



Sustainability Report 2010



GLOBAL TECHNOLOGY
EVERLASTING ENERGY

Gamesa



Contents

| | |
|--|-----------|
| 1. ORGANIZATIONAL PROFILE | 5 |
| Strategy and Analysis | 5 |
| Main impacts on Gamesa with respect to sustainability | 7 |
| Sustainability trends, risks, and opportunities in the long term | 14 |
| Organizational Profile | 17 |
| Report Parameters | 25 |
| Report profile | 25 |
| Report scope and boundary | 25 |
| Assurance | 29 |
| Governance, Commitments and Stakeholder Engagement | 30 |
| Governance | 30 |
| Commitments to External Initiatives | 39 |
| Commitments to stakeholders | 42 |
| 2.- ECONOMIC DIMENSION | 47 |
| Management Approach-Economic dimension | 47 |
| Economic Performance | 48 |
| Market Presence | 52 |
| Indirect Economic Impacts | 54 |
| 3.-ENVIRONMENTAL DIMENSION | 58 |
| Management Approach-Environment | 58 |
| Materials | 61 |
| Energy | 62 |
| Water | 65 |
| Biodiversity | 66 |
| Emissions, effluents and spills | 68 |
| Products and Services | 72 |
| Environmental regulations compliance | 74 |
| Transport | 74 |
| General environmental | 75 |
| 4.-SOCIAL DIMENSION | 76 |
| Labor practices and decent work | 76 |
| Management Approach-Labor practices | 78 |
| Employment | 79 |
| Labor/Management Relations | 80 |
| Occupational Health&Safety | 81 |
| Training and education | 84 |
| Diversity and equal opportunity | 85 |
| Human Rights | 87 |
| Management Approach-Human Rights | 87 |
| Investment and procurement practices | 88 |
| Non-discrimination | 90 |
| Freedom of association and collective bargaining | 90 |
| Child Labor | 91 |
| Forced and compulsory labor | 91 |
| Security practices | 92 |
| Indigenous rights | 92 |
| Society | 93 |
| Management Approach-Society | 93 |
| Community | 94 |
| Corruption | 94 |
| Public Policy | 95 |
| Anti-competitive behaviour | 95 |
| Compliance | 97 |

| | |
|--|------------|
| Product Responsibility | 97 |
| Management Approach – Product Responsibility | 97 |
| Customer health & safety | 97 |
| Product and service labeling | 98 |
| Marketing Communications | 101 |
| Customer privacy | 101 |
| Compliance | 101 |
| 5.-INDEPENDENT VERIFICATION | 102 |
| 6.-GRI CHECK | 103 |
| 7.-GRI CONTENT INDEX | 104 |
| 8.-GLOSARY OF TERMS | 108 |

Strategy and analysis

1.1 Statement from the most senior decision-maker of the organization (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy.



Dear Friends,

In 2010 energy was still the focus of debates and policy making in countries around the world, whether from a business or social perspective.

Wind in particular has been re-established as one of the key energy sources that countries all over the world need to consider for their energy models. The increase per capita in demand for energy in emerging markets like China, India, and Brazil, combined with the need to assure a low carbon energy model in the most industrialized countries, have made wind energy a guaranteed supply safe and clean energy, in its own right. In addition, it contributes to a country's energy independence and to the social economic development of communities.

But there's more. In 2011, the earth will be inhabited by 7 billion people, and at least 1.6 billion of those will not have access to electricity. Experts predict that by 2045 there will be more than 9 billion people.

How to resolve questions as crucial as universal access to electricity, clean sustainable manufacturing, reasonable stable pricing, and security of supply must be added to the debate. These issues must be taken into account when searching for solutions to this demographic explosion and the speed at which events take place - issues on the agenda of all governments.

The world's electricity deficit in itself is an opportunity for companies like Gamesa. But the profound and accelerated change that our sector is experiencing as a result of the persistence of the global economic and financial crisis is also an opportunity; the shift in demand to emerging markets, increased competition, convergence of global companies and local operators, and the race to reduce the Cost of Energy.

Gamesa knows that it can and must participate in providing solutions; and during the year it proceeded with a triple objective: do more with less; do more for more people, and do it better for more people.

In other words:

- offer more efficient energy solutions, reducing the cost of energy (CoE) for our customers by 20% in 2013 and by 30% in 2015;
- globalize operations: our international sales represented 93% of MW sold in 2010. Last year we opened 10 new markets, sold to 22 new clients, and doubled our sales network; and
- think globally and execute locally: expand our industrial base in markets with strong energy demands; create qualified jobs (in 2010 we added 14%); develop a local supply chain with suppliers aligned and committed to the same business objectives; and create wealth in the communities of the more than 50 countries where we operate.

We presented our 2011-2013 Business Plan in October of 2010. It is the fruit of serious reflection on long and medium term economic and sector circumstances, its objective being to make Gamesa the wind industry leader in low Cost of Energy (CoE). It revolves around three axes: Cost of Energy (CoE), growth, and efficiency.

It plans for continuous restoration of growth and recovery of our main financial and operational numbers; a period of intense investment associated with the launch of new onshore and offshore market

technological solutions, and international expansion; revision of our productive capacity and manufacturing and management methods, the purpose being to improve efficiency and productivity.

In 2010 we made a guarantee to our stakeholders that we would be able to meet this challenge by achieving our financial forecasts (wind turbine sales of 2,045 MW and an EBIT margin of 4.9%), closing the year with a net cash position of 210 million Euros, accumulating orders that cover 48% of our sales guidelines for 2011, strengthening the onshore market, positioning ourselves in offshore, and redirecting our investments and manufacturing capacities to growing markets.

But the changes that the world and the sector are going through, and that Gamesa as an active player is also experiencing, are leading us to adapt our business strategies and the way we relate to this environment, as well as to define and develop "ways of doing things" that let us continue being part of the solution.

Re-examination of the fundamentals of our way of working and behaving at Gamesa led us to renew our values and attitudes. We will meet the challenges of thinking, innovating, creating enthusiasm for, and acting like "one Gamesa." In 2010 we focused on Team Work, Innovation, Excellence, Respect and Sustainability along with three attitudes for success: Leadership, Global Company, and Passion for the Customer.

Our attitude and commitment to the environment has also grown. Over time we have installed 21,000 MW, preventing more than 30 million tons of CO2 emissions each year. These installations also reduce emissions of greenhouse gases (GHG), contributing to the creation of a more sustainable future by mitigating climate change.

At the same time as we started implementing efficient energy systems, we managed to reach full conformity with ISO 14001 standards for our operations' environmental management systems. In 2011 we are directly targeting energy cost reduction and environmental protection by investing in five new engineering and R&D centers and in the development of new product families. As a result of these efforts, Gamesa was awarded the 2009/2010 European Business Award for the Environment for its G10X-4.5 wind turbine. The award was made in the product for sustainable development category by the European Commission's Directorate General for the Environment.

From a social perspective we have strengthened some of the absolute priorities of the company. These are priorities such as employee physical integrity and health, achieving the lowest accident index in our history, creating equal opportunities and the fight against discrimination, bolstered by our adherence to the Women's Empowerment Principles of the United Nations, and signing our Equality plan with trade unions. We have also made a notable effort to enlighten all employees regarding the principles of business ethics and good governance reflected in our code of conduct. Special emphasis was placed on the fight against fraud and corruption.

This rigorous management of environmental and social risks and opportunities, as well as good governance were recognized by some of the most important international sustainability indexes including the FTSE4Good and Dow Jones Sustainability Indexes (DJSI). In the case of the Dow Jones Sustainability Index, Gamesa is recognized as the leader in the renewable energy equipment sector.

Our commitment to the United Nations Global Compact, as well as to its principles, was confirmed in 2010 and we are fulfilling the responsibilities that derive from adhering to it, participating actively in its application and keeping stakeholders informed of our headway through progress reports.

This is the seventh consecutive year that we have made our Gamesa Sustainability Report available to our stakeholders. We followed the guidelines established by the G3 version of the Global Reporting Initiative and believe that this report offers a balanced view of our economic, social and environmental performance during the year.

Jorge Calvet
Chairman

1.2 Description of key impacts, risks and opportunities.

Main impacts on Gamesa with respect to sustainability

The wind sector is experiencing rapid change. This change could affect the expectations and interests of different stakeholders in different ways, such as:

| Stakeholder | Relevant Factors |
|--------------------|--|
| INVESTMENT MARKETS | <ul style="list-style-type: none"> Regulatory uncertainty and slowdown in recovery from the financial crisis. Medium / long term growth for onshore in emerging markets due to limited growth prospects in developing countries and an offshore boom, starting 2013. Onshore wind technology cost approximating that of conventional energy, acceptance as an established technology in relevant markets. |
| CUSTOMERS | <ul style="list-style-type: none"> Continuous recovery in demand in the medium term. Tendency of professional operators (utilities and IPPs) to look for wind turbine manufactures who can be trusted long-term partners that provide knowledge of the entire value chain. Internationalization of wind energy requiring global support from the manufacturer. Demand for the best CoE as combined investment, O&M costs, return, and availability over the life of the farm. |
| COMPETITION | <ul style="list-style-type: none"> Large industrial groups increase market share at the expense of the pioneers. The presence of small / local operators is decreasing. Western operators' technology differentiation. Ever decreasing number of operators, especially in low cost countries. |
| SUPPLY CHAIN | <ul style="list-style-type: none"> Suppliers demand a sustained relationship and adequate compensation for their products and services. Globalization and the complexity of logistics due to localization / manufacturing of components in certain countries, turns concerns to improving control of CSR and the security of all members of the supply chain. Impact of the price of money and changes in raw material prices. |
| EMPLOYEES | <ul style="list-style-type: none"> Talent management and employability maintenance, sustainable employment opportunity. Working conditions where the variables such as salary, job satisfaction, security and career expectations exceed the market norms. |
| ENVIRONMENT | <ul style="list-style-type: none"> Worldwide commitment: "Tackle climate change by reducing CO₂ emissions." Pressure from international agreements to prevent or mitigate climate change risks. Copenhagen Accord: developed countries will finance the development of renewable energy sources in developing countries European Union 20/20/20 targets. United States: incentivizing policies, such production tax credits (PTC), investment tax credits (ITC), and Treasury Grants. China: Five-year plan that may raise the initial 15% target for renewable capacity in 2020. |
| SOCIETY | <ul style="list-style-type: none"> Pressure regarding depletion of natural resources and access to energy sources due to increasing population and expectations for continuous improvement of quality of life. Access to electricity, stable production at reasonable prices, and reliability of supply. The world is changing with such speed that even Society itself is incapable of assimilating the changes. |

In spite of these factors, fundamentals still favor growth of wind power owing to its positive contributions:

- minimize climate change by reducing CO₂ emissions,
- reduce fossil fuel dependency, provide customers with attainable secure energy at a competitive cost (CoE), and increase price stability ,
- provide energy independence to countries,
- generating wealth and employment,
- provide income to local economies by developing local suppliers,
- introduce technology to the market.

The world electricity deficit is in itself an opportunity for the wind sector.

As a primary player in the wind sector, Gamesa contributes with a dual focus regarding sustainability and with deployment of its mission, values, objectives and strategy for improving the global and local footprint:

| | | |
|------------------------------|----------|---|
| Dual focus on sustainability | PRODUCTS | Managing products with technology development, offering sustainable and highly competitive product/services, with integrated eco-design and product safety starting in the early phases of development. |
| | COMPANY | Honest, transparent, and globally sustainable company management, continuously optimizing the economic, social, and environmental cycle. Gamesa enjoys strict, solid, sustainable financial management, with a healthy balance sheet making possible opportunities for future growth. |



| Gamesa | | Contribution to: |
|---|--|---|
| Mission, Values and Attitudes for success | Everlasting Energy Everywhere | Satisfy the world's growing energy needs with renewable energy free from direct CO2 emissions. |
| | Team work – Innovation – Excellence – Respect – Sustainability | Introduce new technologies to the market and provide mature technology, demanded by all the countries in the world. |
| | Leadership – Global company – Passionate about customers | Promote a “Global commitment to tackle climate change” to customers, employees, and suppliers. |
| Strategic Objectives | Customer cost of energy | Help customers generate “more” energy with “fewer” resources minimizing depletion of natural resources. |
| | Growth | Provide income for local economies and develop local suppliers while internationalizing new markets, and acquiring new customers. |
| | Efficiency | Continually to optimize safe, reliable, environmentally friendly processes and generate quality sustainable employment. |

MEJORAR
HUELLA
GLOBAL Y
LOCAL



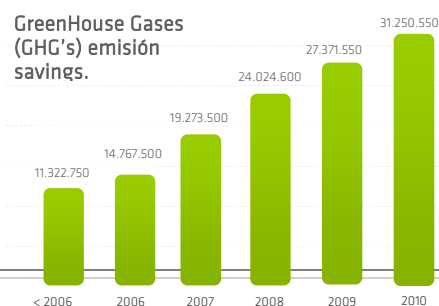
With regards Gamesa's impact on sustainability:

Economic Impact: Gamesa is a company with more than 15 profitable years of experience in the technology sector and wind industry. It is a world leader in design, manufacture, installation and maintenance of wind turbines and creates enough added value over and above costs to **competitively compensate** to shareholders and meet the needs and requirements of customers, shareholders, suppliers, employees, and communities where it operates. This fact will be demonstrated throughout the various sections of this document.

| Aspect | Effects | | | | | |
|--|---|-------|-------|-------|-------|-------|
| Competitive compensation Publicly traded company included in the exclusive Ibex-35 | | 2010 | 2009 | 2008 | 2007 | 2006 |
| | Sales (MMEURO) | 2,764 | 3,229 | 3,834 | 3,247 | 2,401 |
| | Equivalent MW sold | 2,405 | 3,145 | 3,684 | 3,289 | 2,250 |
| | EBIT (MMEURO) | 119 | 177 | 233 | 250 | 262 |
| | Net BDI (MMEURO) | 50 | 115 | 320 | 220 | 313 |
| | NFD / EBITDA | -0.6x | 0.7x | 0.1x | 0.5x | 1.6x |
| | Listing € on 12/31 | 5.71 | 11.78 | 12.74 | 31.98 | 20.85 |
| | Earnings per share (€) | 0.208 | 0.47 | 1.32 | 0.90 | 0.82 |
| | Gross Dividend per Share (€/share) ¹ | 0.119 | 0.21 | 0.23 | 0.21 | 0.16 |

Environmental impact: Gamesa develops and globally markets sustainable products and services using completely environmentally friendly processes.

| Aspecto | Efectos | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------|-------|-------|-------|------|------|-----------------------------|----|----|----|----|----|---------------------------------|-----|-----|-----|-----|-----|---------------------------------|----|----|----|----|----|---------------------------------|---|---|---|---|---|-------------------------------|----|----|----|----|----|---|----|----|----|----|----|---|-------|-------|-------|-------|-------|------|--|--------|------------|------|------------|------|------------|------|------------|------|------------|------|------------|
| <div>Sustainable manufacturing plants</div> <div>30 production centers in Europe, the United States, China, and India. (*)</div> <div>(*)Includes the tower manufacturing facilities in strategic alliance with Wind Renovables.</div> | <div><ul style="list-style-type: none">All centers have advanced environmental management systems, ISO 14001 certification, and programs for minimization of environmental impact that continuously reduce consumption of raw materials, energy, and waste and emissions generation.The systems are currently being adapted to even more rigorous environmental protection requirements in accordance with the EMAS RegulationEfficient energy use in the plants, one of them (Gamesa Lerma) already has ISO16001 certification for Energy Efficiency.</div> <table><tr><th></th><th>2010</th><th>2009</th><th>2008</th><th>2007</th><th>2006</th></tr><tr><td>Raw Materials (tons/MMEURO)</td><td>41</td><td>40</td><td>47</td><td>43</td><td>53</td></tr><tr><td>Energy Consumption (GJ/ MMEURO)</td><td>406</td><td>329</td><td>354</td><td>396</td><td>395</td></tr><tr><td>Water Consumption (m3 / MMEURO)</td><td>42</td><td>28</td><td>31</td><td>37</td><td>27</td></tr><tr><td>Waste Generation (tons/ MMEURO)</td><td>5</td><td>5</td><td>5</td><td>5</td><td>4</td></tr><tr><td>Waste Generation (m3/ MMEURO)</td><td>19</td><td>20</td><td>13</td><td>20</td><td>20</td></tr><tr><td>Tons CO₂ Emitted (tons/ MMEURO)</td><td>18</td><td>15</td><td>17</td><td>19</td><td>13</td></tr><tr><td>Tons CO₂ prevented (tons/ MMEURO)</td><td>1,403</td><td>1,036</td><td>1,239</td><td>1,467</td><td>1,405</td></tr></table> <div><div>GreenHouse Gases (CHG's) emisión savings.</div><table><thead><tr><th>Year</th><th>GreenHouse Gases (CHG's) emisión savings</th></tr></thead><tbody><tr><td>< 2006</td><td>11,322.750</td></tr><tr><td>2006</td><td>14,767.500</td></tr><tr><td>2007</td><td>19,273.500</td></tr><tr><td>2008</td><td>24,024.600</td></tr><tr><td>2009</td><td>27,371.550</td></tr><tr><td>2010</td><td>31,250.550</td></tr></tbody></table></div> | | 2010 | 2009 | 2008 | 2007 | 2006 | Raw Materials (tons/MMEURO) | 41 | 40 | 47 | 43 | 53 | Energy Consumption (GJ/ MMEURO) | 406 | 329 | 354 | 396 | 395 | Water Consumption (m3 / MMEURO) | 42 | 28 | 31 | 37 | 27 | Waste Generation (tons/ MMEURO) | 5 | 5 | 5 | 5 | 4 | Waste Generation (m3/ MMEURO) | 19 | 20 | 13 | 20 | 20 | Tons CO ₂ Emitted (tons/ MMEURO) | 18 | 15 | 17 | 19 | 13 | Tons CO ₂ prevented (tons/ MMEURO) | 1,403 | 1,036 | 1,239 | 1,467 | 1,405 | Year | GreenHouse Gases (CHG's) emisión savings | < 2006 | 11,322.750 | 2006 | 14,767.500 | 2007 | 19,273.500 | 2008 | 24,024.600 | 2009 | 27,371.550 | 2010 | 31,250.550 |
| | 2010 | 2009 | 2008 | 2007 | 2006 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raw Materials (tons/MMEURO) | 41 | 40 | 47 | 43 | 53 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Energy Consumption (GJ/ MMEURO) | 406 | 329 | 354 | 396 | 395 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water Consumption (m3 / MMEURO) | 42 | 28 | 31 | 37 | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste Generation (tons/ MMEURO) | 5 | 5 | 5 | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste Generation (m3/ MMEURO) | 19 | 20 | 13 | 20 | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tons CO ₂ Emitted (tons/ MMEURO) | 18 | 15 | 17 | 19 | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tons CO ₂ prevented (tons/ MMEURO) | 1,403 | 1,036 | 1,239 | 1,467 | 1,405 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | GreenHouse Gases (CHG's) emisión savings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| < 2006 | 11,322.750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2006 | 14,767.500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2007 | 19,273.500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2008 | 24,024.600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2009 | 27,371.550 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2010 | 31,250.550 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>Sustainable Products and services</div> <div>Nearly 21,000 MW installed.</div> <div>More than 13,600 MW under maintenance.</div> <div>More than 4,100 MW promoted in farms and a portfolio of 22,600 MW</div> | <div><ul style="list-style-type: none">Crucial participation in the fight against climate change.Close to 21,000 MW installed, equivalent to 31 million tons of CO2/year prevented.Construction and maintenance activities in 50% of CROs have ISO 14001 certified advanced environmental management systems, as well as programs for</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



¹ Reported a market value of the flexible dividend MMEURO value of 29, as indicated in Note 17.a) of annual report accounts 2010.

