regularly report to the Audit, Compliance, Related Party Transaction Committee including on the overall status of the Internal Control system, non-ICFR and ICFR specific content. The Group's internal control system is managed through a company-wide platform called "RIC tool".

In support of the Audit, Compliance and Related Party Transactions Committee, the Company has an Internal Audit department, which functionally reports to the aforementioned Committee and by performing its annual work plan reinforces control relating to the reliability of the financial information.

SIEMENS GAMESA Group's internal control system considers the core elements of COSO 'Internal Control – Integrated Framework' (2013) – the most broadly accepted control framework. The framework defines the elements of a control system and sets the benchmark for evaluating the effectiveness of the internal control system.

F.1.2. State whether the following are present, especially if they relate to the creation of financial information:

- *Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity*

In relation to the definition of the organizational structure, the regulations of the **Board of Directors** establish that the **Appointments and Remuneration Committee** must inform the Board of Directors of the proposals for appointment and removal of Top Management and must also report on the remuneration conditions and terms and conditions of the employment contracts thereof prior to their approval by the Board of Directors.

SIEMENS GAMESA Group's **Executive Committee** is responsible for defining, designing and reviewing the organizational structure. It assigns functions and tasks, ensuring appropriate separation of functions and that the areas of the various departments are coordinated so as to achieve the Company's objectives.

SIEMENS GAMESA Group has clearly defined lines of authority and responsibility for purposes of preparing the financial information. The **CFO organization** has the main responsibility for preparing the financial information. The CFO organization is responsible for the existence and proper dissemination within SIEMENS GAMESA Group of the internal policies and procedures that are necessary to ensure reliability in the process of preparing the financial information. The CFO organization also plans the key dates and reviews to be carried out by each responsible area.

The Chief Operating Officer (COO) through his Internal Control department is responsible for the existence and proper dissemination within the Group of the Internal Control policies and procedures.

SIEMENS GAMESA Group has financial organizational structures that are adapted to the local needs of each region in which it operates, led by a **Managing Director Administration & Finance of the legal entities** whose duties include the following responsibilities:

- Compliance with local law & regulations
- Financial (IFRS & local GAAP) & local tax reporting: “Clean books & records”
- Internal Controls, including quarterly attestation of financials (certification letter)

Specifically, and as regards to ICFR, the existing organizational structure has resources for the proper functioning thereof, with centralised guidelines that are controlled and supervised at central SIEMENS GAMESA Group level and with local-level implementation in each region with the aim of providing detail on the processes considered key for the Company.

- *Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analyzing breaches and proposing corrective actions and sanctions.*

SIEMENS GAMESA Group has its own Business Conduct Guidelines, the current version of which was approved by its Board of Directors on 12 September 2018. The Business Conduct Guidelines define SIEMENS GAMESA Group´s attitude in relation to the conduct of a responsible business and describe how SIEMENS GAMESA Group fulfils its responsibilities as a company, i.e. as an employer, in its markets, in society and towards the environment. This Business Conduct Guidelines are available both on the corporate website and on the internal intranet after a specific Company-wide communication by the Chief Executive Officer.

Regarding its economic and financial information, SIEMENS GAMESA Group is committed to transparent, clear, truthful, complete and consistent reporting to investors, employees, customers, institutions and governmental agencies.

More specifically, the Business Conduct Guidelines state that as an international company, SIEMENS GAMESA Group is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and all government agencies. SIEMENS GAMESA Group follows all applicable laws, regulations, standards and practices.

SIEMENS GAMESA Group ensures that its books and records are kept completely, accurately and truthfully, they are prepared on time and in accordance with the applicable rules and standards (IFRS), that they comply with the Financial Reporting Guidelines and follow internal control processes.

SIEMENS GAMESA Group provides correct and complete information for financial reporting purposes.

Among other aspects and in relation to the Business Conduct Guidelines, the Compliance department, which reports functionally to the Audit, Compliance and Related Party Transactions Committee, is responsible for resolving doubts that may arise and for receiving any queries or complaints via the established channels that are referred to in the Business Conduct Guidelines for actions that are unethical, lack integrity or conflict with the principles included therein.

- *Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, reporting, as the case may be, if this is of a confidential nature*

In accordance with the provisions of the Business Conduct Guidelines and of Article 11.g of the Regulations of the Audit, Compliance and Related Party Transactions Committee with respect to the duties of the aforementioned Committee relating to the Corporate Governance function, SIEMENS GAMESA Group has developed a Compliance Integrity Hotline that allows its employees to report confidentially or anonymously any potentially significant irregularities with express reference to financial or accounting improprieties that they discover within the Company.

The Audit, Compliance and Related Party Transactions Committee is responsible for establishing and supervising the Compliance Integrity Hotline which SIEMENS GAMESA Group manages through its Compliance department according to the conditions and powers set forth in the Compliance Handbook, which form part of the internal regulations and which sets out its operation and conditions for use, access, scope and other aspects.

As established in Articles 12.b and 12.c of the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Compliance department has the duty of assessing and reporting on the level of compliance with the Business Conduct Guidelines; it will submit such reports to the Audit, Compliance and Related Party Transactions Committee with information on suggestions, concerns, proposals and breaches.

It is for the Compliance department, upon receipt of a complaint that satisfies a series of requirements and minimum content, to decide whether it is appropriate to process or file such complaint.

If there is evidence of an infringement of the Business Conduct Guidelines, a confidential case file will be opened, and such actions as deemed necessary may be commenced, particularly interviews with the parties involved, witnesses or third parties considered capable of providing useful information and collection of such paper or electronic documents as required. Assistance may also be obtained from other areas of the Company if deemed suitable, as well as from independent experts (establishing an investigative team).

Upon conclusion of the complaint procedure, the investigative team will prepare a report that will contain at least a description of the context of the investigation, its findings, the legal advice on such findings and the actions to rectify the problem.

The **Disciplinary Committee (**comprising the representatives of the Financial, Legal, Compliance and Human Resources departments) is responsible for establishing relevant disciplinary measures for cases of breach of the Business Conduct Guidelines which are proportionate to the severity of said breaches.

If the Compliance department finds evidence of unlawful conduct when processing the case and preparing the report, it will inform the Legal department to assess whether competent legal or administrative authorities must be informed.

- *Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.*

SIEMENS GAMESA Group has staff recruitment procedures and processes in place to identify and define selection and recruitment process milestones ensuring that new employees are qualified to perform the responsibilities associated with their position.

A main line of action for the SIEMENS GAMESA Group is managing employee knowhow through the identification, development and retention of the required talent and knowhow, in addition to ensuring the proper transfer thereof.

In this context, SIEMENS GAMESA Group has processes and tools to determine the level of performance and development needs for the people who make up its organization.

The staff directly and indirectly responsible for actions in the financial and accounting area have been subject to previously established selection and recruitment processes, and moreover, their training needs have been analyzed in internal development processes. They have the necessary professional qualifications and expertise to perform their duties, both in terms of applicable accounting standards and internal control-related principles. These staff are kept continuously up-to-date with applicable regulatory requirements.

Specifically, the Compliance department provides various training sessions on the Business Conduct Guidelines and the Whistle-blower channel.

F.2. Assessment of financial information risks

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including error and fraud risk, as regards:

- *Whether the process exists and is documented.*

The Company's Internal Control System including Internal Control Over Financial Reporting (ICFR) are based on the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

All entities are classified into 'High', 'Medium' or 'Low' importance entities which is based on the Entity Categories. The Entity Categories primarily reflect the financial importance of the entities to SIEMENS GAMESA Group based on previous and forecast entity revenue, income before taxes, total assets, but also take into account other qualitative aspects. The whole Internal Controls setup requires a related assessment process at each relevant affiliated entity based on the set of centrally defined Control Requirements.

As part of the account scoping, significant accounts and disclosures are defined based on quantitative and qualitative criteria including use of a COSO scoring model which uses five categories i.e. impact on financial statement, account characteristics, business process characteristics, fraud and entity-wide factors. Each significant account and disclosure are then linked to at least one applicable ICFR Control Requirement.

Central Governance Owners formulate “Control Requirements” as essentials of the Governance Framework (including Internal Controls over Financial Reporting (ICFR) and other High-risk areas). Those centrally defined Control Requirements form the basis for the annual assessments.

The overall set of Control Requirements is applicable to all entities (incl. affiliates) and subject to different levels of assessment (mainly on entity level) on a risk-based approach. To identify the minimum Assessment Approach required for each Control Requirement, Corporate Governance Owners take account of the classification of entities as well as use their judgment regarding the minimum level of assurance required.

There are three different Assessment Approaches:

- Detailed Assessment (DA): Detailed Assessment requires that Key Controls addressing Control Requirements are identified and documented. A Test of Design (ToD) and a Test of Operating Effectiveness (ToE) must be performed for each identified Key Control by SIEMENS GAMESA Group individuals who are independent from the control operation and who have no vested interest in the outcome of the assessment (i.e. independent Assessors). Control Requirements are rated as ‘achieved’ or ‘not achieved’ based on the outcome of the ToD and the ToE of the related Key Controls, ‘control gap deficiencies’ and ‘non-assessment driven deficiencies’, if any.

- Self Assessment (SA): Unlike a Detailed Assessment, a Self Assessment can be performed by SIEMENS GAMESA Group individuals who are responsible for or perform the activities addressing the Control Requirement. The Self Assessment Approach requires the Assessor to provide an assessment as to whether the Control Requirement is achieved, supported by a rationale describing the activities performed by the entity providing assurance that this is the case.

- No Specific Assessment Required (NSAR): No Specific Assessment Required releases an entity from the obligation to conduct, document and report a formal assessment. However, entity management ensures that these Control Requirements are complied with by executing adequate control activities and reporting any related deficiencies of which they are aware.

Each of the different Assessment Approaches provides varying levels of assurance and therefore requires a different level of effort. The minimum Assessment Approach stipulated by the Corporate Governance Owners reflects the level of assurance needed over each Control Requirement, taking into account the potential risk exposure and corresponding level of effort required to complete the assessment. The scope of activities to be performed by each entity is different, depending on the entity’s impact on the Consolidated Financial Statements of SIEMENS GAMESA Group, including the size and specific risks associated with an entity.

The Internal Control System is based on multiple sources, including three key processes facilitated by the SIEMENS GAMESA Group IC Departments which are explained in the following.

Policy & Control Masterbook (PCMB): The Policy & Control Masterbook (PCMB) provides a clear and consistent set of Control Requirements (CRs) which assist management and staff to appropriately control the areas for which they are responsible. The Policy & Control Masterbook has been developed as a single source and reference point for global Control Requirements resulting from relevant rules and regulations published on Corporate level, for example Policies, Financial Reporting Guidelines and other existing policies and guidance. Control Requirements are structured into four categories: Strategic, Operations, Financial and Compliance, on the basis of the established COSO 2017 framework. This allows the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives. Control Requirements included in the PCMB form the basis for the annual assessments.

Internal Control over Financial Reporting (ICFR): Internal Control over Financial Reporting (ICFR) is a subset of the overall internal control system as facilitated by the PCMB which considers controls over financial reporting in greater detail. The purpose of this accounting-related internal control system is to ensure that external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance. ICFR is based on the internationally recognized ‘Internal Control – Integrated Framework’ developed by COSO and because of its importance, it received a more detailed level of review by increasing the level of assessment required.

The key outputs of the SIEMENS GAMESA Group Internal Control System are:

- SIEMENS GAMESA Group´s ‘In Control’ Statement.

Internal risk management and control systems related to the process of publishing finanical information (ICFR)

The SIEMENS GAMESA Group 'In Control' Statement provides assurance, although not absolute assurance, that the organization's business objectives are being met and key risks are being adequately managed, for example that assets are safeguarded, financial reporting is reliable and laws and regulations are complied with. The SIEMENS GAMESA Group 'In Control' Statement is supported by 'In Control' Certifications from the entities reporting to the organizational level issuing the 'In Control' Statement of SIEMENS GAMESA Group.