³ Guidance 2010 does not include 244 MW delivered to strategic customers in Q1, monetized in December.

| | | |
|---|--|---|
| | <p>minimization of environmental impact that continuously reduce consumption of raw materials, energy, and waste and emissions generation.</p> | <ul style="list-style-type: none"> Progress in implementing eco-design in G10X in accordance with UNE 150301 for the purpose of obtaining certification in 2001 |
| <p>Technology Network with sustainable product development processes</p> <p>5 engineering centers in 2010: Madrid, Pamplona, Zamudio, Oxford Valley and Tianjin.</p> <p>5 more in 2011: Virginia, Brazil, Chennai, Singapore and the UK.</p> <p>Sales network: Presence in 8 regions, 24 local offices and more than 50 countries.</p> | <ul style="list-style-type: none"> Technological and commercial management that develops and offers sustainable and highly competitive products and services to customers, integrating eco-design and product safety starting in the early phases of development. | <ul style="list-style-type: none"> Application of the Life Cycle Analysis tool (LCA) and different standards for integrating product safety <p>So it is pushing a supplier environmental traction project to move toward ISO 14001 certified environmental management systems.</p> |
| Sustainable providers | Gamesa wants partners that join it in its commitment to respect the environment. | |



Social Impact: Gamesa is aligned with the main commitments of international business ethics.

| Aspect | Effects | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------|-------|-------|-------|------|------|--------------------------------------|-------|-------|-------|-------|-------|---------------------------------------|------|------|------|-------|-------|---------------|------|------|------|------|------|---------------------------|----|----|----|----|----|--------------------------|-------|-------|-------|-------|-------|-------------------------|----|----|----|----|----|---------------------------------|-------|-------|-------|-------|-------|
| <p>Commitment to human rights and the environment</p> <p>Global Compact, UNIFEM, Women's Empowerment Principles, Caring for Climate.</p> | <ul style="list-style-type: none">Major efforts put into management and social dialogue in order to maintain employment in the face of the economic crisis.Direct and indirect creation of employment through development of a worldwide base of suppliers that join Gamesa in its international development.Knowledge management, training plans, and equality.The highest standards for occupational health and safety (OHSAS 18001) and a significant reduction in the work related accidents index. <table><tr><th></th><th>2010</th><th>2009</th><th>2008</th><th>2007</th><th>2006</th></tr><tr><td>Workforce</td><td>7,262</td><td>6,360</td><td>7,187</td><td>6,945</td><td>5,420</td></tr><tr><td>Sick Leave Frequency Index</td><td>4.19</td><td>4.91</td><td>9.15</td><td>20.06</td><td>26.80</td></tr><tr><td>Severity Rate</td><td>0.13</td><td>0.16</td><td>0.19</td><td>0.30</td><td>0.40</td></tr><tr><td>% international workforce</td><td>36</td><td>31</td><td>32</td><td>33</td><td>22</td></tr><tr><td>% Women in the Workforce</td><td>24.55</td><td>25.52</td><td>25.34</td><td>22.30</td><td>23.51</td></tr><tr><td>% permanently employed</td><td>87</td><td>86</td><td>72</td><td>68</td><td>70</td></tr><tr><td>Hours of training / employee</td><td>32.27</td><td>32.32</td><td>32.79</td><td>24.10</td><td>12.54</td></tr></table> | | 2010 | 2009 | 2008 | 2007 | 2006 | Workforce | 7,262 | 6,360 | 7,187 | 6,945 | 5,420 | Sick Leave Frequency Index | 4.19 | 4.91 | 9.15 | 20.06 | 26.80 | Severity Rate | 0.13 | 0.16 | 0.19 | 0.30 | 0.40 | % international workforce | 36 | 31 | 32 | 33 | 22 | % Women in the Workforce | 24.55 | 25.52 | 25.34 | 22.30 | 23.51 | % permanently employed | 87 | 86 | 72 | 68 | 70 | Hours of training / employee | 32.27 | 32.32 | 32.79 | 24.10 | 12.54 |
| | 2010 | 2009 | 2008 | 2007 | 2006 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Workforce | 7,262 | 6,360 | 7,187 | 6,945 | 5,420 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sick Leave Frequency Index | 4.19 | 4.91 | 9.15 | 20.06 | 26.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Severity Rate | 0.13 | 0.16 | 0.19 | 0.30 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % international workforce | 36 | 31 | 32 | 33 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % Women in the Workforce | 24.55 | 25.52 | 25.34 | 22.30 | 23.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % permanently employed | 87 | 86 | 72 | 68 | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hours of training / employee | 32.27 | 32.32 | 32.79 | 24.10 | 12.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Gamesa in the main sustainability indexes</p> | <ul style="list-style-type: none">Included in the main international sustainability indices, generating confidence in institutional investors.In permanent contact with non-financial analysts and investors. <table><tr><th></th><th>2010</th><th>2009</th><th>2008</th><th>2007</th><th>2006</th></tr><tr><td>Dow Jones Sustainability Index-World</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>-</td></tr><tr><td>Dow Jones Sustainability Index-Europe</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>-</td></tr><tr><td>FTSE4Good</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Ethibel Excellence Europe</td><td>✓</td><td>✓</td><td>✓</td><td>-</td><td>-</td></tr><tr><td>Global Challenges Index</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>-</td></tr><tr><td>CleanTech index (CTIUS)</td><td>✓</td><td>✓</td><td>✓</td><td>-</td><td>-</td></tr><tr><td>Sustainable Business 20 (SB 20)</td><td>✓</td><td>✓</td><td>-</td><td>-</td><td>-</td></tr></table> | | 2010 | 2009 | 2008 | 2007 | 2006 | Dow Jones Sustainability Index-World | ✓ | ✓ | ✓ | ✓ | - | Dow Jones Sustainability Index-Europe | ✓ | ✓ | ✓ | ✓ | - | FTSE4Good | ✓ | ✓ | ✓ | ✓ | ✓ | Ethibel Excellence Europe | ✓ | ✓ | ✓ | - | - | Global Challenges Index | ✓ | ✓ | ✓ | ✓ | - | CleanTech index (CTIUS) | ✓ | ✓ | ✓ | - | - | Sustainable Business 20 (SB 20) | ✓ | ✓ | - | - | - |
| | 2010 | 2009 | 2008 | 2007 | 2006 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dow Jones Sustainability Index-World | ✓ | ✓ | ✓ | ✓ | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dow Jones Sustainability Index-Europe | ✓ | ✓ | ✓ | ✓ | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FTSE4Good | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ethibel Excellence Europe | ✓ | ✓ | ✓ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global Challenges Index | ✓ | ✓ | ✓ | ✓ | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CleanTech index (CTIUS) | ✓ | ✓ | ✓ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sustainable Business 20 (SB 20) | ✓ | ✓ | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Gamesa manages the risks and opportunities that could affect achieving its business objectives. It takes into account the 2010 management plan as well as the previously mentioned context and the main trends deriving from sustainability such as climate change prevention, environmental friendliness, reputation, business ethics, talent management and employability.

| Stakeholder | Perspectiva sostenible | Objetivos 2010 | Resultado | Riesgos y oportunidades gestionados en 2010, lecciones aprendidas |
|-------------|------------------------|----------------|-----------|---|
|-------------|------------------------|----------------|-----------|---|

| GROWTH | | | | |
|-----------|---------------------------------|------------------|-----------|--|
| Customers | MWe sold of wind turbines | 2,400 – 2,500 | 2.405 MWe | <ul style="list-style-type: none"> Highly competitive market environment, price pressure and regulatory uncertainty in some areas. Attractive opportunities in emerging markets. Sustained progress on the international expansion and commercial growth strategy, additional markets, new customers. |
| Customers | MW wind farms | 300 ³ | 593 | |
| Customers | China promotion agreements (MW) | c.150 | 256 | |

| PROFITABILITY | | | | |
|----------------------------|---------------------------------|---|---|--|
| Shareholders and customers | Cost improvement PMC 500 | Continuous cost improvements vs. Previous years | > 100 MMEURO cost savings baseline 2009 | <ul style="list-style-type: none"> Creating value and helping to improve CoE and margins. Materials, "Lean Production System" in nacelles, flexibility throughout the supply chain with standardisation of suppliers in new markets. |
| Shareholders | EBIT margin wind turbines (WTG) | 4,5% - 5,5% | 4,9% | <ul style="list-style-type: none"> Efficient management of the P&L account. Success factors for achieving profitable growth and sustainability, as well as creating value for the shareholder |

| SOLIDEZ FINANCIERA | | | | |
|----------------------------|--|-------------|-------|--|
| Shareholders and customers | Current Financing Sustainability / Group Sales | < 35% - 45% | 16% | <ul style="list-style-type: none"> Alignment of manufacturing with order delivery. Balanced financing that considers the relationship between sales growth and the need to finance current assets. |
| Shareholders | Group NFD/EBITDA | < 2,5x | -0,6x | <ul style="list-style-type: none"> Periodic revision of financing requirements and compliance with covenants. Financial capacity to undertake growth (organic and operating). |

¹ Guidance 2010 does not include 244 MW delivered to strategic customers in Q1, monetized in December.

| SOCIAL AND ENVIRONMENTAL | | | | |
|-----------------------------|--------------------------|--|--|--|
| Employees | Health & Safety | IF: 4,06 -5,5 IG: 0,14 - 0,177 | IF = 4,19 IG = 0,127 | <ul style="list-style-type: none"> • Excellence in health and safety: spreading culture levels of control to all business units and geographical areas through different health and safety management initiatives. • OHSAS 18001 certification maintenance |
| Employess | Employability | Adaptation of the production structure to market and product demands | Workforce adjusted to production needs Layoffs managed without repercussions to planned activities. | <ul style="list-style-type: none"> • Management transparency • Prevent/resolve social conflicts and impact on image and reputation. |
| Communities and environment | Environmental management | Expand ISO14001 to new work centers. Progress on EMAS | Maintain ISO14001 certification and in addition implement and certify the Efficiency system in accordance with ISO16001 at the Gamesa Lerma plant. | <ul style="list-style-type: none"> • Maintain ISO 14001+EMAS certification, the way to environmental protection excellence. • Greater contribution towards minimizing CO₂ emissions, extending ISO16001 to other plants in 2011. |

Additional information can be found regarding other areas where control was focused in 2010 in section D1 of the annual Corporate Governance report,

See <http://www.gamesa.es/es/accionistas-inversores/gobierno-corporativo/informe-gobierno-corporativo>; page 59.



Overall Compliance as a guarantee of the defense of the rights and interest of Stakeholders.

The **Risk and Opportunity Management Control Policy** establishes the general basis and context for all risk management and control components, providing them with discipline and structure: management philosophy, identification, assessment, measurement and control model for risk/opportunities, acceptable risk levels, communications, reporting and oversight exercised by the Board of Directors, integrity, ethical values, competencies and assignment of responsibilities.

This policy's main aims are to:

- Comply with laws, regulations and applicable standards, and contracts
- Meet the targets set by the Board of Directors within tolerance limits deemed as acceptable
- Provide maximum guarantees to shareholders
- Protect profits and assets, as well as maintain the Corporation's assets and reputation
- Exercise optimum control over the Corporation's business areas and companies by ensuring the reliability and integrity of its reporting systems
- Defend the interests of shareholders, customers, employees, suppliers and other stakeholders in keeping with the way Gamesa is run and society as a whole
- Ensure the company's stability and financial strength in a sustainable fashion over time.

In the prior context and in accordance with what was previously mentioned, one of the primary objectives and fundamental pillars of the Gamesa Opportunities and Risk Management and Control Policy is compliance with the laws, regulations, contracts and norms of the local, national and international areas by the entire organization in the different geographical areas where it operates. This acts as a guarantee of the rights and interests of stakeholders: shareholders, customers, employees, suppliers, communities, and other groups interested in the operations of the company.

Control over uncertainty regarding changes in the law, the speed with which those changes occur, and their effect on the business, is an ongoing challenge that Gamesa tackles with a global focus. Because of that and as a result of the commitment to comply to all regulations, during 2010 it established a specific function "Global Compliance" in order strengthen control. The function is the responsibility of the Regulatory Compliance Unit that reports to the Management Committee and the Audit and Compliance Committee, and has a professional service nature (General Secretary, Internal Audit and Legal Assistance). Its purpose is to facilitate oversight of compliance with applicable legal requirements and with norms that may become legal requirements.

Governance mechanisms

Gamesa has a **Risk and Opportunity Management and Control System** in place across the entire organization (divisions, departments and companies). It follows a strategy of industrial and commercial activity globalization, covering the different geographical areas where it operates (with new implementation areas such as Brazil and India). The system provides an integrated overview that contributes to achieving business objectives, in addition to creating value for stakeholders and aiding the organization's sustainable and profitable development.

The Gamesa risk and opportunity management system and its policy complement one another. They are implemented using an organization, a model, various procedures and information systems that enable Gamesa to identify, evaluate, prioritize and manage the opportunities and risks it is exposed to. Gamesa is equipped with an **organizational structure** that provides value by working on risk control and management that includes:

- Board of Directors: Supervises risk identification, control and management policy.
- Audit and Compliance Committee: Periodically supervises the internal control and risk management systems, fixes and review of the levels of risk that the Company considers acceptable.
- Management Committee (General, Corporate, and Geographic Managers): As owner of the risks / opportunities associated with activities, processes and projects, it is responsible for their mitigation / elimination with the support of the Network of Risk Controllers.

- **Regulatory Compliance Unit:** This Unit supervises and oversees compliance with the Internal Code of Conduct Regarding the Securities Markets and in general terms the Company's rules of Governance. On the other hand, it is the body charged with oversight and follow-up of the regulatory environment affecting the activity. For these purposes it reports to the Management Committee and the Audit and Compliance Committee.
- **Business Risk Control (BRC) Department:** This department defines directives and coordinates activities with the network of Risk Controllers. It is also responsible for BRC risk control in different geographic areas. In 2010, the department was moved to report directly to Internal Audit.

Additional information regarding the mechanisms of Governance can be found in section D3 of the annual Corporate Governance report.

See <http://www.gamesa.es/es/accionistas-inversores/gobierno-corporativo/informe-gobierno-corporativo>; page 64.



Sustainability trends, risks, and opportunities in the long term.


In keeping with the new 2011-13 Strategic plan, special attention is paid to controlling technology risks / opportunities, selecting the appropriate market and product characteristics (regulatory requirements, product specifications), and adapting new products to the demands and requirements necessary to be safe, reliable, and environmentally friendly throughout their life cycle. They are key Gamesa strategy vectors.

They are key Gamesa strategy vectors.