- Quarterly Internal Certification

CEO, COO, CFO and Head of Accounting of SIEMENS GAMESA Group certify that the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and the Group Management Report includes a fair review of the development and performance of the business and the position of the group.

To support the CEO, COO, CFO and Head of Accounting's external certification, a Quarterly Internal Certification process has been implemented. The result of the Quarterly Internal Certification Process is reported to CEO, COO, CFO and Head of Accounting and, if necessary, the Audit Committee of SIEMENS GAMESA Group is informed of any irregularities in the Internal Certification process.

A fraud risk assessment is a principle stipulated by the COSO framework. Every SIEMENS GAMESA Group entity in ICFR scope must assess its susceptibility to fraud through a fraud risk assessment involving appropriate levels of management such as ICFR team and experienced Accounting Managers. While the extent of activities required for the evaluation of fraud risks depends on the size and complexity of a company's operations and financial reporting environment, management recognizes that the risk of material misstatement due to fraud exists in any organization, regardless of size or type.

The ICFR system of SIEMENS GAMESA Group includes programs and controls to prevent, deter and detect fraud. Therefore, the documentation and evaluation of an entity must cover activities specifically intended to address the risks of fraud that have at least a reasonably possible likelihood of having a material effect on the company's financial statements.

SIEMENS GAMESA Group has set up different activities to prevent, deter and detect fraud by addressing the following elements:

- Creating a culture of honesty and high ethics;
- Evaluating antifraud processes and controls; and
- Developing an appropriate oversight process.

- *If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.*

SIEMENS GAMESA Group is responsible for the fair presentation of the Consolidated Financial Statements that reflect the nature and operations of the entity. In representing that the Consolidated Financial Statements are fairly presented in conformity with generally accepted accounting principles, management implicitly or explicitly makes assertions regarding the recognition, measurement, presentation and disclosure of information in the Consolidated Financial Statements. Each Significant Account or Disclosure can be linked to one or more relevant assertions.

To be able to state the effectiveness of ICFR it is necessary that through a set of Key Controls all relevant financial statement assertions per Significant Account or Disclosure are covered. Assertions are classified according to the following categories:

- Existence or Occurrence (E/O) – assets, liabilities and ownership interests exist at a specific date and recorded transactions represent events that actually occurred during a certain period;
- Completeness (C) – all transactions and other events that occurred during a specific period and should have been recognized in that period have, in fact, been recorded. There are no unrecorded assets, liabilities, transactions or events or undisclosed items (applicable to balance sheet and revenue and expense accounts and possibly disclosures);
- Rights and Obligations (R&O) – the entity holds or controls the rights to assets, and liabilities are the obligations of the entity (applicable to balance sheet accounts);
- Valuation or Assignment (V/A) – asset, liability, equity, revenue and expense components are recorded by appropriate amounts in conformity with SIEMENS GAMESA Financial Reporting Guidelines (FRG) that

are in line with IFRS. Transactions are mathematically correct and appropriately summarized and recorded in the entity's books and records;

- Presentation and Disclosure (P&D) – financial information and disclosures in the statements are properly classified, described clearly and disclosed, in accordance with the SIEMENS GAMESA FRGs.

- *The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.*

  In accordance with the recommendations of the Good Governance Code for Listed Companies, Article 7.3.b.iv of the Regulations of the Board of Directors establishes the power to approve the creation or purchase of stocks in special-purpose entities or entities in countries or territories that are considered tax havens according to applicable law.

  Additionally, and in this context, the SIEMENS GAMESA Group's corporate tax policy states that in carrying out its activities, SIEMENS GAMESA Group shall follow the principles of an orderly and diligent tax policy that materialises in the commitment to:

  - Avoiding the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
  - Not organising or acquiring companies residing in tax havens in order to avoid tax obligations.

  The SIEMENS GAMESA Group also maintains a continuously updated record of all the legal entities that sets forth all the equity interests it directly or indirectly holds, whatever the nature thereof, including if applicable shell companies and special-purpose entities.

  For purposes of identifying the scope of consolidation, in accordance with the standards established in international accounting regulations, the Company maintains and regularly updates a database containing all the companies that make up the SIEMENS GAMESA Group.

  SIEMENS GAMESA Group has an established process within the Financial Controlling & Accounting department that ensures the necessary flow of approvals in relation to changes in the scope of consolidation and updates to the database of companies. The scope of consolidation is monitored as part of the consolidation process and within the established internal control over the financial reporting system.

- *If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements*

  The Policy and Control Masterbook (PCMB) is the central reference point for all Control Requirements resulting from published rules and regulations and forms the basis for the Internal Control process. At the highest level the PCMB is structured based on four categories of the COSO 2017 framework: Strategic, Operations, Financial and Compliance.

  Furthermore, there is an Enterprise Risk Management (ERM) which is further defined in Section E of this report.

- *The governing body within the company that supervises the process.*

  The process is ultimately supervised by the Audit, Compliance and Related Party Transactions Committee, which is supported by the Internal Audit department in the performance of its duties.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorization procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Board of Directors is the highest-level body responsible for supervising and approving the financial statements of the SIEMENS GAMESA Group.

SIEMENS GAMESA Group sends information to the securities market on a quarterly basis. The Financial Controlling & Accounting department prepares said information, carrying out a series of control activities during the accounting close in order to ensure the reliability of the financial information. These controls are included within the "Consolidation and Financial Close" process in SIEMENS GAMESA Group´s ICFR model.

On a monthly basis, Financial Controlling & Accounting department provides the various departments involved in the accounting closing process with plans and guidelines so that each department can prepare the financial information, as well as the date on which it must be reported.

SIEMENS GAMESA Group's financial statements are subject to the following review levels:

- Review by Financial Controlling & Accounting department
- Oversight by the Audit, Compliance and Related Party Transactions Committee
- Approval by the Board of Directors (half-yearly and annual)

The annual accounts and interim financial statements summarized on a half-yearly basis are also subject to audit and limited review, respectively, by the statutory auditor.

As mentioned previously, on a quarterly basis, there is an internal certification process throughout SIEMENS GAMESA´s Group. The Management of the different organizational levels and legal entities, backed by the confirmations from the business units' management as well as the management of the companies of the SIEMENS GAMESA Group, confirm a) the accuracy of the financial data disclosed to Corporate Management, b) regulatory and legal compliance, c) certification of the bank accounts and d) independence vis-à-vis the external auditor of SIEMENS GAMESA Group.

Also as mentioned previously, there is an assessment of the design and operational effectiveness of the implemented Internal Control System and the ICFR at the end of each fiscal year. The Management of the different organizational levels and legal entities, backed by the management of the companies of the SIEMENS GAMESA Group, confirms through signing the yearly 'In Control' Certification the fulfilment of its responsibility to establish and maintain an effective internal control system and ICFR. Reports are produced on the effectiveness of the internal control systems, including the shortfalls that could hinder the achievement or development of the key business objectives or those with a material impact on the financial statements.

The financial statements are prepared based on a reporting calendar and delivery dates that are known to all the participants in the process, taking into account the legally established deadlines.

Judgements, estimates, valuations and relevant forecasts are made at different levels of the organization, are escalated to a higher organization level as appropriate, and are part of the quarterly financial statements that are confirmed by the Managing Directors and Head of Accounting of the legal entities as well as by business responsibles.

F.3.2. Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

IT controls are processes and procedures that provide reasonable assurance that the information technology used by SIEMENS GAMESA Group operates as intended and that data are reliable. IT General Controls (ITGCs) provide the foundation for reliance on data, reports, automated controls, and other system functionality underlying business processes. The security, integrity, and reliability of financial information relies on proper security configuration, access controls, change management, and operational controls. ICFR IT General Controls (ITGC) are pervasive controls that predominantly serve as the foundation for related IT Application Controls (ITAC) or Manual IT Dependent Controls (MITDC).

SIEMENS GAMESA Group considers information technology to be one of its most important assets to properly and efficiently provide its services and to comply with corporate objectives and laws, thus establishing ITGCs as a fundamental objective to ensure that the information processed is accurate, is only available to those who need it and is not disclosed without authorization.

Specifically, and within the scope of the Internal Control System including Internal Controls Over Financial Reporting (ICFR), SIEMENS GAMESA Group has designed and implemented an ITGC framework that is comprised of the following control activities:

- Security configuration: The key attributes of the security configuration are appropriately implemented, following company security standards. Exceptions to the security configuration are approved by the system

owner and are documented. Password and authentication parameters have been set in accordance with company security standards.

- Access Control: A user access management process is documented, approved and implemented and covers the procedure for granting, changing and removing access to all users, including end-users, privileged users and system administrators. The use of users with administrative or privileged rights follows an authorization process and is appropriately restricted by limiting access to the minimum practical number of users.

- Segregation of Duties (SoD): An Authorization Concept has been defined, documented and implemented for all ICFR relevant applications, considering restriction on usage of system standard profiles, roles and users as well as privileged accounts, emergency users and shared/unpersonalized users. A Segregation of Duties (SoD) matrix has been defined for all relevant processes/roles, based on the Authorization Concept. SoD is monitored and conflicting access is dealt with. A review of all user authorizations to verify the adequacy of access rights based on job responsibilities is conducted and documented regularly.

- Change management: A defined and documented IT Change Management process has been formally approved and implemented. All changes impacting ICFR relevant applications are requested, authorized, tested, implemented, approved and documented following the change management process. Traceability of the whole change management process is ensured for all changes. The productive system is locked against direct modifications (when technically feasible) and access to the production environment is appropriately restricted.

- Back up: A Backup Concept has been defined, documented and implemented for all ICFR relevant applications, considering the data to be backed up, the frequency and retention period, responsibilities and authorizations, creation of logs, etc. A process is in place to monitor that data is regularly backed-up and failures/deviations are dealt with.

- Operational monitoring and scheduled processing: A guideline regarding system logging and monitoring (critical activities, including administrators and operators) has been defined for all ICFR relevant applications. Audit logs are produced and kept for an agreed period. Deviations from scheduled processing are monitored and followed up.

F.3.3. Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

SIEMENS GAMESA Group sub-contracts the performance of certain routine transaction processing activities with an impact on financial information (e.g. accounts payable, payroll, invoice records) to internal shared service centers or external/Group service providers. In the cases in which this sub-contracting occurs, it is backed by a services agreement on fully competitive terms that clearly indicates the service provided and the means that the provider, internal, external or Group will use to provide the services, reasonably guaranteeing the technical expertise, independence and competence of the sub-contracted party.

In any case, the outsourced activities are mainly different administrative processes in offices and subsidiary companies that are supported by a services agreement that clearly states the service provided and the means that the qualified external professional provider will use to provide the services, reasonably ensuring the technical qualifications, independence and competence of the sub-contracted party. SIEMENS GAMESA Group`s Internal Control System including Internal Control Over Financial Reporting (ICFR) defines control activities for activities outsourced to third parties.

There is also an internal procedure for the procurement of services that establishes the requirement for certain levels of approval depending on the transaction value.

Such services are procured by the Heads of the corresponding functions, reasonably ensuring the competence and technical and legal qualifications of the sub-contracted parties, with the evaluations, calculations or appraisals conducted by external parties being reviewed if applicable.

F.4. Information and communication

State whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

The Financial Controlling & Accounting department is responsible for identifying, defining, updating and communicating the accounting policies that affect SIEMENS GAMESA Group, as well as for responding to accounting queries that may be raised by subsidiaries or the various geographic areas and business units. In this context, it maintains a close relationship with management of the various geographical areas and business units.

The Financial Controlling and Accounting department is also responsible for reporting to the Audit, Compliance and Related Party Transactions Committee and/or to any other corresponding body on specific aspects of accounting standards, the results of the application thereof and their impact on the financial statements.

The Company has an accounting manual that determines and explains the rules for preparing the financial information and how said rules should be applied to the Company's specific operations. This document is regularly updated and significant potential changes or updates are communicated to the companies to which they are applicable.

In case the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the external auditors that are asked for their position with respect to the conclusion reached.

The accounting policies applied by the SIEMENS GAMESA Group are described in its annual accounts and are consistent with those applicable under current rules.