- **Energy cost reduction** through technological development and improving operating and maintenance services.
- **Maximizing growth** through expansion into new markets and segments covering the entire value chain from wind farm promotion to their operation and maintenance.
- **Maximizing efficiency** by launching new industrial platforms, adjusting capacity to demand, and optimizing cost structures.

| Main challenges | Main factors to match and control |
|--|---|
| GROWTH | |
| <ul style="list-style-type: none"> • Double digit rate of growth (wind turbines): CAC 10-13: 15%. • Sale of wind turbines in new markets to new clients, promotion of parks as demand driver, and profitable growth of Services. • Targets for 2013: <ul style="list-style-type: none"> ◦ Wind turbine sales: 4 GW in 33 markets ◦ Promotion: Delivery of 700 MW/year ◦ Services: 24 GW on O&M (Operations and Maintenance) | <ul style="list-style-type: none"> • Evolving regulations and norms in target areas • Country risk in new markets. • Client financing capacity. • Progressive demand recovery • Excellence in customer satisfaction. |
| REDUCTION OF THE COST OF ENERGY | |
| <ul style="list-style-type: none"> • Maximization of wind turbine performance by developing the product portfolio • Market leader for availability and optimization of the array of services. • Leadership position in the sector in 2013: <ul style="list-style-type: none"> ◦ Optimization of CoE by 20% in 2013 (15% in 2015) ◦ Three new onshore product families launched in 5 years (based on G9X and G10X platforms) and two new offshore platforms (G11X and G14X). ◦ Total offering including the whole wind value chain (from promotion through O&M). ◦ Global commercial, industrial and technological presence (R&D staff will be doubled for 2013 with the opening of 5 new engineering / R&D centers). | <ul style="list-style-type: none"> • Excellence in products and services. |
| EFFICIENCY | |
| <ul style="list-style-type: none"> • Efficiency: <ul style="list-style-type: none"> ◦ Optimization of the base of supply. ◦ Industrial localization in growing markets. ◦ Optimization of international construction and logistics. ◦ Optimization of cost structures. • Targets for 2013: <ul style="list-style-type: none"> ◦ 1,000 MW of capacity in each strategic region. ◦ 15% optimization of cost structure per MW. | <ul style="list-style-type: none"> • Production capacity and autonomy in key emerging markets. • Capacity adjustments. • Talent management. • Quality, Security, Ethics, Respect for labor and human rights, Health and Safety, environmentally friendly materials, components and service supply chains. • Financial instruments that adequately cover the risks of currency and interest fluctuations, and raw material price volatility. |
| <p>En 2011 se mantienen los dos ejes de rentabilidad y solidez financiera, con el margen EBIT y la DFN/EBITDA como principales indicadores de seguimiento de objetivos:</p> | |
| PROFITABILITY | |
| <p>Maximize value creation in an environment of financial crisis and its spread to the real economy. Do this through flexible management of production, supply, and cost.</p> <ul style="list-style-type: none"> • Progressive Ebit margin recovery (wind turbines): 2013 EBIT Margin: 6%-7%. • Recovery of the positive contribution to EBIT of wind farms. EBIT Wind farms 2013: C.25 MMEURO. | <p>Tracking the EBIT margin tracks profitability over sales, implies flexibility in management, price negotiation, cost optimization and variability of the structure.</p> <ul style="list-style-type: none"> • Get setting and managing prices right. • Cost structure impact different in each geographic area: Europe, India, China, Brazil, and the United States. • Price of money and raw material price volatility. • Start-up and learning curves, and changes in the supply chain. |
| FINANCIAL SUSTAINABILITY | |
| <p>Maintain a level of financial robustness that preserves our sustainable growth potential in a macro-economically and financially uncertain environment.</p> <ul style="list-style-type: none"> • Solid financial status: Net Debt/EBITDA <2x in 2011 and <2.5x in 2012. | <p>Tracking the NFD / EBITDA ratio for the Group measures financial solvency, permits debt growth, but is limited by EBITDA generation at understood levels and assumed by the market.</p> <ul style="list-style-type: none"> • Lines of financing |

The following are the medium term (2011-2013) financial objectives:

| <div style="text-align: center;"> Wind Turbine Manufacturing  </div> | Wind Turbines | Guidelines 2011 | Guidelines 2013 |
|---|-----------------------|-----------------|-----------------|
| | Margin EBIT | 4% - 5% | 6% - 7% |
| | Working Capital/Sales | 15% - 20% | C.20% |
| | Capex | 250 (*) | 250 (*) |
| | Wind Farms | | |
| | EBIT (MMEURO) | C.20 | C.25 |
| | DFN (MMEURO) | C.500 | C.500 |
| | Group | | |
| | DFN/EBITDA | <2x | <2,5x |

(*) Includes offshore investment: 30 MMEURO in 2011, 60 MMEURO in 2013

The following are part of the operating growth targets for 2011:

| DESCRIPTION OF GROUP OBJECTIVES FOR 2011 | | NIVEL OBJETIVO |
|--|--|---|
| Growth | Wind turbines (MWe) | 2,800 – 3,100 |
| | Wind farms (MW) | c.400 |
| | Promotion agreements China (MW) | c.300 |
| CoE | Enhancement of product performance. | <ul style="list-style-type: none"> • Launch G97 y G10X. • Offshore development. |
| | Availability benchmark in the market. | <ul style="list-style-type: none"> • Continuous improvement with respect to 2010 by country. |
| | Cost optimization of wind turbine. Reduction of the average cost. | <ul style="list-style-type: none"> • Improvement over 2010 |
| Efficiency | Adaptation of capacity to demand. | <ul style="list-style-type: none"> • India: 300 MW of new blade manufacturing capacity • Brazil: 300 MW of new nacelle assembly capacity. |
| | Workplace safety: Frequency index | <ul style="list-style-type: none"> • 4.00 – 5.00 |
| | Workplace safety: Severity index | <ul style="list-style-type: none"> • 0.13 – 0.19 |
| | Corporate Responsibility | <ul style="list-style-type: none"> • Maintenance of quality, environmental and health & safety certifications. |

Our conclusion is that the main long term risks / opportunities for Gamesa which impact sustainability will be conditioned by the following factors, among others:

- External factors such as: the evolution of the macroeconomic crisis, compliance of governments in the target markets with commitments to stable regulation of the wind energy sale, government requirements for contributing to climate change minimization, maintenance of solid socially responsible supply chains, and fluctuations of raw material and energy prices.
- Internal factors such as: Continuous and agile adaptation of products in order maintain the highest level of competitiveness and pioneering technology, continue focusing on health and safety excellence, environment and quality, development and retention of talent and providing employment.

Organizational profile

2.1 Name of the organization.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

2.2 Primary brands, products and/or services.

Gamesa's business focuses on the design, manufacture and installation of wind turbines as well as the development, construction and sale of wind farms.

It is equipped with its own wind turbine design and technology development capacity, which is vertically integrated. This capacity includes the manufacturing of blades and blade molds, root joints, gearboxes, generators, converter generators and towers (through the Windar Renovables, S.L., joint venture with Grupo Daniel Alonso), in addition to the assembly of wind turbines.

In addition, Gamesa provides an integrated solution completed with a broad offering of Operations and Maintenance (O&M) services and long term guarantees. It offers a full range of services and an entire team of professionals devoted to the maintenance of more than 13,600 MW.

The diversity of products sold by Gamesa consists primarily of a broad range of wind turbines designed to offer the best performance for a variety of sites:

| Wind Turbine catalogue | | | | | | | |
|------------------------|----------------|-----------------------|--------------|--------------|-------------------------------|---------------|------------------------|
| Product | Rotor diameter | Span Area | Blade length | Blade weight | Hub | Nominal power | Class |
| Gamesa G136-4.5 MW | 136 m | 14,527 m ² | 66.5 m | N.D. | 120 m | 4.5 MW | III ⁽⁵⁾ |
| Gamesa G128-4.5 MW | 128 m | 12,868 m ² | 62.5 m | 13,800 kg | 120 m | 4.5 MW | IIA |
| Gamesa G97-2.0 MW | 97 m | 7,390 m ² | 47.5 m | 7,313 kg | 78-90-120 ⁽⁴⁾ m | 2.0 MW | IIIA |
| Gamesa G94-2.0 MW | 94 m | 6,940 m ² | 46 m | 6,800 kg | 78-90 m | 2.0 MW | IIA |
| Gamesa G90-2.0 MW | 90 m | 6,362 m ² | 44 m | 5,800 kg | 67 ⁽³⁾ -78-100 m | 2.0 MW | IIA/IIIA |
| Gamesa G87-2.0 MW | 87 m | 5,945 m ² | 42.5 m | 6,150 kg | 67-78-100m | 2.0 MW | IA ⁽²⁾ /IIA |
| Gamesa G80-2.0 MW | 80 m | 5,027 m ² | 39 m | 6,500 kg | 60-67-78-100 ⁽¹⁾ m | 2.0 MW | IA |
| Gamesa G58-850 kW | 58 m | 2,642 m ² | 28.3 m | 2,400 kg | 44-55-65 m | 0.85 MW | IIA/IIIB |
| Gamesa G52-850 kW | 52 m | 2,124 m ² | 25.3 m | 1,900 kg | 44-49-55-65 m | 0.85 MW | IA |
| Made AE-52-800 kW | 52 m | 2,124 m ² | 25.1 m | 2,950 kg | 50 m | 0.85 MW | IA |
| Made AE-56-800 kW | 56 m | 2,463 m ² | 27.1 m | 2,970 kg | 60 m | 0.85 MW | IIA |
| Made AE-59-800 kW | 59 m | 2,734 m ² | 28.6 m | 3,150 kg | 60 m | 0.85 MW | IIIA |
| Made AE-61-1320 kW | 61 m | 2,922 m ² | 29.15 m | 4,900 kg | 55 m | 1.4 MW | IA |

(1)100 m IEC IIA tower

(2)Will be certified as class S

(3)Availability according to the site

(4)Under development

(5)Will be certified as class S

The company is immersed in the design and development of two families of offshore turbines: Gamesa G11X-5.0 MW and Gamesa G14X between 6 and 7 MW of power each, based on the proven technologies of the Gamesa G10X-4.5 MW platform.

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.

The Board of Directors is the company's highest decision making and oversight body. Its mission is to promote the Company's interests, to represent the Company and its shareholders in the management of its assets, to manage the businesses, and to direct the corporate administration.

Gamesa's organizational model is structured in operating units, corporate units, and geographies:

| Organizational structure | |
|--------------------------------------|--------------------------|
| Chairman and CEO | Jorge Calvet Spinatsch |
| Corporate Units | |
| General Secretariat | Jose Antonio Cortajarena |
| Management Control | Juan Ramón Iñarritu |
| Commercial and Projects | Javier Perea |
| Human Capital Management | Juana María Fernández |
| Communication and External Relations | Amalia Blanco |
| Business Development | David Mesonero |
| Mergers and Acquisitions | Gonzalo Onzain |
| Legal | Iñigo Cisneros |
| Ceo support areas | |
| Investor Relations | Cristina Perea |
| Internal Audit | Félix Zarza |
| Operating Units | |
| Chief Operating Officer (COO) | Iñigo Giménez |
| General Planning | Martín Barandela |
| Operations | Ricardo Chocarro |
| Technology | Jose Antonio Malumbres |
| Business Excellence | Jose Ignacio Larretxi |
| Services | Pedro López |
| Wind Farm Promotion and Sales | Teodoro Monzón |
| Offshore | Jose Luis Blanco |
| Geographical Units | |
| CEO North America | Dirk Matthys |
| CEO China | Jesús Zaldúa |
| CEO India | Ramesh Kymal |

A consolidated list of the companies comprising the Gamesa group can be found in the 2010 Annual report ⁵. It may not reflect changes in size, structure, or property since the report was published. In summary, they can be grouped as follows:

- Grupo Gamesa Energía is comprised of companies that develop and operate wind farms in Spain, Italy Greece, Portugal, France, the Dominican Republic, the United States, Romania, Poland, Germany, Mexico, Japan, Hungary and the United Kingdom. Gamesa Eólica S.L.U. has other companies dedicated to wind turbine manufacturing, among them; Gamesa Innovation and Technology, S.L.U, Estructuras Metálicas Singulares S.A.U, Gamesa Wind Engineering APS; Gamesa Wind GMBH; Gamesa Eólica Italia S.R.L.; Gamesa Blade Tianjin Co Ltd; Gamesa (Beijing) Wind Energy System Development Co Ltd; Gamesa Wind Tianjin Co Ltd; Gamesa Electric S.A.U.; Cantarey Reinosa S.A.U.; Enertron S.L.U.; Valencia Power Converters S.A.U.; Gamesa Energy Transmisión S.A.U.; Especial Gear Transmisión S.A.U and Fundición Nodular del Norte S.A.U.
- Grupo Gamesa Nuevos Desarrollos focuses on electrical installations.

⁵ Refer to <http://www.gamesa.es/recursos/doc/accionistas-inversores/informacion-financiera/cuentas-anuales/english/consolidated-annual-accounts-2010.pdf>

- Gamesa Technology Corporation Group includes Fiberblade LLC; Gamesa Wind US LLC; Gamesa Wind PA; Gamesa Energy USA Inc; Fiberblade East and Towers & Metallic Structures Inc., all of which are headquartered in the United States.
- Other significant shareholdings include: Cametor S.L., a company dedicated to holding fixed assets (100% ownership); Qgrid Technologies S.L., dedicated to commercial activities (60%); Compass Transword Logistics S.A. (51%); and Windar Renovables S.L. (32%).

2.4 Location of the organization's headquarters.

The address of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is:

Parque Tecnológico de Bizkaia; Edificio 222

48170 Zamudio (Vizcaya), Spain

2.5 Number of countries where the organization operates.

Gamesa operates globally with 30 production centers in Europe, the United States, China, and India. It has a sales network covering more than 50 countries.

2.6. Nature of ownership and legal form.

Gamesa has a share capital of €41,770,668.89 consisting of 245,709,817 common shares at a nominal value of €0.17 each, traded by the book entry system.

All shares are fully subscribed and paid up and confer the same rights. There are no different classes or series of shares. The company's shares have been listed on the Stock Exchanges of Madrid, Barcelona, Valencia and Bilbao, as well as in the Spanish computerized trading system (continuous market), since 31 October 2000.

| Stock market data | 2010 | 2009 | 2008 |
|--------------------------------------|---------------|---------------|---------------|
| Share Capital (€) | 41,770,668 | 41,360,984 | 41,360,984 |
| Number of shares | 245,709,817 | 243,299,904 | 243,299,904 |
| Stock market capitalization (€) | 1,403,494,475 | 2,867,290,500 | 3,099,640,777 |
| Free Float (%) | 80.42 | 77.53 | 61.57 |
| Maximum share price (€) | 12.50 | 16.96 | 36.01 |
| Minimum share price (€) | 4.49 | 8.04 | 10.39 |
| Average share price (€) | 7.52 | 13.34 | 27.71 |
| Share price at year-end (€) | 5.71 | 11.78 | 12.74 |
| Total volume traded (shares) | 1,037,128,350 | 676,453,181 | 649,446,247 |
| Average daily volume traded (shares) | 4,067,170 | 2,591,775 | 2,478,802 |
| Gross dividend per share (€) | 0.208 | 0.48 | 1.32 |

Shareholder composition as of December 31 was as follows:

| Significant shareholders and % participation | 2010 | 2009 | 2008 |
|--|--------|--------|--------|
| Iberdrola S.A. | 19.58% | 14.10% | 23.95% |
| Blackrock Investment Management LTD | - | 9.01% | 3.37% |
| Lolland, S.A. | - | 5.00% | 5.00% |
| Norges Bank | 3.09% | - | - |
| Otros(*) | 77.33% | 71.89% | 67.68% |

(*) Each holding with less than 10% of the shares.

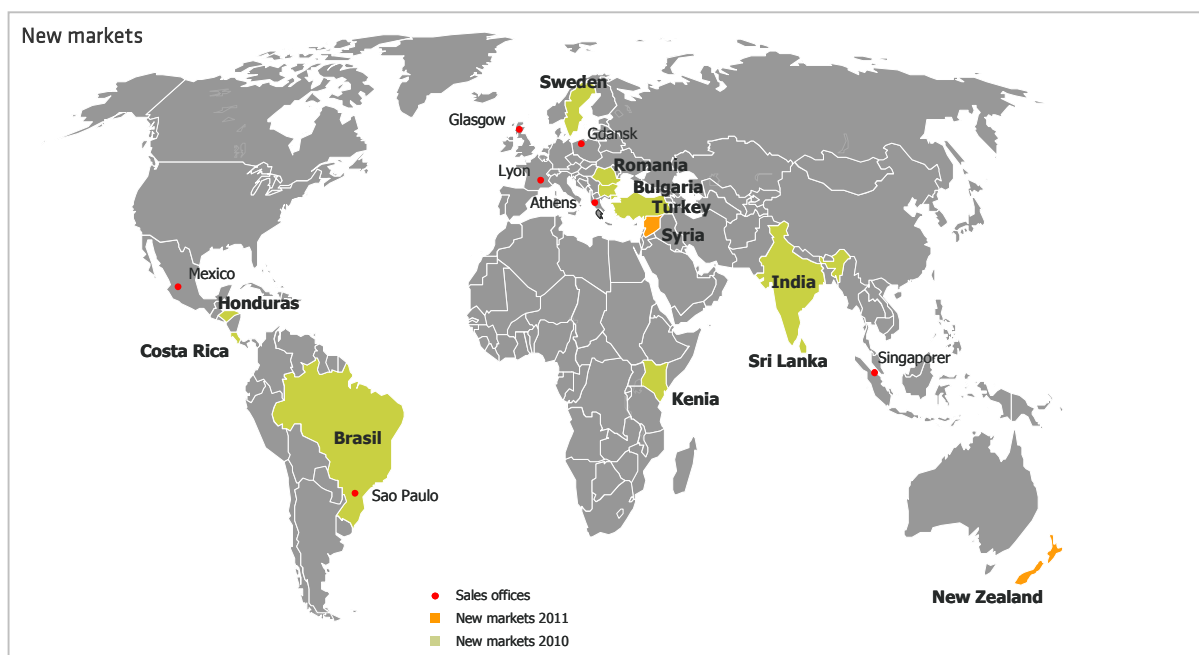


2.7. Markets served.

Gamesa sells and maintains products around the world. The wind turbine manufacturing and sales unit has supplied wind turbines to Germany, Argentina, Bulgaria, China, Korea, Costa Rica, Cuba, Ecuador, Egypt, France, Greece, Honduras, Hungary, India, Ireland, Italy, Japan, Morocco, Mexico, Poland, Portugal, Puerto Rico, Rumania, Spain, Sri Lanka, Taiwan, Tunisia, the United Kingdom, the United States, Venezuela and Vietnam and has a broad sales network, which includes sales offices in Germany, China, Italy, Denmark, the United States, Greece, Portugal, France, the United Kingdom and Poland, as well as branches in Mexico, Morocco, Egypt and Tunisia.

In addition, during 2010 the strategy of commercial expansion to new geographic areas and new market segments led Gamesa's entry into 10 new countries; and between electric, independent producers, financial investors and industrial groups, added more than 20 new accounts to the customer portfolio.