In the case of regulatory changes linked to financial reporting that have an impact on the Financial Statements, the Financial Controlling & Accounting department is responsible for reviewing, analyzing and updating the accounting rules as well as for supervising the adoption of new standards or revisions from the International Financial Reporting Standards (IFRS) and those standards, changes and interpretations that have yet to come into force. The Financial Controlling & Accounting department is also responsible for communicating changes or updates to the Company's departments and the subsidiaries.

F.4.2. Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

There is a centralized process for consolidating and preparing the financial information. The financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required both for the accounting harmonization process and for coverage of the established information needs, are used as "inputs".

The SIEMENS GAMESA Group uses a software tool that collects the individual financial statements and facilitates the process of consolidating and preparing the financial information. This tool allows the centralisation within a single system of all the information resulting from the accounting of the individual companies belonging to the Group.

In this context, the Consolidation and Reporting department establishes a centralized quarterly, half-yearly and annual close plan which distributes to each of the groups and sub-groups the appropriate instructions in relation to the scope of work required, key reporting dates, standard documentation to be sent and deadlines for receipt and communication. Among other aspects, the instructions include a reporting/ consolidation package, preliminary close, inter-company invoicing, physical inventories, inter-group balance confirmation and reconciliations, final close and pending items.

The content of the aforementioned reporting is regularly reviewed in order to respond to the appropriate breakdown requirements in the annual accounts.

ICFR is a subset of the overall internal control system and is managed through a company-wide platform called "RIC (Risk and Internal Control) tool.

F.5. Supervision of system performance

Describe at least the following:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

There is a regular communication between the Audit, Compliance and Related Party Transactions Committee, Top Management, the Head of the Internal Control department, the Head of the ERM/ ICFR team, the Head of Internal Audit and the Statutory Auditors, so that the Board of Directors' Audit, Compliance and Related Party Transactions Committee has the information necessary to perform its duties relating to the supervision of the Internal Control System including Internal Control over Financial Reporting (ICFR).

Specifically, the Audit, Compliance and Related Party Transactions Committee has performed the following Internal Control over Financial Reporting (ICFR) supervision activities, among others, during the fiscal year:

- Oversee the preparation of the Group's annual accounts and the periodic quarterly and half-yearly financial information that the Board of Directors must provide to the capital markets and to the related regulators. Further oversee the compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation of the financial statements.
- As part of its work supervising the Internal Audit department, it has approved the annual audit plan and the IA budget that underpins the internal and external human and material resources of the department.
- It has analyzed the External Auditors' audit plan, which includes the audit objectives based on the assessment of financial reporting risks, as well as the main areas of interest or significant transactions subject to the audit during the fiscal year.
- Together with the external auditors and Internal Audit, it has reviewed any internal control weaknesses identified in the course of the various audits and review tasks.

The Internal Control department and the ICFR team report on the overall Internal Control system and non-ICFR and ICFR specific content to the Audit, Compliance and Related Party Transactions Committee after completion of the Initial Assessment and Final Assessment.

SIEMENS GAMESA Group has an Internal Audit department whose powers include supporting the Audit, Compliance and Related Party Transaction Committee, among others, in its work of supervising the internal control system. The SIEMENS GAMESA Chief Audit Executive functionally reports to the Audit, Compliance and Related Party Transaction Committee and disciplinarily to the SIEMENS GAMESA Group CEO. This reporting relationship is intended to promote the independence needed to fulfill its responsibilities, comprehensive audit coverage and appropriate coordination with other activities of management and SIEMENS GAMESA Groups independent External Auditor.

In order to enable this supervision of the internal control system, the Internal Audit department responds to the requirements of the Audit, Compliance and Related Party Transaction Committee in the performance of its duties, participating regularly and whenever required in the meetings of the Board of Directors' Audit, Compliance and Related Party Transactions Committee.

The audit function provides assurance to the Audit, Compliance and Related Party Transactions Committee on the worldwide business operations and processes of SIEMENS GAMESA Group, by independently and objectively evaluating and reporting on SIEMENS GAMSEA Group's effectiveness of risk management and internal control systems, and the adherence to SIEMENS GAMSEA Group's compliance policies in a systematic and regular manner.

The annual internal audit plan presented and approved by the Audit, Compliance and Related Party Transaction Committee includes the performance of control reviews (including ICFRs) and establishing review priorities based on the identified risks.

The Internal Audit department has performed audits for certain significant risks in accordance with its Annual Audit Plan 2020 and has provided the corresponding reports where appropriate to the Executive Committee and to the Audit, Compliance and Related Party Transactions Committee.

F.5.2. If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit, Compliance and Related Party Transactions Committee holds regular meetings with the external auditors, the CFO, the Internal Control and ERM/ICFR departments in order to discuss any relevant aspect and, if applicable, examine significant internal control deficiencies that have been identified.

SIEMENS GAMESA Group's annual accounts and the periodic financial information that the Board of Directors must supply to the markets and to the supervisory bodies thereof are reviewed at the Audit, Compliance and Related Party Transaction Committee meetings with the statutory auditors, monitoring compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.

Remediation actions have been defined and are being implemented for Internal Control deficiencies identified during the year according to the mitigation plan.

F.6. Other relevant information

There is no other material and relevant information with respect to the Internal Control system including Internal Control over Financial Reporting (ICFR) that has not been included in this report.

F.7. External auditor´s report

Report from:

F.7.1. If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

SIEMENS GAMESA Group has requested the external auditor to issue a report reviewing the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for fiscal year 2020.

Extent of compliance with corporate governance recommendations

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company´s actions. General explanations are not acceptable.

Remarks

According to Circular 1/2020, SIEMENS GAMESA has no obligation to report under the amended Code of Good Governance for Listed Companies. However, faithful to its commitment with the continued improvement in corporate governance, the Company has already updated to a large extent its regulations and policies to adhere to the amended Recommendations.

In this regard, although not being obliged to do so as SIEMES GAMESA's fiscal year ended on September 30, 2020, the Recommendations included in this Section G are those incorporated by the CNMV in its revised version of the Good Governance Code published on June 26, 2020, as explained in deeper detail in Section H.2 of this report.

We are proud to be one of the first companies in Spain that reports under these standards. Having said this, the Company will continue implementing these Recommendations and expects, for example, to have in place a Policy for the communication of economic-financial, non-financial and corporate information before our General Meeting of Shareholders.

1. **The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies X Explanation ☐

2. **When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about:**

a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

b) The mechanisms established to resolve any conflicts of interest that may arise.

Complies X Complies partially ☐ Explanation ☐ Not Applicable ☐

3. **During the annual general shareholders' meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:**

   a) Changes taking place since the previous annual general shareholders' meeting.

   b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

   Complies X Complies partially ☐ Explanation ☐

4. **The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with the rules on market abuse and gives equal treatment to shareholders who are in the same position. The company should make said policy public through its website, including information regarding the way in which it has been implemented and the parties involved or those responsible its implementation.**

   Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies ☐ Complies partially X Explanation ☐

   Explanation:

   A General Policy for the Communication of Economic-financial, Non-financial and Corporate Information has not been approved yet by the time of approval of this Annual Corporate Governance Report. The Company expects to have this Policy in place by the time of our General Meeting of Shareholders.

5. **The board of directors should not make a proposal to the general shareholders' meeting for the delegation of powers to issue shares or convertible securities without preemptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.**

   When a board approves the issuance of shares or convertible securities without preemptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

   Complies X Complies partially ☐ Explanation ☐

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general shareholders' meeting, even if their distribution is not obligatory:**

   a) Report on auditor independence.

   b) Reports of the operation of the audit committee and the nomination and remuneration committee.

   c) Audit committee report on related transactions.

   Complies X Complies partially □ Explanation □

7. **The company should broadcast its general shareholders' meetings live on the corporate website.**

   The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.

   Complies X Explanation □

   Explanation:

   The Company amended its Regulations for the General Meeting of Shareholders to allow the shareholders to attend the Annual General Meeting of Shareholders remotely. Likewise, the Rules for conducting the General Meeting of Shareholders included the same provision. Moreover, the announcement to the call of the 2020 Annual General Meeting of Shareholders contained such prevision, however, it was not finally required, in compliance with the proportionality criteria as included in this Recommendation.

8. **The audit committee should strive to ensure that the financial statements that the board of directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditors includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.**

   Complies X Complies partially □ Explanation □

9. **The company should disclose its conditions and procedures for admitting share ownership, the right to attend general shareholders' meetings and the exercise or delegation of voting rights, and display them permanently on its website.**

   Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

   Complies X Complies partially □ Explanation □

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general shareholders' meeting, the company should:**

    a) Immediately disclose the supplementary items and new proposals.

    b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

    c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.

    d) After the general shareholders' meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

    Complies □ Complies partially X Explanation □ Not Applicable □

    Explanation:

    The Company's Internal Regulations complies with sections a), b) and d) of the Recommendation.

    Regarding section c), article 31.8 of the Regulations for the General Meeting of Shareholders of SIEMENS GAMESA, which states the system for determining the meaning of the votes establishes a different deduction

system for voting proposals from the Board of Directors regarding items included on the agenda than for voting on proposals for resolutions regarding matters not contemplated in the agenda or formulated by the Board of Directors.

11. In the event that a company plans to pay for attendance at the general shareholders' meeting, it should first establish a general, long-term policy in this respect.

Complies □ Complies partially □ Explanation □ Not Applicable X

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies X Complies partially □ Explanation □

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies X Explanation □

14. The board of directors should approve a policy aimed at promoting an appropriate composition of the board that:

a) is concrete and verifiable;

b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and

c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The results of the prior analysis of competences required by the board should be written up in the nomination committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies X Complies partially □ Explanation □

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.

Complies X Complies partially □ Explanation □

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion may be relaxed:

a) In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Extent of compliance with corporate governance recommendations

Complies X Explanation □

17. The number of independent directors should be at least half of the total number of directors.

However, when the company is not highly capitalised or is highly capitalised but has one or more shareholders acting in concert and controlling more than 30% of the share capital, the minimum number of independent directors should be at least one third of the total.

Complies X Explanation □

18. Companies should disclose the following director particulars on their web-sites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Date of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Complies X Complies partially □ Explanation □

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies □ Complies partially □ Explanation □ Not Applicable X

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter number should be reduced accordingly.

Complies X Complies partially □ Explanation □ Not Applicable □

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies X Explanation □

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice

to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.

Complies X Complies partially □ Explanation □

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Complies X Complies partially □ Explanation □ Not Applicable □

24. Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board.

This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.

Complies X Complies partially □ Explanation □ Not Applicable □

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies X Complies partially □ Explanation □

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies X Complies partially □ Explanation □

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies □ Complies partially X Explanation □

Explanation:

According to section C.1.26, the percentage of attendance over the total number of votes during the fiscal year 2020 amounted to 88.73% (244 attendances over a total possible of 275, in the 25 meetings of the Board held during the fiscal year). In fiscal year 2020 there were 32 absences of directors, being given proxy with instructions in eight of them.

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies X Complies partially □ Explanation □ Not Applicable □

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Extent of compliance with corporate governance recommendations

Complies X Complies partially □ Explanation □

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies X Explanation □ Not Applicable □

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Complies X Complies partially □ Explanation □

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies X Complies partially □ Explanation □

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies X Complies partially □ Explanation □

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Complies X Complies partially □ Explanation □ Not Applicable □

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies X Explanation □

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors,while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

Extent of compliance with corporate governance recommendations

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies □ Complies partially X Explanation □

Explanation:

The evaluation of the current CEO was excluded this year due to his recent appointment on June 17, 2020.