During the year, Gamesa strengthened its sales network by opening offices in Glasgow, Lyon, Athens, Gdansk, Mexico City, Sao Paulo and Singapore and by contracting 50 people.



| Mix of sales by region/country (MWe) | 2010 | 2009 | 2008 |
|--------------------------------------|------------------|------------------|------------------|
| Spain | 168 | 857 | 1.417 |
| Rest of Europe | 624 | 994 | 621 |
| Italy | 75 | 344 | 333 |
| Poland | 60 | 196 | 30 |
| France | 22 | 148 | 166 |
| United Kingdom | 49 | 120 | (2) |
| Hungary | 34 | 74 | 50 |
| Bulgaria | 30 | 60 | - |
| Romania | 91 | 34 | - |
| Ireland | 10 | 10 | - |
| Germany | - | 5 | (4) |
| Greece | 38 | 3 | 35 |
| Portugal | - | - | 35 |
| Cyprus | 20 | - | - |
| Estonia | 40 | - | - |
| Sweden | 5 | - | - |
| Turkey | 50 | - | - |
| United States | 673 | 469 | 766 |
| China | 664 | 479 | 497 |
| India | 192 | - | - |
| Rest of the world | 181 | 344 | 361 |
| Egypt | - | 122 | 120 |
| Tunisia | 61 | 97 | 23 |
| Mexico | 54 | 59 | 71 |
| Venezuela | 48 | 32 | - |
| Morocco | 4 | 18 | 148 |
| Honduras | 4 | - | - |
| Costa Rica | 13 | - | - |
| Sri Lanka | - | 20 | - |
| Total | 2,405 MWe | 3,145 MWe | 3,685 MWe |

| Product Mix by platform (MWe) | 2010 | 2009 | 2008 |
|-------------------------------|------------------|------------------|------------------|
| Gamesa G8X-2.0 MW | 1,712 | 2,072 | 2,582 |
| Gamesa G5X-850 kW | 583 | 926 | 1,080 |
| MADE | 110 | 147 | 23 |
| Total | 2,405 MWe | 3,145 MWe | 3,685 MWe |

| Product Mix by turbine model (MWe) | 2010 | 2009 | 2008 |
|------------------------------------|------------------|------------------|------------------|
| Gamesa G90-2.0 MW | 1,390 | 974 | 689 |
| Gamesa G87-2.0 MW | 163 | 966 | 1,483 |
| Gamesa G80-2.0 MW | 159 | 132 | 410 |
| Gamesa G58-850 kW | 497 | 348 | 439 |
| Gamesa G52-850 kW | 86 | 578 | 641 |
| MADE AE-61 | 106 | 131 | 23 |
| MADE AE-59 | 4 | 16 | - |
| Total | 2,405 MWe | 3,145 MWe | 3,685 MWe |

2.8. Scale of the reporting organization.

| Number of employees | 2010 | 2009 | 2008 |
|---------------------|-------|-------|-------|
| | 7,262 | 6,360 | 7,187 |

| Sales (net revenue MMEURO) | 2010 | 2009 | 2008 |
|----------------------------|-------|-------|-------|
| | 2,764 | 3,229 | 3,834 |

| Total capitalization (MMEURO) <i>Broken down by debt and net assets</i> | 2010 | 2009 | 2008 |
|--|-------|-------|-------|
| Share capital | 42 | 41 | 41 |
| Parent company equity | 1,624 | 1,571 | 1,502 |
| Financial debt | 839 | 1100 | 734 |
| Gross fixed operation assets | 817 | 725 | 564 |
| Accumulated amortization | -371 | -306 | -232 |

| Products and Services provided (MWe) | 2010 | 2009 | 2008 |
|--------------------------------------|-------|-------|-------|
| Megawatts of wind energy sold | 2,405 | 3,145 | 3,684 |

| Sales/income by countries/regions that represent 5% or more of the total income. (#)= (net revenue in million euros-MMEURO) | 2010 | | 2009 | | 2008 | |
|--|--------------|------------|--------------|------------|--------------|------------|
| | (#) | % | (#) | % | (#) | % |
| Spain | 310 | 11.4 | 990 | 31.1 | 2,068 | 54.1 |
| Rest of Europe | 902 | 32.9 | 1,045 | 32.8 | 560 | 14.7 |
| United States | 723 | 26.4 | 567 | 17.8 | 580 | 15.2 |
| China | 358 | 13.1 | 235 | 7.4 | 256 | 6.7 |
| India | 189 | 6.9 | - | - | - | - |
| Rest of the world | 253 | 9.3 | 347 | 10.9 | 354 | 9.3 |
| Total revenue | 2,735 | 100 | 3,187 | 100 | 3,820 | 100 |

| Costs incorporated in the operating result by category (million euro-MMEURO) | 2010 | | 2009 | | 2008 | |
|---|--------------|------------|--------------|------------|--------------|------------|
| | (#) | % | (#) | % | (#) | % |
| Supply costs | 2,002 | 69.8% | 2,072 | 72.2% | 2,807 | 76.0% |
| Personnel expenses | 295 | 10.3% | 292 | 10.2% | 291 | 7.9% |
| Depreciation and provisions | 209 | 7.4% | 217 | 7.6% | 297 | 8.0% |
| Other operating expenses | 359 | 12.5% | 287 | 10.0% | 348 | 9.4% |
| Total costs | 2,865 | 100 | 2,869 | 100 | 3,693 | 100 |

In 2010 Gamesa finds itself immersed in the process of transformation and international growth. The profile for each of its geographical areas is affected by their highly differentiated contexts. 2010 was an industrial launch year in India, at the same time the 2 MW platform was introduced in China. Likewise, the United States was affected by the need to change moulds so as to introduce the new platforms; meanwhile Spain was completing a capacity adjustment process. So Gamesa adapted its supply base to the demand of each country.

| Employees by geographical areas | 2010 | 2009 | 2008 |
|---------------------------------|--------------|--------------|--------------|
| Europe and rest of the world | 4,935 (68%) | 4,714 (74%) | 5,175 (72%) |
| United States | 912 (12%) | 770 (12%) | 1,067 (15%) |
| China | 1,083 (15%) | 876 (13%) | 945 (13%) |
| India | 332 (5%) | 67 (1%) | 5 (0,1%) |
| Total employees | 7,262 | 6,360 | 7,197 |

Nota: Ver indicador LA1 para mayor detalle

2.9. Significant changes during the reporting period regarding size, structure and ownership.

As a consequence of the new shareholder compensation system called "Gamesa Flexible Dividend" approved on May 28 2010 by the General Shareholder's meeting, Gamesa issued a total 2,409,913 shares in 2010, an increase of €409,685 to share capital. ⁷

See additional information at 2.6 section.

2.10. Awards received during the reporting period.

| Awards and recognition | Concedido por |
|---|---|
| 2009/2010 European Business Awards for the Environment. Spanish section and Basque section. Category: Product and/or service for sustainable development (Gamesa G10X-4.5 MW). | European Commission's Directorate General for the Environment |
| Randstad Awards 2011. Gamesa was recognized in the Randstad Awards 2011 which choose the most attractive companies to work at each year. AT this session Gamesa was recognized in two categories; for professional development and social / environmental commitment. | Ranstad |
| Gamesa received certification for Health and Safety in the workplace. It is the first Spanish company to certify its worldwide network of centers under the OHSAS 18001 standard awarded by the certifying entity. | AENOR |
| Gamesa received the Madrid Excelente award for its outstanding customer oriented management. | Comunidad de Madrid |
| Gamesa recognized as a leader in sustainable development. | PwC & SAM Sustainability Yearbook 2010 |
| Gamesa received the award for Spanish Company Internationalization. | Círculo de Empresarios y Wharton |
| Gamesa web page is leader for the corporate social responsibility subject. | Hallvarsson & Hallvarsson |
| Actualidad Económica award to top 100 ideas 2010, as of Gamesa platform G10X-4,5 MW currently the most powerful onshore wind turbine. | Actualidad Económica |
| Gamesa receives the Mutua's 4th award for Prevention of Work Related Hazards | Mutualia and Confebask |

⁷ For further details refer to Note 17.a) at 2010 Annual consolidated accounts:

<http://www.gamesa.es/recursos/doc/accionistas-inversores/informacion-financiera/cuentas-anuales/english/consolidated-annual-accounts-2010.pdf>

⁹ Indicate that independent director Mr.Santiago Bergareche Busquet tendered his resignation as a member of the Board of Directors and of the Appointments and Remuneration Committee in a letter that was received February 11, 2011, for strictly personal reasons related with his responsibilities to other companies.

| Sustainability Index and other indexes | |
|--|---|
| Dow Jones Sustainability Indexes World & Europe 2010/2001. Bronze class and Sector Leader. | Dow Jones Sustainability Indexes Sustainable Assets Management (SAM) |
| FTSE4Good y FTSE4Good IBEX. | FTSE Group |
| Ethibel Excellence (ESI Europe). | Vigeo-Ethibel |
| SB20 "The World's top sustainable stocks". | Calvert Group, Cleantech Indices LLC, Winslow Management Company, Winslow Green y Triodos Bank. |
| CleanTech Index (CTIUS). | Cleantech Group, LLC |
| S&P Global Clean Energy Index. | Standard & Poors |
| Global Challenges Index. | BÖAG Börsen AG Oekom research AG |

Other initiatives led by Gamesa in 2010, or in which the company actively participated:

- Gamesa joins the Basque Government's **Programa de Ecoeficiencia 2010-2014**.
- Organized a drawing contest for children "wind energy and your community."
- The **Gamesa Corporate University** is launched.
- Gamesa celebrates World Energy Efficiency Day.
- Gamesa inaugurates the Conca de Barberà Green Route in Tarragona
- Gamesa celebrates **World Day for Safety and Health, Quality and the Environment**.
- Gamesa celebrates Global Wind Day.
- Gamesa employees raise **€61,512 for Haiti**. Gamesa employees raise €61,512 for Haiti. Their internal campaign involved 447 employees in 11 countries: Spain, China, the United States, Egypt, Portugal, Germany, Bulgaria, Romania, India, Italy and Denmark. The initiative involved a commitment from Gamesa to match the amount donated by its employees, equaling the €30,756 they collected internally. The funds were donated to UNICEF where they were earmarked for emergency activities in the areas in Haiti affected by the earthquake. Specifically, the assistance is for providing supplies (water tanks, electric generators, hygiene kits, water purification tablets, vaccines...), repairing water networks, and preparing and creating safe spaces for children. The idea is to cover basic needs like nutrition, protection, psychological attention and immunization, among other things.
- Gamesa promotes the **21st Eco-Entrepreneur program** in order encourage the creation of clean technology companies. The program facilitates creating and establishing companies innovating in the area of renewable energies, energy efficiency, sustainable mobility, water cycle management, and energy waste management.
- Gamesa signs the **University of Zaragoza Cátedra number 35** to strengthen R&D for new sustainable technologies favoring research coordination, training programs, and new studies regarding wind turbine, component, and wind farm design.
- Launch of the Gamesa Equality Plan.
- Development of the CO₂ Action Program with the WBCSD-Fundación Entorno.
- Gamesa participates in the European "Healthy work" campaign 2010-2011.
- Gamesa organizes the **1st Gamesa Patent and Inventors Competition 2010**." This first competition consists of awarding prizes for patents to their respective inventors (Gamesa people). An initiative for recognizing innovation, team work and excellence. The idea is to recognize the high level of professionalism of the Gamesa teams, especially in the area of Technology, and to reward those initiatives, projects and ideas that revert to our business. The winner for the 2004 to 2008 period is the patent called "blade insert" from 2008. The winner for 2009 is the patent for "wind turbine control methods for improving production by recovering energy losses."

Report parameters

Report profile

3.1 Reporting period for information provided.

This Sustainability Report is the seventh of its kind. Gamesa publishes it on an annual basis. This year it has once again been drawn up and validated in accordance with the contents of the Global Reporting Initiative's (GRI) "Sustainability Reporting Guidelines" (G3) and sets out a balanced and reasonable description of the Group's economic, social and environmental performance. The period covered by this document reflects activities in 2010, as well as some significant events that occurred in the first quarter of 2011. The prior annual sustainability report was published in May 2010. We likewise point out that this report refers to other reports which complement it and with which it forms part of a set. The Corporation publishes and distributes them annually, specifically the Annual Report-Legal Report 2010, and the Corporate Governance Report 2010. All of these documents may be found on the corporate website www.gamesacorp.com.

3.2 Date of most recent prior report (if any).

April 2010, corresponding to 2009.

3.3 Reporting cycle (annual, biennial, etc.).

Annual, coinciding with the General Shareholders' Meeting.

3.4 Contact for questions regarding the report or its contents.

For general question regarding the report, please contact:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.
Corporate Social Responsibility Department
Parque Tecnológico de Bizkaia.
48170 Zamudio-Vizcaya
Spain
Tel.: 902.73.49.49
Fax: 944 317 610
E-mail: sostenibilidad@gamesacorp.com

This document is available in electronic format on the Gamesa Corporate Website: www.gamesacorp.com.

Report scope and boundary

3.5 Process for defining report content.

Gamesa's 2010 sustainability report contains information intended for society as a whole, in its broadest sense. Nevertheless, it attempts to specifically cover those areas related to sustainability that are material and relevant for the organization. We define these as any topics having a major impact based on three criteria:

- They are of major interest to Gamesa's different stakeholders.
- They have a current or may have a potential impact on the Company.
- Gamesa can exercise a reasonable level of control over them.

In order to make the determination, the topics have been organized into the following key groupings:

| Tools for defining report content | |
|---|--|
| Sources of information | Tools used |
| Topics that directly impact stakeholders | <ul style="list-style-type: none"> • Internal tools for maintaining dialogue with shareholders: Investor Relations and Shareholder Information Office. • ESG resolution proposal in the General Shareholders Meetings of leading companies • Internal tools for maintaining dialogue with customers • Internal tools for maintaining dialogue with suppliers. • Press and media analysis: 70 references. • Analysis of competitive environment: Benchmarking of the sector's leading companies. • International bodies especially relevant to sustainability: WBCSD, Global Compact, CERES, Transparency International, Institute for Human Rights and Business, Carbon Disclosure Project, European Commission documents related with Corporate Responsibility, etc.). • National bodies: Global Pact Spanish Network, CSR Monitor, RSE Monitor, Spanish Oversight of Corporate Reputation, Entorno Foundation,...etc.). • Gamesa internal sustainability suggestions box. |
| Socially responsible investors and analysts | <ul style="list-style-type: none"> • Policies of relevant institutional investors that are Gamesa shareholders as well as those that are not. • Requirements and reports from non-financial analysts: Dow Jones Sustainability Indexes, FTSE4Good, Ethibel Sustainability Index Excellence Europe, Sustainalytics...etc.). • 2010 Roadshows with socially responsible investors. • RSI monitors: Eurosif, Social Innovation Institute-ESADE, etc. |
| Gamesa's internal standards | <ul style="list-style-type: none"> • Mission, Vision and Values. Gamesa's CSR Principles and Policies. • Code of Conduct. • Gamesa 2011-2013 Business Plan. • Corporate Risk Control. • Internal systems and indicators for environmental management, workplace health and safety, and quality. |
| Regulatory framework | <ul style="list-style-type: none"> • Arising from renewable energy legislation. • Arising from voluntary undertakings. |
| Topics of interest to the renewable energies sector | <ul style="list-style-type: none"> • Renewable energies sector public information; Global Wind Energy Council, European Wind Energy Association, Asociación Empresarial Eólica, etc.). • Institutional information and information from the International Institutional Relations area. • Topics of interest to industry associations. |
| Reporting requirements | <ul style="list-style-type: none"> • Directives for preparing the Global Reporting Initiative Sustainability (GRI-G3) sustainability report of the. 79 performance indicators, financial (9) as well as environmental (30), labor (14), human rights (9), social (8), relating to product responsibility (9). • GHG Protocol directives. |

3.6 Boundaries of the report.

This 2010 Sustainability report extends to Gamesa and the dependent companies that comprise the group (see section 2.3 for more detail). The complete list of companies comprising Gamesa Group as of 31 de December de 2010 appears in the relevant section of the Legal Report. The most important consolidation changes occurring during 2010 are described in note 2.g of the consolidated legal report for 2010.

This report therefore does not include any qualitative or quantitative information on joint ventures where Gamesa is not the majority shareholder, information on subcontracted activities or data on leased facilities in order to clearly ensure year-to-year comparability.

3.7 State any specific limitations on the scope or boundary of the report.

The coverage of Gamesa Sustainability Report 2010 gives scope to all the companies identified in paragraph 2.3.

Gamesa believes that this report presents the economic, environmental, and social performance of the Gamesa group in a reasonable balanced manner. If there is limited information in this report because of incomplete quantitative data in the management systems, this is considered to have little influence on the global group aggregates and, in Gamesa's opinion, would not affect the reader's evaluation of company performance in any relevant way.

Nevertheless, the company works continuously to develop methods for collection of a complete range of information.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

This report therefore does not include any information on joint ventures where Gamesa does not hold a majority of the shares, information on subcontracted activities or data on leased facilities in order to clearly ensure year-to-year comparability.

3.9 Data measurement techniques and the basis for calculations, including assumptions and techniques underlying the estimates applied to the compilation of the indicators and other information in the report.

As regards the means employed to account for practically all the performance indicators described in the GRI's G3 Guidelines, Gamesa is equipped with management applications that consolidate the data from branches, production centers and wind farms. These applications guarantee the information presented to be accurate, truthful and complete.

The environmental indicators exclude data for 5 manufacturing centers that are part of the joint venture with the Daniel Alonso group for creating Windar Renovables S.L. So as not to distort the historical evolution of said indicators, all results are presented pro forma.

| From direct to indirect energy conversion | | CH\$ Direct emissions | |
|---|------|--|--------|
| Spain (indirect/direct GJ) | 3.04 | Natural gas (kgCH ₄ /GJ fuel) | 0.001 |
| China (indirect/direct GJ) | 3.27 | Gas-oil(kgCH ₄ /GJ fuel) | 0.003 |
| United States (indirect/direct GJ) | 3.21 | Gasoline(kgCH ₄ /GJ fuel) | 0.003 |
| Direct CO ₂ emissions | | Propane(kgCH ₄ /GJ fuel) | 0.001 |
| Natural gas (kgCO ₂ /GJ) | 56.1 | Indirect N ₂ O emissions | |
| Gas-oil (kgCO ₂ /GJ) | 74.1 | Natural gas (kgN ₂ O/GJ fuel) | 0.0001 |
| Gasoline (kgCO ₂ /GJ) | 69.3 | Gas-oil (kgN ₂ O/GJ fuel) | 0.0006 |
| Propane (kgCO ₂ /GJ) | 63.1 | Gasoline (kgN ₂ O/GJ fuel) | 0.0006 |
| Indirect CO ₂ emissions | | Propane (kgN ₂ O/GJ fuel) | 0.0001 |
| Spain (grCO ₂ /Kwh) | 554 | | |
| China (grCO ₂ /Kwh) | 778 | | |
| United States (grCO ₂ /Kwh) | 385 | | |
| India(grCO ₂ /Kwh) | 932 | | |



The conversion and emission factors used in the calculation of environmental indicators meet the following criteria:

- Calculation of indirect CO₂ emissions from electricity consumption. Source: International Energy Agency (IEA). "CO₂ emissions per kWh from electricity and heat generation-2009 Highlights".
- Conversion of direct to indirect gigajoules to calculate the total energy consumption and indirect emissions. Internal source.
- Calculation of direct emissions of CH₄, N₂O and CO₂ from fuel consumed traceability. Source GHG Protocol v3.0-dec07. "Direct Emissions from fuel use in facilities".

Additionally, we indicate that the method of calculation to reflect the environmental indicators respond to the consolidation of real billing data (obtained by invoices, counters etc ...). In the case of environmental data to correspond to estimations, or have been performed using statistical sampling or through the implementation of average-means, this issue is specifically indicated in the relevant section.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.

Gamesa does not consider it necessary to re-state information from prior reports owing to structural changes in the company. However, there could be minor deviations with respect to quantitative data presented in 2008 and 2009 as a consequence of updates and adjustments.

3.11 Significant changes from previous reporting periods in the scope, extent, or measurement methods applied in the report.

There are no significant changes.

3.12 Table identifying the location of Standard Disclosures in the report.

The table is referenced in the section 7 of this report.

Assurance

3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

Gamesa is working on internal policies and measures that enable it to guaranty the accuracy, exhaustive nature and veracity of the information disclosed in the Sustainability Report. The individual and consolidated annual accounts were audited by Deloitte in accordance with the applicable accounting standards in each case. For the fifth consecutive year, an independent body has been required to verify the information relating to environmental and social practices contained in the 2010 Sustainability Report, compliance with the 2006 G3 Global Reporting Initiative (GRI) Guidelines, and appropriate traceability of information and its corresponding data to the primary and additional indicators of the guidelines. This task was entrusted in 2010 to the Spanish Standards and Certification Association (AENOR - Asociación Española de Normalización y Certificación) and its assurance report is included at the end of this chapter.

The methodology used for verification is based on AENOR General Standards for Sustainability Report Assurance. The purpose of the assurance process is to analyze and verify that the report has been prepared in accordance with GRI guidelines and that the content of the report is true and complete.

Following the guidelines set forth in the G3 Guidelines, the Corporation self-assessed this report with an A+, which corresponds to the scores given by expert organizations that also verified its Sustainability Report externally. The auditing firm also confirmed the A+ Application Level. Lastly, the review conducted by the GRI likewise gave the Report this same Application Level.

| Report Application Level | | C | C+ | B | B+ | A | A+ |
|--------------------------|--|--|---------------------------|--|---------------------------|---|---------------------------|
| Standard Disclosures | G3 Profile Disclosures OUTPUT | Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15 | | Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17 | | Same as requirement for Level B | |
| | G3 Management Approach Disclosures OUTPUT | Not Required | Report Externally Assured | Management Approach Disclosures for each Indicator Category | Report Externally Assured | Management Approach Disclosures for each Indicator Category | Report Externally Assured |
| | G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT | Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental. | | Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility. | | Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission. | |

*Sector supplement in final version

Governance, commitments and stakeholder engagement

Governance

4.1. Governance structure of the organization, including commitments under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

The governance structure for Gamesa is founded on two main bodies: the General Shareholders' Meeting and the Board of Directors.

In accordance with prevailing legislation, and included in the Company's internal standards, the General Shareholders' Meeting is the meeting of the company's shareholders that duly convened, shall decide by majority voting on the issues for which it is responsible. 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 giving up their legal right to challenge said resolutions.

The General Shareholders' Meeting shall decide issues conferred upon it by the corporate Bylaw's, its own Rules, or by Law, especially in regards to the following:

- a) Nomination, re-election and severance of Directors as well as the ratification of Directors designated for cooption.
- b) Censure of company management and approval, as appropriate, of the prior year's accounts and the proposal for applying the result.
- c) Naming and dismissal of Account Auditors.
- d) Increase and reduce share capital as well as delegation in the Board of Directors of the authority to increase capital.
- e) Issue bonds and other marketable securities, delegate authority to issue them in the Board of Directors.
- f) Authorize acquisition of derivatives of own shares.
- g) Approval and modification of General Shareholders' Meeting rules.
- h) Amendments to the Corporate Bylaws.
- i) Merger, spin-offs, Company transformation, dissolution, and overall assignment of assets and liabilities.
- j) Company dissolution.
- k) Approval of the final liquidation balance.
- l) Approval if appropriate, of establishing Company compensation systems consistent with the delivery of shares or options where they are referenced to share value.

Likewise, the General Shareholders' Meeting shall decide regarding any issue submitted to it by the Board of Directors.

With regards to the Board of Directors, its mission is to promote the Company's interests representing it and its shareholders in the management of its assets, to manage the businesses, and to direct the corporate administration.

Apart from the matters reserved for the competence of the General Shareholders Meeting, the Board of Directors is the highest representative and decision-making body of Gamesa. It has no substantial constraints apart from those laid down in legislation and the Bylaws, and particularly in the corporate objective.

The Board of Directors carries out general oversight, and establishes general strategies and policies.

The Board of Directors shall deal with issues relevant for the Company. Its responsibilities are provided for in article 5 of the Board of Directors Regulations.

The criterion which must at all times govern the Board of Directors' actions is the corporate interest of Gamesa, which is materialized in maximizing the Company's value in a sustained fashion (article 6 of the Board of Directors Regulations). It is particularly important that the Board of Directors shall adopt all the necessary measures to ensure, in such questions, that corporate management and the Chief Executive

Officers are under the effective oversight of the Board of Directors and that no single individual or a small group of people shall hold decision-making powers not subject to checks and balances.

Composition of the Board of Directors (2010)

| Director's name or company | Representante | Cargo en el Consejo | Fecha primer nombramiento | Fecha Último nombramiento | Procedimiento de elección |
|---|--------------------------------|---|------------------------------|------------------------------|------------------------------|
| Calvet Spinatsch, Jorge | | Chairman and CEO | 07-10-2005 | 25-05-2007 | General Shareholders' |
| Arregui Ciarsolo, Juan Luis | | Deputy Chairman | 28-01-1976 | 25-05-2007 | General Shareholders' |
| Fernández-Lerga Garralda, Carlos | | Lead Independent Director | 07-10-2008 | 07-10-2008 | General Shareholders' |
| Rodríguez-Quiroga Menéndez, Carlos | | Director and Secretary to the Board | 27-09-2001 | 25-05-2007 | General Shareholders' |
| Bergareche Busquet, Santiago ⁹ | | Director | 02-11-2005 | 25-05-2007 | General Shareholders' |
| Vázquez Eguskiza, José María | | Director | 25-05-2007 | 25-05-2007 | General Shareholders' |
| Velasco Gómez, Pedro | | Director | 16-11-2007 | 16-11-2007 | General Shareholders' |
| Iberdrola, S.A. | Alcolea Cantos, José Miguel | Director | 26-06-2008 | 26-06-2008 | General Shareholders' |
| Lada Díaz, Luis | | Director | 23-10-2009 | 23-10-2009 | General Shareholders' |
| Ferrero-Waldner, Benita | | Director | 24-02-2010 | 24-02-2010 | General Shareholders' |

Information regarding the Board of Directors' composition, as well as the personal and biographical profiles of its members can be found in section B.1.3 of the Annual Corporate Governance Report.

The Board of Directors of Gamesa has two special committees for specific areas with powers to provide information, advice, proposals, oversight and control: the Audit and Compliance Committee and the Appointment and Remuneration Committee.

Information concerning the Committees can be found in section B.2 of the Annual Corporate Governance Report.



¹¹ <http://www.gamesa.es/en/investors-and-shareholders/corporate-governance/audit-and-compliance-committee.html>

Audit and Compliance Committee (2010)

Pursuant to the Company's internal regulations, the Audit and Compliance Committee shall have a minimum of three (3) and a maximum of five (5) external Directors, with at least one of them being independent. The Board of Directors will endeavor that the members of the Audit and Compliance Committee, especially the independent director, have knowledge and experience in the area of accounting, audit, or risk management.

Currently, respecting previous regulations and following the best international practices that require that the majority of the members be independent, the Committee is made up of:

| Name | Position | Type | Representing |
|------------------------------------|-----------------------|-----------------------|-----------------|
| Vázquez Egusquiza, José María | Presidente | Externo Independiente | N/A |
| Velasco Gómez, Pedro | Vocal | Externo Dominical | Iberdrola, S.A. |
| Lada Díaz, Luis | Vocal | Externo Independiente | N/A |
| Rodríguez-Quiroga Menéndez, Carlos | Secretario No Miembro | Ejecutivo | N/A |

The basic responsibilities of the Audit and Compliance Committee are provided for in article 18.4 of the Board of Directors Regulations. It is important to highlight that the newly rewritten text of the Board of Directors Regulations, approved by the Board of Directors during the December 15, 2010 session, reinforces the competencies of the Audit and Compliance Committee. It now has the responsibility for Account Audit as incorporated in Law 19/1988 of July 12, by the reform brought about by Law 12/2010 of June 30. As such, new competencies are required of the Audit and Compliance Committee such as revising the weaknesses of the internal control system together with the auditors, overseeing its effectiveness, and the obligation to issue an annual report after first having issued the audit report expressing their opinion regarding the independence of the auditors.

To best comply with their function the Audit and Compliance Committee can insist on external professional advice.

The Audit and Compliance Committee publishes its own publicly available annual activities report on the Company's web page. ¹¹

Appointments and Remuneration Committee

Pursuant to the Company's internal regulations, the Appointment and Remuneration Committee shall have a minimum of three (3) and a maximum of five (5) external Directors. The Board of directors shall endeavor to ensure that the members of the Appointments and Remuneration Committee are appointed taking into account their knowledge, capacity and experience in the matters entrusted to the Appointment and Remunerations Committee.

| Name | Position | Type | Representing |
|--|------------------------|-------------------------------|--------------|
| Fernández-Lerga Garralda, Carlos | Chairman | Non-Executive Independent | N/A |
| Arregui Ciarsolo, Juan Luis | Member | Other Non-Executive Directors | N/A |
| Bergareche Busquet, Santiago ¹³ | Member | Non-Executive Independent | N/A |
| Rodríguez-Quiroga Menéndez, Carlos | Secretary (Non-Member) | Executive Director | N/A |

Without prejudice to other tasks assigned to the Board of Directors, the basic responsibilities of the Appointments and Remuneration Committee are found in article 19 of the Board of Directors

¹³ Indicate that independent director Mr. Santiago Bergareche Busquet tendered his resignation as a member of the Board of Directors and of the Appointments and Remuneration Committee in a letter that was received February 11, 2011, for strictly personal reasons related with his responsibilities to other companies.

¹⁵ <http://www.gamesa.es/en/investors-and-shareholders/corporate-governance/corporate-governance-annual-reports/>

Regulations. In accordance with the new version, they are more systematic, contained in rewritten Regulation text approved by the Board of Directors in their December 15, 2010 session.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

As presented in section 4.1 of this document, the Chairman of the Company is also the CEO, occupying the company's top executive position.

The Chairman of the Board of Directors is defined by internal regulations of the Company, as Chairman of the Company and represents same. Any resolution on the granting and, should it be the case, on the broadening of the Chairman's powers shall be adopted by the Board of Directors at the time of his/her appointment.

Gamesa's Board of Directors unanimously resolved, after a favorable report from the Appointments and Remunerations Committee, to appoint Mr. Jorge Calvet Spinatsch as Chairman of the Board of Directors and as CEO at its October 8, 2009 meeting. It delegated all powers to him that according to Law and the Corporate Bylaws correspond to the Board of Directors, except those that may not be delegated. The appointment was accepted by Mr. Calvet Spinatsch at the same meeting.

The following basic powers correspond to the Chairman of the Board of Directors:

- a) To convene the Board of Directors, either himself or through the Board Secretary, and set its agenda which is obligatory, as well as to include in the agenda any matters requested by at least three Directors or the Lead Independent Director.
- b) To guide the debates of the Board of Directors.
- c) To organize and coordinate the periodic evaluation of the Board of Directors, as well as the CEO or highest ranking company Executive, with the Committee Chairmen.
- d) Take the proposals deemed opportune for good company operations to the Board, especially those referring to the Board itself or other company bodies, such as proposing the people to perform the offices of Vice-chairman, Secretary and Deputy Secretary of the Board.

In accordance with internal Company regulations and in his function as highest ranking Company executive; he must effectively manage the Company businesses in accordance with the decisions adopted by the General Shareholders' Meeting and the Board of Directors in their respective areas of responsibility. The aforementioned operations shall be brought before the Board of Directors by the CEO, if necessary.

Regarding the reasons justifying an Executive Chairman, we considered the following:

1. The Unified Code of Good Governance evaluates the advantages and disadvantages of joining or separating the offices of CEO and Chairman of the Board of Directors. It clearly does not oppose the uniting of the powers, but does recommends putting in place the necessary checks and balances.

Along these lines, Gamesa has taken various measures to reduce any risks arising from concentrating power in a single person, which are as follows:

- Appointing one of the Directors independent from the company as Lead Independent Director.
 - Absence of the Chairman and CEO at Board of Directors' Standing Committee meetings.
 - Competencies of the Board of Directors.
 - Assessment of the Chairman and Chief Executive Officer.
2. That only 18% of the Companies on the Ibex-35 opt to separate these offices is a reflection of Spanish tradition. This originates from the high percentage of business, financial or family groups that are important or controlling shareholder in Spanish companies. This situation is not unknown to Gamesa where there are important shareholders that act as controlling shareholders and limit the risk of excessive power in an Executive Chairman.
 3. In some countries highly developed in the area corporate governance the reality of the issue does not in all cases favor separation of the offices. In the United States, 60% of the companies on the S&P 500 have Executive Chairmen; and the Dodd-Frank Law (July 2010) requires in section 972 -in the fashion of the Spanish Unified Code of Good Governance- that if the offices are held by one person that the reasons and motivations for doing so should be justified.
 4. Finally, regarding the reasons for having an Executive Chairman, if adequate control and oversight of the risk, as well as the best management of possible conflicts of interest are among the main

arguments against combining the offices, there are equally valid and more efficient alternatives. Gamesa has the following solutions:

- a) An adequate risk control system. Gamesa is equipped with a well-honed organizational structure that provides value by working on risk control and management. This structure includes:
 - Board of Directors: Supervises risk identification, control and management policy.
 - Audit and Compliance Committee: Periodically supervises the internal control and risk management systems and sets and reviews the levels of risk that Gamesa considers acceptable.
 - Management Committee (General, Corporate, and Geographic Managers): As owner of the risks / opportunities associated to activities, processes and projects, he is responsible for their mitigation / elimination and relies on the support of the Risk Controllers Network for that (this network consists of a team of people designated in each of the Departments where priority Risk / Opportunities exist).
 - Internal Audit: Carry out independent supervision of the control system and report to the Audit and Compliance Committee which is functionally responsible for it.
 - Business Risk Control (BRC) Department: This department defines directives and coordinates activities with the network of Risk Controllers. It is also responsible for BRC risk control in different geographic areas. In 2010, the department was moved to report directly to Internal Audit.
- b) Adequate regulations and oversight of potential conflicts of interest and of transactions with significant shareholders that require, on the one hand, an obligation of internal communication, abstention in all deliberation and decisions of the affected parties and finally, prior report from the Audit and Compliance Committee and justified decision of the Board of Directors (article 35 of the Board of Directors Regulations).

Information concerning the Executive Chairman can be found in sections B.1.2, B.1.3 and B.1.21 of the Annual Corporate Governance Report ¹⁵. Information regarding the risk control system can be found in section D of the 2010 Annual Corporate Governance Report and the information concerning conflicts of interest in section C.6 of the same report.

¹⁷ <http://www.gamesa.es/en/investors-and-shareholders>



4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive.

The information solicited is reflected in the table included in point 4.1 of this document.

In accordance with internal Company regulations (article 8.3 of the Board of Directors Regulations), the Board of Directors shall have more external Directors than executive directors, with the presence of independent directors. This directive is imperative and must be heeded by the Board of Directors itself in exercise of its power to propose appointments to the General Meeting and to co-opt to fill vacancies, and is merely orientative for the actual General Shareholders Meeting.

The Board of Directors shall likewise attempt to ensure that the majority group of external Directors includes Directors representing significant shareholdings and independent Directors.

In accordance with the definitions in the Unified Code of Good Governance, Article 8.1.b of the Board of Directors Regulation establishes when a Director can be qualified as external.

Information regarding the composition of the governing body can be found in the Annual Corporate Governance Report in sections B.1.2 and B.1.3.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

The company has a Shareholder's Information Office that responds daily to questions from shareholders. It serves as a mechanism for shareholders to communicate recommendations or suggestions to the highest governance body. The aforementioned Shareholder's Information office is coordinated by the Investor Relations Department which reports directly to the Company Chairman. Shareholder can ask questions by telephone, by letter, or by email. The various addresses and numbers are posted on the Company web page.

However, during celebration of the General Shareholder's Meeting the General Counsel's office assumes coordination of the Shareholder's information office, so from one month before the meeting they assist the shareholders. The Shareholder's Information Office will take all questions they receive telephonically, via email or letter, or with direct service if a shareholder chooses to visit the office. The Board of Directors shall respond to requests for information previously prepared by shareholders through the person authorized to do so.

Any shareholders representing at least five (5) per cent of the Company's share capital may request, in accordance with prevailing legislation, the publication of an addition to the General Shareholders' Meeting announcement that includes one or more points for the agenda. To exercise this right, written notification must be made via a reliable method, and addressed to the attention of the Secretary of the Board of Directors. It must be received at the Company's registered address within five (5) calendar days of the publication of the announcement convening the General Shareholder's meeting. The Board of Directors, through a person it authorizes, will do everything required to verify, justify and publish the addition to the announcement. It will resolve as many questions or issues as may arise in relation to the addition and publication of same.

In accordance with article 528.2 of Capital Company Law, the company will enable an Electronic Shareholders Forum at the time that the 2011 General Shareholder's Meeting is announced. The Forum will be available in order to facilitate communication among Gamesa shareholders from the time of

announcement through the celebration of each General Shareholder's meeting. The registered users will be able to send communications to be published in the Forum exclusively for the following:

- Proposals they would like to present as additions to the agenda published in the General Meeting Announcement.
- Request for attachment to said proposals.
- Initiatives for reaching the percentage necessary to exercise minority rights provided for by law or in Gamesa's internal regulations.
- Offers or petitions for voluntary representation.
-

The contents that must be published pursuant to Law 26/2003 of July 17 on the Transparency of Listed Corporations (which was developed by Order ECO/3711/2003 of December 26 on Annual Corporate Governance Reports and Other Disclosure Instruments for Listed Corporations and Other Organizations, and Circular 1/2004 of March 17 issued by the National Securities Market Commission on Annual Corporate Governance Reports of Listed Corporations and Other Organizations Issuing Negotiable Securities in Official Secondary Securities Markets and Other Disclosure Instruments) are directly accessible on Gamesa's web page in the Shareholders and Investors" section. ¹⁷

4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance.