37. When there is an executive committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies X Complies partially □ Explanation □ Not Applicable □

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies X Complies partially □ Explanation □ Not Applicable □

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

Complies X Complies partially □ Explanation □

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of internal reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies X Complies partially □ Explanation □

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Complies X Complies partially □ Explanation □ Not Applicable □

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

d) In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies X Complies partially □ Explanation □

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer

Complies X Complies partially □ Explanation □

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies X Complies partially □ Explanation □ Not Applicable □

45. Risk control and management policy should identify or establish at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures in place to mitigate the impact of identified risk events should they occur.

e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies X Complies partially □ Explanation □

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that the risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Complies X Complies partially □ Explanation □

47. Appointees to the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies X Complies partially □ Explanation □

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies □ Explanation X Not Applicable □

Explanation:

The Board of Directors of SIEMENS GAMESA is composed of ten members, from which four are qualified as independent, following the recommendations of the Good Governance Code of Listed Companies. Most of the members of the Appointments and Remunerations Committee of SIEMENS GAMESA (composed of four members) hold the qualification as independent. Three of the four independent members of the Board of Directors belong to this Committee. In case it was decided to divide into two different committees the current Appointments and Remunerations Committee, the composition of both committees would be almost identical.

49. The nomination committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies X Complies partially □ Explanation □

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions of senior management contracts.

b) Monitor compliance with the remuneration policy established by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies X Complies partially □ Explanation □

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies X Complies partially □ Explanation □

52. The rules of performance and membership of supervision and control committees should be set out in the board of directors' regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The board should the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and

reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be minuted and a copy made available to all board members.

Complies X Complies partially □ Explanation □ Not Applicable □

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Complies X Complies partially □ Explanation □

54. The minimum functions referred to in the previous recommendation are as follows:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.

e) Monitor and evaluate the company's interaction with its stakeholder groups.

Complies X Complies partially □ Explanation □

55. Environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.

d) Channels for stakeholder communication, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity

Complies X Complies partially □ Explanation □

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies X Explanation □

Extent of compliance with corporate governance recommendations

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes and other savings schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies X Complies partially □ Explanation □

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

And, in particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value creation, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies X Complies partially □ Explanation □ Not Applicable □

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Complies X Complies partially □ Explanation □ Not Applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies □ Complies partially □ Explanation □ Not Applicable X

Explanation:

As informed in section C.1.33 the auditors' report on the financial statements for fiscal year 2020 did not contain a qualified opinion or reservations and therefore the present recommendation 60 is not applicable.

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies X Complies partially ☐ Explanation ☐ Not Applicable ☐

Extent of compliance with corporate governance recommendations

62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the nomination and remuneration committee to address an extraordinary situation.

Complies X Complies partially □ Explanation □ Not Applicable □

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies X Complies partially □ Explanation □ Not Applicable □

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously un-consolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Complies X Complies partially □ Explanation □ Not Applicable □

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

   Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

SIEMENS GAMESA is committed with the continued improvement and the maintenance of a state of the art Corporate Governance framework, and so we are proud to be one of the first companies in Spain that reports under the reviewed Recommendations of the Good Governance Code for Listed Companies which last revision was approved by the CNMV on June 26,2020.

Later, on October 6, 2020, the CNMV approved its Circular 1/2020 that amends the Circular 5/2013 of June 12, which establishes the templates for the Annual Corporate Governance Report for listed companies. This Circular, which is in force since October 13, 2020 (the following day of its publication on the Spanish Official Gazette), establishes that the new approved Annual Corporate Governance Report template shall apply, according to its final provision, to the Annual Corporate Governance Reports of listed companies corresponding to fiscal years ended as from December 31, 2020 (included), so not applicable to SIEMENS GAMESA which fiscal year finished on September 30.

Furthermore, it is highlighted that the referred Circular 1/2020 has a transitory provision according to which companies can consider the new Recommendations as “complies” if for the first six months of year 2020 they were fulfilled according to its previous version, and before the end of their fiscal year 2020 they have amended the Regulations and Policies as required in furtherance with the new Recommendations.

SIEMENS GAMESA’s fiscal year 2020 finished on September 30, so before the publication of the Circular 1/2020 and so being unable to apply the temporary provision as the companies which fiscal year is the calendar year will do, but as highlighted above, the Company is focused on establishing a Corporate Governance framework which is at the forefront of the Spanish listed companies and so SIEMENS GAMESA has already amended to a large extent its internal rules before the approval of this Annual Corporate Governance Report 2020 and such content is reported along the corresponding sections.

Finally it is stated that by the date of approval of this Annual Corporate Governance Report by the Board of Directors of SIEMENS GAMESA and its submission to the CNMV, the new official updated version, according to the aforementioned Circular 1/2020, of the statistics template, to be available at the CNMV’s virtual office on-line, is not published yet., Therefore, the statistic report to be submitted to the CNMV has been completed using the version available on its virtual office (according to Circular 2/2018), and so discrepancies with recommendations in Section G may arise.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010

SIEMENS GAMESA has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. SIEMENS GAMESA voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.

b) "Global Reporting Initiative (GRI)" which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. SIEMENS GAMESA acceded voluntarily as of December 14, 2005.

c) “Caring for Climate: The business leadership platform”, promoted as 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 as of June 18, 2007.

d) "Women empowerment principles", promoted by UN Women / UN Global Compact of the United Nations and aiming 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 as of December 22, 2010.

e) “European Diversity Charter”, is an initiative by the European Commission to foster diversity and inclusion as well as to develop and implement related policies. By signing a charter, SIEMENS GAMESA voluntarily commits to promote diversity and equal opportunities in the workplace, regardless of, for example, age, disability, gender, race or ethnic origin, religion or sexual orientation, pledges to respect the current equality and anti-discrimination legislation, and assumes the basic guideline principles established in the declaration. SIEMENS GAMESA acceded voluntarily to the “Diversity Charter” in Spain - one of 24 country charters in Europe - as of November 3, 2014.

f) “Paris Pledge for Action”, an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. SIEMENS GAMESA voluntarily adhered to this initiative on December 4, 2015.

g) “Science Based Targets” (SBTi), a joint international initiative of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition, with the aim of reducing carbon emissions in a measurable manner and to a sufficient level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. SIEMENS GAMESA voluntarily joined this initiative on September 12, 2018. In August 2020, the Science Based Targets initiative verified that SIEMENS GAMESA’s emission reduction strategy is aligned with what climate science says is required to meet the 1.5°C trajectory.