The following articles from Gamesa's internal regulations control compensation for members of the Board of Directors:

- Article 25 of the Corporate Bylaws
- Article 31 of the Board of Directors Regulations

Remuneration of Board of Directors members for their work as Directors consists, on the one hand, of a fixed annual compensation whose amount is determined in function with the office held and the Committees the member sits on, and on the other, of a daily allowance for attending Board of Directors' meetings and the meetings of the above-mentioned Committees. As a general rule, Directors do not receive compensation based on the organization's performance. The Chairman of the Company does not receive the fixed compensation or the daily allowances, but has an executive compensation plan.

Nevertheless, in accordance with the provisions set forth in the Corporate Bylaws and Gamesa's Board of Directors Regulations, the Directors' remuneration for merely performing their duties is independent of any remuneration, whether general or individual, that members of the Board of Directors may receive for carrying out executive functions or professional tasks.

As such, the remuneration received by the Chairman and CEO for performance of his executive duties includes the following concepts.

- Fixed compensation – an external consultancy participates in its determination in order to guarantee it reflects the market.
- Variable compensation: annual and/or long term

Annual variable compensation is linked to achieving Company results that are measured using financial indicators, competitiveness factor, and group objectives previously defined by the Board of Directors as proposed by the Appointment and Remuneration Committee. The financial indicators are linked to the Business Plan market guidelines and recognized in financial stability and economic indicators: the competitiveness factor, in function with reports from external consultants, measures Gamesa Corporación Tecnológica, S.A. performance as compared to its main competitors; and group objectives are likewise linked to the technological development and activity committed to the market.

On the other hand, Gamesa General Shareholders' Ordinary Meeting held on May 29, 2009 resolved to approve setting up a Long-Term Incentive Scheme (hereinafter the "Scheme") by means allocation of shares in the Company. This scheme is aimed at Executive Directors, Senior Management, Managers and employees of Gamesa and, if appropriate, to those of subsidiaries. The scheme is linked to attaining specific targets in the period running from 2009 to 2011 such as shareholder return, return on capital employed and technological innovation and uses objective indicators that are to be assessed by the Appointments and Remuneration Committee and the Board of Directors. The Gamesa Board of Directors,

at the proposal of the Appointment and Remuneration Committee, have agreed on the application of said plan to the Chairman and CEO within the limits authorized by the General Shareholders Meeting.

Regarding compensation of Senior Management as well as other managers and employees not subject to a Collective Agreement, they have variable compensation whose amount is likewise linked to personal performance and that of the organization. This is in accordance with the system including financial indicators, competitiveness factor, and group and area objectives set out by the Chairman.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

Section C.5 of the 2010 Annual Corporate Governance report includes detail of conflicts of interest affecting Directors during 2010. Section C.6 describes the mechanisms established to detect and resolve possible conflicts of interest between Gamesa and its Directors, managers, and significant shareholder.

In addition to the information provided in section C.6, to point out that with regards to possible conflicts of interest between Gamesa and / or its group and its Managers, in 2009 the company prepared a specific set of rules "Rules for the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery" to expand points 3.7 (corruption and bribery) and 3.8 (conflicts of interest) of the Code of Conduct. The Rules are comprised of a set of guidelines addressing honesty, impartiality and professionalism. They serve as a guide for the behavior of Gamesa's entities and people, with special attention to third parties. Such Rules enable the Company to take a firm stance in the relevant markets based on respect and consideration for shareholders, employees, customers, suppliers, contractors, company collaborators, public authorities and the community as a whole through the Gamesa's actions.

The "Rules for the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery should be considered as obligatory corporate principles that require a firm commitment by all the people and entities that make up Gamesa.

4.7.- Procedimiento de determinación de la capacitación y experiencia exigible a los miembros del 4.7 Processes for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.

Article 24 of the Board of Directors Regulations regulates the appointment process for Directors and specifically 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 appointment of candidates shall fall on individuals of renowned honorability, solvency, competence and experience. They shall take special care regarding the individuals called upon to fill the positions of Independent Directors.*

Should the Director be a legal person, the individual representing it to exercise the functions of the post shall be subject to the conditions of honorability, solvency, competence and experience set forth in the preceding paragraph and they shall be personally required to perform the duties of Director set forth herein".

Gamesa's Board of Directors complies with the diversity principle. It is made up of men and women including now as well as in the past, well known prestigious and specialized professionals. This can be verified from the curricula vitae available on the corporate web page. More specifically, it should be pointed out that the members of Gamesa's Board of Directors have experience and knowledge in the field of corporate social responsibility, garnered from their experience in companies recognized in the main international sustainability indexes.

4.8 Internally developed statements of mission and values, codes of conduct, and principles relevant to economic, environmental and social performance, and the status of their implementation.

Gamesa has a unique business model that creates value for its shareholders, employees, suppliers, customers and the communities where it operates. At the same time it endeavors to respect, improve, and conserve the environment.

In 2010 Gamesa created a new mission statement. It was developed at the Managers' conference (Gamesa Management Group) that took place in Aranjuez in June, and at later workshops with the Management Committee: "Everlasting energy everywhere" was the result.

This mission is upheld by a series of Values and behaviors recorded below,

- **Teamwork:** We believe that the whole is greater than the sum of its parts. We use teamwork to collaborate in everything we do, sharing challenges and developing solutions together. We take

mutual responsibility, provide mutual support, and we insure that we recognize and consider the abilities we have throughout the world.

- **Innovation:** We make an effort to achieve new goals. We always look for new and creative ways to meet our customers' challenges. We are among the renewable energy sector's leaders and we make a real effort to maintain our advanced position regarding new and dynamic technologies. In order to maintain leadership, we always adapt. We are flexible and agile in meeting new challenges.
- **Excellence:** Everything we do is exceptional. We aspire to the highest quality, efficiency and productivity standards when designing our products, services and solutions. We are committed to doing it right the first time and take ownership of each challenge, without regards to the demands that will be required.
- **Respect:** We value the contributions of each one of us and respect our differences. We behave fairly, transparently and honestly in all interactions in order to build trust in our relationships. We are concerned about and support each other, respecting our differences and valuing what we can learn from one another.
- **Sustainability:** We satisfy today's needs without compromising tomorrow. We consider results for the short, medium, and long term in everything we do, whether for our people, our customers, our investors, or our planet.

and shapes its implementation with three (3) Attitudes for success:

- **Leadership:** We see ourselves as leaders in our industry and aspire to be the best in the long term. We invest in talent at a worldwide level in order to grow our future leaders and maintain our success.
- **A global company:** We search out opportunities and make decisions for the overall benefit of our company, not for its specific parts. We prosper from interdependence and weigh abilities and knowledge throughout all of Gamesa. We work together closely and collaborate between jobs and countries.
- **Passion for the customer:** We are passionate about building long term relationships with our customers, where we create mutual value and share knowledge. We work with them and make every effort to solve problems.

Implementation of corporate principles, values, behaviors and attitudes is linked to the following plans:

- a) Permanent plan of Code of Conduct dissemination and training.
- b) Plan for development of priority areas:
 - i. Corruption and Bribery, and Conflicts of Interest (see section HR3).
 - ii. Equality Plan prepared and published in the Official State Gazette for December 14, 2010 (the equality plan includes a workplace harassment protocol).
- c) Improved operation of the Code of Conduct Compliance Channel: Compliance Channel operating rules are being prepared as a key element for oversight of the Code of Conduct principles and values.

and are applicable to the entire Company in all regions and for all its departments and units.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

The Gamesa Board of Directors, aware of the Company's responsibility to society, commits to performing its activities in keeping with a set of values, principles, criteria and attitudes aimed at attaining sustained value creation for employees, shareholders, customers and society as a whole.

In order to do so, it ensures that corporate activity always complies with current law, good faith and the best commercial practices, promoting the implementation and development of ethical principles based on integrity, transparency and a commitment to society. These principles serve as a basis for the Company's corporate culture and, consequently, for the business actions carried out by all the people that are part of the Company.

Managers of the Company's different areas regularly report in person to the Board of Directors about their performance.

Especially in regards to compliance with the Code of Conduct and principles of Corporate Social Responsibility:

- In 2010 it established and implemented a specific function "Global Compliance" in order to strengthen control. The function is the responsibility of the Regulatory Compliance Unit that reports to the Management Committee and the Audit and Compliance Committee, and has a professional service nature (General Secretary, Internal Audit and Legal Assistance). Its purpose is to facilitate oversight of compliance with legal requirements of the different regulations: mercantile-civil, wind business, customs, competition, intellectual and industrial property, labor, health and safety, environment, transport, products and materials, securities market, data protection, and asset, fiscal, and accounting security. Indicators have been established to adequately report the degree of compliance and knowledge of each sector regulation, as well as real or potential non-compliance that new regulations can give rise to, and the possible sanctions deriving from same. This function coordinates in an ongoing fashion with the Risk Control Department network.
- The Regulatory Compliance Unit appears before the Audit and Compliance Committee twice a year. This Committee is one of the Board of Directors' standing bodies charged with informing the Board regarding the level of follow-up and activities carried out in the period with respect to the Code of Conduct and the Internal Rules of Conduct Regarding the Securities Markets

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.

With regards to evaluation of the members of the Board of Directors, article 20.7 of the Board of Directors Regulation sets forth that *"the Board shall draw up a schedule of ordinary meetings before the end of each year. The Board of Directors shall dedicate at least one meeting a year to assessing (i) the quality and efficiency with which it has performed its duties; (ii) how well the Chairman and the CEO have performed their duties based on the report issued by the Appointments and Remuneration Committee; and (iii) the performance of the Committees based on the reports they have submitted to the Board of Directors."*

The Appointments and Remuneration Committee brought an assessment report before the Board of Directors that separately dealt with the Company's Chairman and Chief Executive Officer, the Board of Directors and the Appointments Committee itself in accordance with this provision, which was examined and approved by the Board of Directors at its meeting held on 28 de May de 2010. Likewise, the Appointments and Remuneration Committee brought before the Board of Directors a report on such committee's performance, which was examined at approved by the Board at its meeting held on 28 de May de 2010.

It should be mentioned that the Appointment and Remuneration Committee used assistance from external consultants during 2010 as provided for in section B.1.16 of the Annual Corporate Governance Report.

Commitments to External Initiatives

4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Gamesa uses the precautionary principal focusing on environmental protection. This is in compliance with Article 15 of the Rio Declaration which is widely accepted as the fundamental concept in environmental law and regulations targeting environmental protection.

The Gamesa Code of Conduct includes safety, health, and the environment among its fundamental principles. In particular it establishes that Gamesa is fully committed to continuous improvement and collaboration to achieve sustainable development by developing and applying good practices aimed at environmental protection from the standpoint of prevention and by providing information and training on this culture.

Conservation of the environment is guaranteed through approval of appropriate environmental policy (included in health and safety, quality and environment) and implementation of an environmental

management system. It likewise requires that people affected must know and assume said policy in the area they operate and always act in accordance with the criteria of respect and sustainability that inspires, adopt habits and behaviors of the best environmental practices and contribute positively and effectively to achieving the established objectives. They must make every effort to minimize environmental impact deriving from their activities and from use of the facilities, equipment and work resources at their disposition, endeavoring to make efficient use of same.

4.12 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.

Gamesa wholly assumes voluntary commitments in the areas of sustainability, climate change, and defense of fundamental human rights and freedoms. For example:

In 2005 Gamesa joined the United Nations World Compact in clear commitment to and support of the promotion of the ten main principles of human and labor rights, environmental protection and the fight against corruption. The Company publishes a Communication on Progress (COP) annually, which reviews compliance with such principles. This document is made public and is available on the Spanish United Nations World Compact Association's website.

Since 2006, Gamesa has been involved as "Organizational Stakeholder" in the Global Reporting Initiative, a non-governmental organization targeting the creation of a way to exchange reliable transparent information regarding sustainability by developing a common application framework for all types of organizations.

Since June 2007, when it signed the Caring for Climate declaration: The Business Leadership Platform, a World Compact initiative, Gamesa encourages the involvement of companies and governments in taking measures against climate change. The Corporation has remained faithful to its commitments of increasing energy efficiency, reducing GHG emissions and collaborating with other public and private institutions in a positive way. Also since that time, Gamesa has remained united with the Apollo Alliance, a coalition of labor, business, and environmental leaders working in the area of clean energies and in generation of quality green jobs.

During the last three years, Gamesa has joined in signing the Cancun, Copenhagen and Poznan Communiqués on climate change within the scope of the United Nations Framework Convention on Climate Change (UNFCCC) and through the University of Cambridge Program for Industry and the Price of Wales's Corporate Leaders' Group on Climate Change.

In support of reporting transparency, Gamesa has been collaborating with the Carbon Disclosure Project (CDP) since 2008 to make information publicly available regarding investors and supply chain.

Gamesa participates actively in the Energy and Climate Change work group, a multi-sector platform that analyzes the action framework for achieving a low carbon economy. This is done through collaboration with the Entorno Foundation – Spanish Business Council for Sustainable development. Its mission is to work with business leaders tackling the challenges of sustainable development as business opportunities.

During 2010 Gamesa also formalized its adherence to and shown support for the UNIFEM and United Nations Global Compact "Women's Empowerment Principles."



4.13. Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organization provides funding:

| Main associations Gamesa belongs to in Spain | |
|--|---|
| Association | Association |
| AGENCIA DE GESTIÓN DE LA ENERGÍA DE CASTILLA LA MANCHA. | CLUSTER DE ENERGÍA. |
| APPA BIOMASA. | CONFEDERACIÓN DE ASOCIACIONES EMPRESARIALES DE BURGOS. |
| ARTIUM CENTRO MUSEO VASCO DE ARTE CONTEMPORÁNEO. | ELKARGI S.G.R. |
| ASOCIACIÓN DE EMPRESARIOS DE GUIPÚZCOA- ADEGI. | FEDERACIÓN DEL METAL DE BURGOS. |
| ASOCIACIÓN DE EMPRESAS SIDEROMETALÚRGICAS DE LA CORUÑA. | FEDERACIÓN ESPAÑOLA DE ASOCIACIONES DE FUNDIDORES. |
| ASOCIACIÓN DE PROMOTORES DE ENERGÍA EÓLICA DE ARAGÓN. | FEDERACIÓN VIZCAÍNA DE EMPRESAS DEL METAL. |
| ASOCIACIÓN PROMOTORES DE ENERGÍA EÓLICA CASTILLA LA MANCHA. | FUNDACIÓN BALUARTE. |
| ASOCIACIÓN DE PROMOTORES EÓLICOS DE CASTILLA Y LEÓN. | FUNDACIÓN CIC ENERGIGUNE. |
| ASOCIACIÓN DE PROMOTORES Y PRODUCTORES ENERGÍA EÓLICA ANDALUCÍA. | FUNDACIÓN CORPORACIÓN TECNOLÓGICA DE ANDALUCÍA. |
| AEE-ASOCIACIÓN EMPRESARIAL EÓLICA. | FUNDACIÓN ESCUELA DE INGENIEROS. |
| ASOCIACIÓN EÓLICA DE CATALUÑA. | FUNDACIÓN ENTORNO. |
| ASOCIACIÓN EÓLICA DE GALICIA. | FUNDACIÓN INSTITUTO MADRILEÑO DE ESTUDIOS AVANZADOS ENERGÍA. |
| ASOCIACIÓN EÓLICA DEL PRINCIPADO DE ASTURIAS. | FUNDACIÓN INSTITUTO MADRILEÑO DE ESTUDIOS AVANZADOS MATERIALES. |
| ASOCIACIÓN DE USUARIOS SAP. | FUNDACIÓN NAVARRA PARA LA CALIDAD. |
| ASOCIACIÓN ESPAÑOLA PARA LA CALIDAD. | FUNDACIÓN DESARROLLO NUEVAS TEC.HIDRÓGENO DE ARAGÓN. |
| ASOCIACIÓN ESPAÑOLA DE DIRECCIÓN DE PERSONAL. | FUNDACIÓN PARA LA FORMACIÓN EN ENERGÍAS RENOVABLES. |
| ASOCIACIÓN ESPAÑOLA DE ENSAYOS NO DESTRUCTIVOS. | FUNDACIÓN VASCA PARA LA CALIDAD. |
| ASOCIACIÓN ESPAÑOLA DE MANTENIMIENTO. | INNOBASQUE AGENCIA VASCA DE LA INNOVACIÓN. |
| ASOCIACIÓN ESPAÑOLA DEL PACTO MUNDIAL DE NACIONES UNIDAS. | INSTITUTO METALMECÁNICO. |
| ASOCIACIÓN NAVARRA DE EMPRESARIOS DEL METAL. | INSTITUTO DE AUDITORES INTERNOS. |
| APD-ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN. | INSTITUTO VASCO DE COMPETITIVIDAD FUNDACIÓN DEUSTO. |
| BIZKAIA XEDE. | NUEVA ECONOMÍA FORUM. |
| CÍRCULO DE EMPRESARIOS VASCOS. | REOLTEC (PLATAFORMA TECNOLÓGICA DE ENERGÍA EÓLICA). |
| CLUB DE MARKETING DE NAVARRA. | ROBOTIKER CENTRO TECNOLÓGICO. |



| Main international associations Gamesa belongs to | |
|---|--|
| Association | Association |
| AMERICAN WIND ENERGY ASSOCIATION (AWEA) | EUROPEAN WIND ENERGY ASSOCIATION (EWEA) |
| APOLLO ALLIANCE | FÖRDERGESELLSCHAFT WIND-FGW |
| ASSOCIAZIONE PRODUTTORI ENERGIA DEL VENTO (ANEV) | GLOBAL WIND ENERGY COUNCIL |
| ASSOCIAZIONE PRODUTTORI ENERGIA DA FONTI RINNOVABILI (APER) | GLOBAL REPORTING INITIATIVE |
| ASOCIACIÓN MEXICANA DE ENERGÍA EÓLICA (AMDEE) | GREEK ASSOCIATION OF RES ELECTRICITY PRODUCERS |
| ASSOCIAÇÃO BRASILEIRA DE ENERGIA EOLICA (ABEEOLICA) | HELLENIC WIND ENERGY ASSOCIATION |
| PORTUGUESE INDEP. ENERGY GENERATORS ASS. (APREN) | HUNGARIAN WIND ENERGY ASSOCIATION |
| BULGARIAN WIND ENERGY ASSOCIATION (BGWEA) | INDUSTRIE UND HANDELSKAMMER ASCHAFFENBURG (IHK) |
| BULGARIAN WIND ENERGY GENERATORS ASSOCIATION (APPE) | JOHNSTOWN AREA REGIONAL INDUSTRY (JARI) |
| AUSTRIAN WIND ENERGY ASSOCIATION | OLDENBURGER ENERGIECLUSTER (OLEC) |
| BRITISH WIND ENERGY ASSOCIATION | PHILADELPHIA CHAMBER OF COMMERCE |
| BUNDESVERBAND WINDENERGIE (BWE) | POLISH WIND ENERGY ASSOCIATION (PWEA/PSEW) |
| BILDUNGSZENTRUM FÜR ERNEUERBARE ENERGIEEN (BZEE) | REOLTEC (WIND ENERGY TECHNOLOGY PLATFORM) |
| CAMARA ARGENTINA DE ENERGIAS RENOVABLES (CADER) | ROMANIAN WIND ENERGY ASSOCIATION (RWEA) |
| SPAIN - USA CHAMBER OF COMMERCE | SPANISCHE HANDELSKAMMER (ASHK) |
| EUROPEAN CHAMBER OF COMMERCE IN CHINA | NATIONAL ASSEMBLY SUSTAINABLE ENERGY GROUP (NASEG) |
| SPANISH CHAMBER OF COMMERCE IN CHINA | SVENSK VINDENERGI (SWEDISH WIND ENERGY) |
| HISPANO-PORTUGUESE CHAMBER OF COMMERCE AND INDUSTRY | SYNDICAT DES ENERGIES RENOUVELABLES (SER/FEE) |
| POLISH-SPANISH CHAMBER OF COMMERCE (PHIG) | TEXAS WIND COALITION |
| CITIZEN'S FOR PENNSYLVANIA'S FUTURE | UTILITY WIND INTEGRATION GROUP (UWIG) |
| COMITATO ELETTROTECNICO ITALIANO | VERBAND DEUTSCHER MASCHINEN UND ANLAGENBAU (VDMA) |
| DANISH WIND INDUSTRY ASSOCIATION | |