h) “Global Framework Agreement on Social Responsibility”, driven by the global union federation IndustriAll, promotes best labor, social and environmental practices. By signing, Siemens Gamesa pledged to adhere to the United Nation’s core human rights as well as fundamental labor conventions concerning freedom of association and collective bargaining, forced labor, child labor and exploitation and discrimination, treat unions positively and commit to constructively cooperate with workers and their representatives, as well as to promote the implementation of this agreement among its suppliers, subcontractors and business partners. The first Global Framework Agreement was signed by former Gamesa in 2015. The new agreement was signed by IndustriAll, Spanish trade unions and Siemens Gamesa representatives on November 26, 2019, and remains the only one of its kind in the renewable energy industry.

i) “Business Ambition for 1.5C – Our Only Future”, a campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition, calling on companies to commit to ambitious emissions reduction targets through the Science Based Targets initiative (SBTi) to hold off some of the worst climate impacts, and avoid irreversible damage to our societies, economies and the natural world. SIEMENS GAMESA reaffirmed its commitment to meet the United Nation’s climate targets by signing the pledge during COP25 in Madrid on December 11, 2019.

j) “Target Gender Equality” is a gender equality accelerator program for participating companies of the UN Global Compact. The program is to help companies setting and reaching ambitious corporate targets for women’s representation and leadership, starting with Board and Executive Management levels. Companies participating in Target Gender Equality can deepen the implementation of the UN’s Women’s Empowerment Principles and strengthen their contribution to Sustainable Development Goal 5.5, which calls for equal women representation, participation and leadership in business globally. SIEMENS GAMESA voluntarily joined the program on July 24, 2020.

In relation to the Good Tax Practices Code of July 20, 2010, it is stated that the Board of Directors of SIEMENS GAMESA approved its adherence thereto at its meeting of 22 February 2017, and on March 21, 2017 the Company was officially included in the list of companies adhering to the Code of Good Tax Practices. Furthermore, in compliance with the provisions of the Annex to said Code and of the Proposal for reinforcing good fiscal transparency practices among companies adhering to the Code of Good Tax Practices, on July 9, 2020 SIEMENS GAMESA voluntarily chose to submit to the Spanish Tax Authority (*Agencia Estatal de Administración Tributaria*), as part of its relationship of cooperation, the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2018 and September 30, 2019. In the report, among others, the Company has informed that, in February 2020, AENOR (well-known independent certifying firm) has certified SIEMENS GAMESA’s tax management system, particularly applicable in the context of the managements systems and tax risks control.

Regarding the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2017 and September 30, 2018 (filed on July 22, 2019), the Company met Spanish Tax Authority representatives on October 16, 2019 in order to analyze its content and in February 2020 the Company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on November 27, 2020.

State whether any directors voted against or abstained from voting on this report.

Yes ☐ **No X**

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222 WITH EMPLOYER IDENTIFICATION NUMBER A-01011253.

HEREBY CERTIFY:

That the text of the consolidated management report for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A., authorized for issue by the Board of Directors at its meeting held on November 27, 2020, is the content of the preceding 351 sheets of unstamped paper, on the obverse only, and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

_____
Mr. Miguel Angel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

The Secretary of the Board of Directors states for the records:

(i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.

(ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

Mr. Miguel Ángel López Borrego Chairman	Mr. Juan Antonio García Fuente Secretary of the Board of Directors

ANNUAL FINANCIAL REPORT STATEMENT OF RESPONSIBILITY

The members of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A. state that, to the best of their knowledge, the individual annual accounts and the consolidated annual accounts for the financial year ending on September 30, 2020, issued at its meeting of November 27, 2020, and prepared in accordance with applicable accounting standards, present a fair view of the assets, financial conditions and the results of operations of Siemens Gamesa Renewable Energy, S.A. as well as of the subsidiaries included within scope of consolidation, taken as a whole, and that the management report supplementing contains a fair assessment of performance and results and the position of SIEMENS GAMESA RENEWABLE ENERGY, S.A. and of the subsidiaries included within its scope of consolidation, taken a whole, as well as a description of the principal risks and uncertainties facing them.

In Zamudio, November 27, 2020.

_____
Mr. Miguel Angel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

Statement by the Secretary of the Board of Directors to let the record reflect that:

(i) due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.

(ii) during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

_____
Mr. Juan Antonio García Fuente
Secretary of the Board of Directors

Auditor's report on the "Information related to the Internal Control Over the Financial Reporting (ICFR)" of SIEMENS GAMESA RENEWABLE ENERGY, S.A. for the year-ended 2020

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AUDITOR'S REPORT ON INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

(Translation of a report originally issued in Spanish. in the event of discrepancy, the Spanish-language version prevails)

To the Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.,

At the request of the Board of Siemens Gamesa Renewable Energy, S.A. (parent company) and subsidiaries (the Group), and in accordance with our proposal dated November 10, 2020, we applied certain procedures to the "Information related to the Internal Control Over the Financial Reporting (ICFR)" included in the Annual Corporate Governance Report (Section F, pages 82 a 95) of Siemens Gamesa Renewable Energy, S.A. for the fiscal year 2020, which summarizes the Group's internal control procedures in relation to annual consolidated financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that, apart from the quality of design and operability of the Group's internal control system as a far as annual consolidated financial information is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned consolidated financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated consolidated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's consolidated financial data described in the accompanying ICFR information for the year 2020. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Managements' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 3/2013 dated June 12, 2013, modified by CNMV Circular nº 7/2015, dated December 22, 2015 and the CNMV Circular nº 2/2018, dated June 12, 2018 (hereinafter, the CNMV Circulars).

2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit, Compliance and Related Party Transactions Committee.

4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board Meetings, Audit, Compliance and Related Party Transactions Committee meetings, and other Group committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

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This report was prepared exclusively within the framework of the requirements of article 540 of the consolidated text of the Spanish Companies Act and the CNMV Circulars, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Ana María Prieto González

November 27, 2020