Commitments to stakeholders

4.14 List of stakeholder groups engaged by the organization.

Gamesa considers important and regulates the relationship with its Stakeholders, those groups that may be affected by its activities. On the one hand Gamesa concerns itself with the perception these groups may have of the company and which could be particularly important from the perspective of reputation, and on the other with addressing their needs and expectations.

In an international business environment such as Gamesa's, addressing the maintenance of relationships that are ethically irreproachable, the following stakeholders are considered important:

- Shareholders
- Customers
- Employees
- Supplier, contractors and collaborators
- Community, Government and Public Authorities

4.15 Basis for identification and selection of stakeholders with whom to engage.

Identification of Gamesa's stakeholders, as well as models for relationship with them, is described in the Gamesa Code of Conduct. Its revision and updated culminated with the Board of Director's approval of the new revised and updated text, in their October 21, 2008 session. Specifically, the Code establishes that, in:

| Stakeholder | Commitments |
|--|---|
| Relationships with Shareholders | <p>Gamesa states its purpose as continuous value creation for its shareholders and as such, will conserve, protect and increase assets, rights and legitimate interest of the shareholders respecting commitments assumed and harmonized at all times with social integration and respect for the environment.</p> <p>The information communicated to shareholders shall be true, complete and adequately reflect the status of the company.</p> |
| Relationships with Customers | <p>Gamesa's objective is to optimally, reliably and competitively satisfy the requirements of its customers. It promotes establishing durable commercial relationships with its customers.</p> <p>Relationships based on a consistent attitude of service and providing value, developing solutions that exceed their expectations and that do not imply risks to their health or safety, respecting commitments, announcing any changes in agreements beforehand, and maintaining honesty and professional responsibility with them, beyond any legal requirements. Likewise it guarantees customer data confidentiality, making a commitment to not reveal them to third parties without customer consent or due to legal obligation, or compliance with legal or governmental resolutions.</p> |
| Relationships with Employees | <p>Gamesa shares their goal for improving quality of life and believes in social and professional development as an implicit component for their future and professional success.</p> <p>It will encourage employee training, particularly through the creation of job opportunities, as well as by avoiding any kind of discrimination, showing respect for diversity, encouraging a safe healthy environment and promoting communications with the workforce.</p> |
| Relationships with suppliers, contractors and collaborators | <p>A company objective is to create relationships with suppliers, contractors, and collaborators that are based on trust, information transparency, and the sharing of knowledge, experience, and capabilities.</p> <p>From the perspective of choosing suppliers, it commits to a supplier, contractor and external collaborator selection process that is impartial and objection.</p> <p>Regarding conduct, Gamesa researches information regarding ethical behavior of its suppliers, contractors, and collaborators, committing itself to take the measures required in the case that said behavior infringes on the values and principle of the Code of Conduct.</p> |
| Relationships with competitors | <p>Gamesa is committed to engaging in loyal market competition, promoting free competition, fully respecting prevailing regulations and avoiding any conduct that could amount collusion, abuse or restriction of competition.</p> |
| Relationship with the Community, Government and Public Authorities | <p>Gamesa is willing to contribute to the improvement of quality of life and creation of wealth, both by providing its own services like promoting and launching new business activities, as well as by driving economic-social development through non-business channels. The principles maintained in its relationship with the Community are the following:</p> <ul style="list-style-type: none"> a) Sensitivity to social change in order to better understand how the needs of society in general evolve and as such anticipate future demands in the sector. b) Systematic fluid, and truthful information that generates a climate of trust and credibility. c) Respect for the environment, complying with prevailing law and collaborating for the conservation and improvement of same. d) Creation of employment leading new competitive business developments. e) Support and development of disadvantaged groups and sectors. f) Contribute to raising the scientific and technological level of our environment by supporting research and promote the use of environmentally friendly technologies and methods. g) Collaborate with institutions as platforms of activity for improvement and development of the Community. <p>Relationships with Public Authorities must be guided institutional respect and legal compliance.</p> |

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

As the concepts associated with corporate social responsibility have evolved, so have Gamesa's

| Stakeholders | Relevant jeans of dialogue and communication |
|--------------------------------------|--|
| Customers | <ul style="list-style-type: none"> • Presence in sector forums and conferences: EWEC, ICCI, EOLICA EXPO, Brazil Windpower, RE Power, Wind and Solar Power Industry & Electric Power Industry Exposition, The 5th Northeast Asia Investment and Trade Expo, Eolica Expo Mediterranean , VIND 2010, China Windpower, Husum WindEnergy , DIREC 2010, Renewable UK 2010, Renexpo® y EFEF. • Gamesa G9X and Gamesa G10X seminar, in Ankara and Istanbul (Turkey). • Exclusive portal for operations and maintenance service customers: Reports on the wind farms they own whose maintenance and operations are managed by Gamesa: technical, maintenance, availability, contractual, etc. • Access to all wind farm management tools: GIC (work performed on the wind turbine), SCPE (real time status for each wind turbine), WebMEGA (weather predictions), technical documentation, etc. • WebMEGA System, an integrated management tool for wind farms (hourly prediction of wind and production of the farm covering 7 days) that mitigates risks from weather changes (economic and labor). • Training offering: certified courses and seminars for wind technology and prevention. • Catalog of all Gamesa products and services and online spare parts in 3D. • Customer Satisfaction Project (PSC): 19 clients in 6 different countries in the 2010 surge. • Given the small client list, communications can be carried out through direct contact and KAMs (Key Account Managers). |
| Suppliers | <ul style="list-style-type: none"> • Presence in sector forums and conferences: Danish Wind Energy Association annual meeting, Faro Internacional-Intergune 2010, in addition to those specified by the customer. • Meetings with suppliers: "Assembly: Gamesa and its suppliers creating a green future together" and "2010 Gamesa China Suppliers Day". More than 50 one-on-one work sessions. • Supplier portal, for exchange of product technical documentation, quality documentation, and documentation for delivery management. • Gamesa web page: contains General Purchase Conditions and Quality manual for suppliers. |
| Employees | <ul style="list-style-type: none"> • Code of conduct and WOW communications: 19 communications for the "Way of Working" with the code of conduct (se section HR3). • Periodic "Renueva" bulletins: 84 Worldwide, 7 to management team, 5 specials and 33 others. Total 129. • "Renueva" mail box: 107 records (100% addressed). • Gamesa Flex mail box for managing information regarding the Gamesa's flexible compensation plan. 997 records (100% addressed). • Gamesa Club mail box for managing incidents and information related to the Gamesa purchasing club. 99 records (100% addressed). • Human Capital Management mail box for dealing with general human capital management issues, GMBO processes, welcome and others. 132 records (100% addressed). • Gamesa intranet: 77.438 visits 2010 for an average of 3'34"... • Special World Excellence Day micro site. 3.017 page visits. Navigation time 13'. 676 downloads of pdf files. • Managers Meetings: Gamesa Management Group GMG-2010. 3-day session. • Breakfast with the Chairman. • Intranet employment site. • Suggestions Box • Welcome procedures. • Training activities: 3.736 training activities in 2010 (75% in person / 17% online). • Code of Conduct Compliance Channel: 19 communications in 2010. |
| Communities and Governments | <ul style="list-style-type: none"> • Communications to the Spanish Securities Market Commission (CNMV): 45 in 2010. • Corporate web page. • Direct institutional relationship with governments. • Participation in business confederations and other social organizations: Member in 148 associations in 2010 (112 in Europe/ 1 in India / 14 in the United States / 9 in China /12 in the Rest of the World. • Participation in forums, conferences, community events and collaborations. • Environmental impact process evaluation: 17 in 2010. Total environmental studies: 85. |
| Shareholders, Investors and Analysts | <ul style="list-style-type: none"> • Corporate web page has a specific space for investors and shareholders: 430,000 visits in 2010 (23% increase over 2009). • Presentation of results and strategies: followed by 900 people. • Wind Farm seminar: followed by 178 people. • Presentation of the 2011-2013 Business Plan followed by 921 people. • Shareholder Information Office dealt with 500 calls. • Investor Relations Department: Visits to financial centers: Madrid, Barcelona, London, Tokyo, Frankfurt, Geneva, Zurich, New York, Boston and San Francisco. Total meetings in 2010: 140. • General Shareholders' Meeting: Presence of 56% of share capital. followed by 125 people. • Shareholder Services mail box: 1,300 inquiries (44% increase with respect to 2009). • Mailing of documentation by postal service. • Ongoing contact with 35 analyst companies. |

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

This sustainability report endeavors to cover those topics and indicators that reflect the organization's significant economic, environmental and social impact, or those that would substantively influence the assessments and decisions of stakeholders.

The focus adopted to determine the materiality of information contained in this document combines internal and external factors as indicated in section 3.5 (process for defining report content) including factors like the corporate mission, vision, and values, competitive strategy, concerns expressed by stakeholders, and social expectations.

| Main concerns | Key issues identified |
|-----------------------------------|--|
| Climate change | <ul style="list-style-type: none"> • Development of specific policies and strategies for fighting climate change. • Identification of financial, regulatory and operational risks associated with climate change. • Inclusion of climate change in the design of products as an environmental element. • CO2 emissions historical trend publication (Scope 1 and indirect Scope 2). • Publication of intensified CO2 indicators. • Objectives for GHG emissions reduction and progress on compliance. • Evaluation of GHG emission in the supply chain (Scope 3). • Promotion of the application of climate change best practices among suppliers. • Support of and commitment to public initiatives in the fight against climate change. |
| Environment and biodiversity | <ul style="list-style-type: none"> • Identification and management of environmental risks and impact. • Environmental and energy efficiency in company activities. • Analysis of environmental impact of product life cycles. • Internal sensitization and communication regarding environmental issues. • Promotion of best practices for environmental management in the supply chain. • Conservation and biodiversity policy. • Risk map, identification of operations in sensitive areas. • Adoption and public support of international standards regarding biodiversity (e.g. Convention on biological Diversity). • Species monitoring programs (impact on ecosystems) (KPI). • Recovery and restoration policies for damaged ecosystems. |
| Communities and social investment | <ul style="list-style-type: none"> • Policies and management systems for community relations. • Identification and social impact management for company projects. • Policy for contribution to local development through social investment programs. • Promote technology transfer with developing countries. • Increase social acceptance with sensitization regarding the benefits of wind power. • Promote corporate volunteers. |
| Ethics and Integrity | <ul style="list-style-type: none"> • Public commitment to business ethics. • Adoption of international ethics and integrity initiatives. • Adoption of codes of conduct and compliance systems. • Reporting regarding degree of compliance to the code. Publication of significant non-compliance. • Implementation of robust policies against bribery and corruption. • Commitment to transparency in commercial relationships and with public administrations. • Information regarding corporate practices at they relate to political contributions and application of principles of good governance to lobbying practices. • Employee training and sensitization regarding issues of business ethics. |
| Human Rights | <ul style="list-style-type: none"> • Formal policies regarding Human Rights issues in line with leading international standards. • Mechanisms for evaluating and managing risk associated with infringement of human rights (identification, evaluation, communication channels, research). • Development of risk maps following standards of reference. • Definition of indicators for monitoring compliance and reporting performance. • Promotion of practices that respect Human Rights among employees. • Promotion of human rights in areas where the company has influence, especially among partners and suppliers. • Active participation and collaboration with governments and NGOs regarding Human Rights. |

| | |
|----------------------|---|
| Corporate Governance | <ul style="list-style-type: none"> • Formal policies of corporate governance in accordance with international standards. • Commitment to the Independence and diversity of the Board of Directors. • Director compensation linked to achieving ESG objectives. • Director performance evaluation. • Sustainability Committee or CSR on the Board of Directors. • Inclusion of ESG know-how in the Investor Relations Department. |
| People | <ul style="list-style-type: none"> • Human Resources Policy based on leading international standards (i.e. ILO). • Policy of diversity, inclusion, equality, and opportunity. • Commitment to job stability. • Professional development based on competencies. • Talent attraction and retention policy. • Compensation based on merit recognition (performance evaluation systems). • Inclusion of external perception metrics (risk of reputation loss, client satisfaction, stakeholder feedback, and environmental metrics for reduction of corporate emissions) as well as variable compensation indicators for senior management. • Commitment to freedom of association especial in countries where it is denied by law. |
| Health & Safety | <ul style="list-style-type: none"> • Health and safety policies. • Identification, evaluation and mitigation of risk in the area of work health and safety. • Adequate mental health / health assistance (adopt measures for controlling stress, implement flex-time system, provide psychological help, etc.) • Training and Sensitization regarding work safety. • Trend of employee and contractor accident indicator (KPI) • Trend of absenteeism indicator (KPI) • Objectives for reducing work accidents and degree of progress. |

We endeavor to respond to all of these issues throughout the various sections of the 2010 Gamesa Sustainability Report.

Economic dimension

Management Approach-Economic dimension

Gamesa's 2010 consolidated economic and financial results are included in the Legal and Activity Reports for 2010 and are available on the corporate web page.¹⁹

Conclusions regarding 2010 performance and business prospects are summarized as follows:

Conclusions drawn for 2010

At the end of 2010 Gamesa had met its objectives and generated €472 MM net free cash. That was the result of effective management of its operations and its balance sheet and permits it to undertake the 2011-2013 business plan from a sound financial and operating position.

The Wind Turbine division closed 2010 with sales of 2,405 MWe and an EBIT margin of 4.9%, both within the target range. In addition, the strategy for aligning client delivery schedules with manufacturing, strict control of cash, and revival of orders during the second half of the year, enabled the division to finish the year with a ratio of working capital to sales at -1% and a net cash position of €405 MM. The ongoing recovery of demand combined with the success of the commercial expansion strategy resulted in 1,414 MWe of orders for 2011 delivery, starting off the current year with 48% of the sales committed to the market as guidance, between 2,800 MWe and 3,100 MWe. After revival of development, promotion and wind farm sales with the delivery of 593 MW throughout the year, Gamesa Energía was back on the road to profitability during 2010, ending the year with a net positive contribution to group operating profits having generated an EBIT of €10 MM during the second half of the year.

2010 also closed with significant progress in the product portfolio and in the company offshore strategy. The second G10X-4.5 MW prototype was installed. It incorporates all technological innovations of the final product, making this wind turbine an Energy Cost leader. In addition, marketing of the G97-2 MW began. It is the first product of a new 2MW family for medium and low wind classes, and is considerably more efficient than the prior models.

Gamesa took critical steps in the offshore segment during 2010. It signed a strategic agreement with Northrop Grumman and later opened an offshore technology center in the United States located in Chesapeake, Virginia. The agreement brings together the best multi-megawatt technology know-how with best marine operations know-how in order to develop the first offshore prototype (G11xOFS-5 MW), which will be ready in the second half of 2012.

Among achievements in the multi-megawatt segment were the signing of an agreement with E.ON to provide the first G10x-4.5 MW machines and installation of the first G11xOFS-5 MW during 2011.

Recovery of demand is ongoing, but its rhythm in the medium term is still subject to the approval of stable regulatory frameworks in significant markets like the United States, Spain, and Italy. The current dependence on regulations demands Cost of Energy reduction by all participants in the industry; and reduction is one of the three action vectors of the 2011-2013 business plan. In the long term, it is unquestionable that the need to combat the effects of climate change and reduce our energy dependence guarantees the fundamentals of sector growth.

¹⁹ <http://www.gamesa.es/recursos/doc/accionistas-inversores/informacion-financiera/cuentas-anuales/english/consolidated-annual-accounts-2010.pdf>

Outlook

Gamesa put a business plan into place for the next three years (PN 2011-2013). Its objective is to reinforce leadership of the company in the wind market, making Gamesa the industry energy cost reference. Achieving this objective supports three action vectors.

- Reduce the cost of energy (see section EN6 for more detail)
- Maximize growth (see section EC9 for more detail)
- Maximize efficiency (see section EC9 for more detail)

Economic Performance

EC1. Direct economic value generated and distributed.

| <i>(in thousands of euros)</i> | 2010 | 2009 | 2008 |
|--|-----------------|----------------|----------------|
| Direct economic value generated | | | |
| Sales | 2,782,635 | 3,241,461 | 4,035,646 |
| Economic Value Distributed | 2,863,470 | 2,471,507 | 3,850,122 |
| Operating Costs | 2,434,327 | 2,056,394 | 3,410,294 |
| Employee compensation and expenses | 295,116 | 292,354 | 290,981 |
| Payments to suppliers of Dividends-capital ²³ | 12,750 | 29,000 | 48,660 |
| Financial expenses | 67,318 | 58,642 | 68,165 |
| Payments to public administrations | 52,346 | 34,241 | 30,449 |
| Investments to benefit the community ²⁴ | 1,613 | 876 | 1,573 |
| Economic Value Retained | (80,835) | 769,954 | 185,524 |

| Profit and Loss Account (MMEURO) | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|
| Sales | 2,764 | 3,229 | 3,834 |
| Own work capitalized | 68 | 71 | 63 |
| Consumption | -1,850 | -2,326 | -2,730 |
| Staff costs | -295 | -292 | -288 |
| Other operating expenses | -359 | -287 | -348 |
| EBITDA | 328 | 394 | 530 |
| Amortization and depreciation | -103 | -99 | -94 |
| Provisions | -106 | -118 | -204 |
| EBIT | 119 | 177 | 233 |
| Financial gains/losses | -54 | -53 | -50 |
| Gains (Losses) from disposal of non-current assets | -1 | -2 | -3 |
| Net Losses from asset deterioration | -30 | -2 | 0 |
| Equity method gains (losses) | 2 | 2 | 2 |
| Profit before Tax | 35 | 122 | 181 |
| Tax | 15 | -7 | -2 |
| Net Profit | 50 | 115 | 320 |



EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change.

The scientific evidence surrounding climate change continues to be overwhelming and generates an undeniable impact on world populations, natural resources, and global economies.

Gamesa contributes to the transition to a low carbon economy with its experience and actions, and it accepts the challenge to maintain competitiveness producing in the most efficient way possible.

Gamesa strengthened its commitment when it joined in the Cancun Communiqué (and before that the Copenhagen and Poznan Communiqués), a call to action to governments to:

- Promote energy efficiency in all sectors: including financial support as well as building, transport and industry energy efficiency policies
- Promote low carbon emission power systems and development of infrastructures and research in these areas.
- Promote emission capture and storage systems.
- Strengthen efforts in the fight against emissions of other greenhouse gases such as methane and nitrous oxide

These objectives constitute positioning to foment technological change and encourage power generation with cleaner technologies. Gamesa has a world-wide commitment to tackle climate change through reduction of CO₂ emissions, where in addition to the Copenhagen Accord, there are common objectives such as the European Union's 20/20/20 Objective, incentivizing policies, Production Tax Credits (PTC), Investment Tax Credits (ITC) and Treasury Grants in the United States, or the 5-year plan in China, that could raise the initial renewables objective of 15% in 2020, among others.

| Wind capacity installed worldwide ²⁷ | 2010 | | | 2009 | 2008 |
|---|-------------|--------|----------|-------------|-------------|
| (megawatts-MW) | Accumulated | Acc. % | New 2010 | Accumulated | Accumulated |
| China | 42,287 | 21.8 | 16,500 | 25,805 | 12,020 |
| United States | 40,180 | 20.7 | 5,115 | 35,086 | 25,068 |
| Germany | 27,214 | 14.0 | 1,493 | 25,777 | 23,903 |
| Spain | 20,676 | 10.6 | 1,516 | 19,160 | 16,689 |
| India | 13,065 | 6.7 | 2,139 | 10,926 | 9,655 |
| Italy | 5,797 | 3.0 | 948 | 4,849 | 3,736 |
| France | 5,660 | 2.9 | 1,086 | 4,574 | 3,404 |
| United Kingdom | 5,204 | 2.7 | 962 | 4,245 | 2,974 |
| Canada | 4,009 | 2.1 | 690 | 3,319 | 2,369 |
| Denmark | 3,752 | 1.9 | 327 | 3,465 | 3,163 |
| Rest of the world | 26,546 | 13.7 | 4,750 | 21,796 | 17,316 |
| Worldwide total | 194,390 | 100 | 35,802 | 158,738 | 120,297 |

Gamesa operates in a market that wants mature technology which is in world-wide demand. This market is continually growing; wind energy installations grew 35.8 GW in 2010 according to numbers published by the Global Wind Energy Council (GWEC). Total installed wind energy reached 194.4 GW in 2010, an increase of 22.5% with respect to the 158.7 GW of capacity at the end of 2009. The capacity added in 2010 represents an investment of €47.3 BN (US\$65 BN).

The transition to a low carbon economy positions wind power, and Gamesa in particular, as a key player for world economies, providing CO₂ emission free energy, reducing dependence on fossil fuels, increasing energy security and contributing to energy price stability. It likewise contributes to providing incomes to local economies, developing local suppliers, and generating sustainable employment while introducing new technology to the market.

EC3. Coverage of the organization's defined benefit plan obligations.

Gamesa's philosophy contemplates company benefits as instruments that offer protection and guarantee employees a standard of living, establishing different levels of coverage and different products in function with professional category. The following figure among the items contemplated by the Company Compensation Policy:

- Preventive Medical Service and Periodic Health Check-ups. Company medical service that manages annual check-ups and health and prevention programs.
- Life insurance for Management Personnel: As part of their compensation, Gamesa offers life insurance to management personnel. Its guaranteed capital is in function with different remuneration levels.
- Flexible Compensation Plan (Gamesa Flex): Possibility for Gamesa managers in Spaito adjust part of their compensation to get tax savings and economic advantages from the tariffs. Products offered in the plan are: health insurance, home rental, restaurant tickets, computers systems and children care vouchers.
- Purchasing Club (Gamesa Club): Special purchasing conditions for Gamesa employees.
- Family Plan: Encourage collaboration with companies that facilitate balance between professional and personal life, specifically for Gamesa Energía.
- Company Dining Rooms: Restaurant services in some of the main work centers that are wholly or partly subsidized by the company.
- Flexible Work Day: Flexibility in the work start and stop times in order to facilitate better balance between personal and professional life.

²⁷ Fuente: Global Wind Energy Council-GWEC. "Global Wind Report – Annual Market Update 2010"

- Retirement Plans / Pensions: As a general norm, the company does not offer pension or retirement plans beyond those required by obligations deriving from acquisitions. Specifically:
 - For employees in the United Kingdom, Gamesa manages a pension plan as provided for by law; contributions are made by the company based on salary.
 - For managers in Spain, the company offers the opportunity for salary tax optimization through contributions to a pension plan by the employee.
 - In the case of the United States, employees may make contributions to a retirement plan using investment funds of their choosing, and receiving the corresponding tax advantages. In this case, the company matches 100% of the employee contribution up to 4% of the employee's salary. Employees are immediately vested in regards to company contributions, meaning that they can take the company contributions with them in the case that they decide to leave the company. Likewise, all employees in the United States have access to our medical and dental services, and life insurance. In this case the workers make 16% of the contribution and Gamesa covers the remaining 84%. For other types of services, employees pay 24% and the company the remaining 76%.



EC4. Significant financial aid received from government.

The subsidies granted to Gamesa for investing in R&D in 2010 totaled €5.8 MMEURO. These awards have come from European bodies, both national and autonomous, and specifically from the European Commission under the FP7 Framework, The Center for the Development of Industrial Technology, the Ministry of Finance, the Spanish Institute for Foreign Trade, the Basque Government, the Madrid Development Institute, the Society for the Regional Development of Cantabria, and the Government of Galicia.

In addition, in 2010 Gamesa obtained low interest credit for €7 MMEURO from the Center for the Development of Industrial Technology and the Ministry of Industry, Tourism and Trade.

On the other hand, public administrations owning shares in the companies making up the Gamesa group is not known.

Market Presence

EC5. Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

The Gamesa remuneration and compensation Policy is a key management tool for aligning the actions and behavior of our leaders with the organization's culture and objectives.

Rewarding employees in order to attract them, develop them, and motivate them implies a fair and competitive compensation strategy, one that provides opportunity of reward to all employees, including an appropriate well targeted combination of intrinsic reward. It must contemplate all aspects of compensation and benefits that our employees may demand.

Keeping this in mind, our compensation system assures that we adjust remuneration to professional levels and market salaries, guaranteeing our employees a fair and competitive remuneration in all cases.

With regards to the range of ratios corresponding to standard entry salaries in comparison with the local minimum wage, we demonstrate that, based on the following calculations, groups that are not expressly covered by collective agreements are taken into consideration, in view of the fact that the requirements and guarantees agreed with the union are included in that. This ratio reaches 2x in Spain, 1.5x in the United States and 4x in China. In recently developed areas of India and Brazil, standards are applied according to the market and sector and the ratios will evolve correspondingly.

EC6. Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.

Gamesa tries to optimize the profile of its supply chain in order to get the most competitive costs. A 2010 analysis indicates that globalization of the sales presence increases current costs of the supply chain; and in addition that tariffs continue increasing in target countries, that regulatory support is linked to the requirements of local regulations, and finally that there are new opportunities for cost competitive suppliers in low cost countries.

Given this, Gamesa's strategic policy as described in the 2011-2013 business plan, and as it relates to the supply profile, is oriented towards globalization without undermining product quality and return. This speedy localization is thanks to:

1. worldwide suppliers with local presence
2. new local suppliers, and
3. assistance for the current base of suppliers to go international, guaranteeing that they can accompany Gamesa worldwide.
- 4.

The commitment to **localization of supply** supports creation of capacity in areas where there is an industrial presence, using it to contribute to technological and industrial development of local companies and wealth generation in those areas.

| Country / Platform 2010 | Degree of localization |
|---|------------------------|
| United States – localization of the G8X | 60% |
| China – localization of the G8X | 89% |
| China – localization of the G5X | 76% |
| India – localization of the G5X | 35% |

Localization of the supply chain in India is happening as planned: Nacelles and towers in 2010, gearboxes and generators in 2011 and blades in 2012.

In other countries and emerging target markets for Gamesa, like Brazil, the objective is to reach 60% of local content in 2012.

The company **supplier mix** in the areas where it operates:

| Supplier mix for direct purchase | 2010 | 2009 | 2008 |
|----------------------------------|------|------|------|
| By business areas | | | |
| Nacelles | 71% | 56% | 63% |
| Blades | 23% | 36% | 31% |
| Towers | 5% | 8% | 6% |
| By geographical areas | | | |
| Europe and rest of the world | 64% | 53% | 63% |
| United States | 12% | 22% | 15% |
| China | 21% | 25% | 22% |
| India | 3% | - | - |

En lo relacionado con compra indirecta, esto es, aquellos costes orientados a servicios de reparación, conservación y mantenimiento, otros suministros generales, limpieza, telecomunicaciones...etc., el volumen de compra global asciende a 357 MMEURO, centrándose el 80% del gasto en 250 proveedores.

| Supplier mix for indirect purchase | Number of suppliers (%) | Suppliers invoicing (%) |
|------------------------------------|-------------------------|-------------------------|
| Europe and rest of the world | 66% | 62% |
| United States | 19% | 28% |
| China | 5% | 1% |
| India | 10% | 9% |

EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

The company has an international set of personnel contracting policies and processes with completely established procedures. In particular, procedure PRH-1-002 for personnel selection has an objective to establish a methodology that satisfies the needs of people in different organizational unit. This is in accordance with operating plans and strategies, insuring suitability and alignment with corporate values. At the same time, it enables identification and definition of all selection process milestones in order to guarantee optimization of its different phases: recruiting, candidate evaluations tools, contracting and incorporation of professionals outstanding in their areas. The process guarantees that no candidate will be discriminated against in any phase of the selection process due to gender, age, race, religion, beliefs or opinions. Evaluation criteria deal exclusively with professional requirements, guaranteeing evaluation of knowledge, capacities, and abilities. It guarantees compliance with prevailing law regarding incorporation of the disabled and actions for eliminating any kind of forced or obligatory labor, for eradication of child labor and forced labor for repaying loans, and for extinction of any other type of coercive work.

In the countries where it is established, Gamesa made searching for and attracting local talent a priority. Likewise, internal mobility is being strengthened within the company group, whether local or international, encouraging wide representation and knowledge transfer.

| Local management personnel | |
|----------------------------|-------------------|
| Spain | Spain |
| Rest of Europe | Rest of Europe |
| United States | United States |
| China | China |
| India | India |
| Rest of the world | Rest of the world |

Note: For purposes of this indicator do have consideration of managers those individuals included in the group that sets out the strategies and policies, advising on strategic issues and on the definition of business objectives, and whose work focuses on the long-term responsibility end of the critical processes of Gamesa, and the profit and loss account.

It is also applicable to the design and supervision of the implementation of comprehensive strategies defined, with responsibility for developing specific strategies, policies, regulations and procedures of their business unit or functional area.

Indirect Economic Impacts

EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.

In addition to generating and distributing economic value, Gamesa has influence in the communities where it operates that goes further than its own business operations, and this is extended as a long term commitment.

These activities were especially relevant in 2010 in India where Gamesa launched activities in the areas of health, education, and care for the community's environment. These programs are oriented to:

| Activities carried out by Gamesa in India with the community | | | |
|---|---|---|---|
| Description of the initiative | Description of the initiative | Description of the initiative | Description of the initiative |
| Training at school: With collaboration of the local administration, the Theni Block department of education, children's parents, and Gamesa personnel, educational training is given to children between 1 and 8 years. | Training at school: With collaboration of the local administration, the Theni Block department of education, children's parents, and Gamesa personnel, educational training is given to children between 1 and 8 years. | Training at school: With collaboration of the local administration, the Theni Block department of education, children's parents, and Gamesa personnel, educational training is given to children between 1 and 8 years. | Training at school: With collaboration of the local administration, the Theni Block department of education, children's parents, and Gamesa personnel, educational training is given to children between 1 and 8 years. |
| Health Camp: Gamesa has organized around 80 professionals for this health camp, the objective being to prevent and treat different diseases. Employees, suppliers, and volunteers collaborate. | Health Camp: Gamesa has organized around 80 professionals for this health camp, the objective being to prevent and treat different diseases. Employees, suppliers, and volunteers collaborate. | Health Camp: Gamesa has organized around 80 professionals for this health camp, the objective being to prevent and treat different diseases. Employees, suppliers, and volunteers collaborate. | Health Camp: Gamesa has organized around 80 professionals for this health camp, the objective being to prevent and treat different diseases. Employees, suppliers, and volunteers collaborate. |
| Rehabilitation of a public park With the help of Gamesa employees, a park of around 200 square meters was rehabilitated. | Rehabilitation of a public park With the help of Gamesa employees, a park of around 200 square meters was rehabilitated. | Rehabilitation of a public park With the help of Gamesa employees, a park of around 200 square meters was rehabilitated. | Rehabilitation of a public park With the help of Gamesa employees, a park of around 200 square meters was rehabilitated. |

There are also cooperative development programs intended to alleviate socio-economic deficiencies in depressed areas. To this end, in 2010 Gamesa channeled economic funds for developing this type of project in 2011, with the promotion of activities in Tamil Nadu and Anantapur in India and Sao-Paulo and Belem in Brazil. These projects benefit from financing within the framework of the Caja de Ahorros de Navarra (CAN) program "You choose, you decide."

| Other cooperative development projects channeled by Gamesa (financed with CAN funds) | | | |
|--|--|--|--|
| Description of the initiative | Description of the initiative | Description of the initiative | Description of the initiative |
| Construction of a center for the disabled Children from Karattuputhur | Construction of a center for the disabled Children from Karattuputhur | Construction of a center for the disabled Children from Karattuputhur | Construction of a center for the disabled Children from Karattuputhur |

| | | | |
|---|---|---|---|
| with physical or mental disabilities will be served by the construction of this specialized center. The project is promoted by the City Foundation of Hope and Happiness with the help of the Congregation of the Sisters of Santa Ana. | with physical or mental disabilities will be served by the construction of this specialized center. The project is promoted by the City Foundation of Hope and Happiness with the help of the Congregation of the Sisters of Santa Ana. | with physical or mental disabilities will be served by the construction of this specialized center. The project is promoted by the City Foundation of Hope and Happiness with the help of the Congregation of the Sisters of Santa Ana. | with physical or mental disabilities will be served by the construction of this specialized center. The project is promoted by the City Foundation of Hope and Happiness with the help of the Congregation of the Sisters of Santa Ana. |
| Construction of a housing complex: Construction of 35 homes for Dalits or "Untouchables", a rural marginalized community so they have access to a decent safe home. It is promoted by the Vicente Ferrer Foundation. | Construction of a housing complex: Construction of 35 homes for Dalits or "Untouchables", a rural marginalized community so they have access to a decent safe home. It is promoted by the Vicente Ferrer Foundation. | Construction of a housing complex: Construction of 35 homes for Dalits or "Untouchables", a rural marginalized community so they have access to a decent safe home. It is promoted by the Vicente Ferrer Foundation. | Construction of a housing complex: Construction of 35 homes for Dalits or "Untouchables", a rural marginalized community so they have access to a decent safe home. It is promoted by the Vicente Ferrer Foundation. |
| Caná Project – Shelter and Education Promoted by the Domingo Lázaro Marianist Educational Foundation with the help other church institutions, they give shelter to children and young people from a favela, where some thousand families live in extreme poverty. The Caña project was begun with the objective of becoming an instrument for social change, conceived and practiced in the street. | Caná Project – Shelter and Education Promoted by the Domingo Lázaro Marianist Educational Foundation with the help other church institutions, they give shelter to children and young people from a favela, where some thousand families live in extreme poverty. The Caña project was begun with the objective of becoming an instrument for social change, conceived and practiced in the street. | Caná Project – Shelter and Education Promoted by the Domingo Lázaro Marianist Educational Foundation with the help other church institutions, they give shelter to children and young people from a favela, where some thousand families live in extreme poverty. The Caña project was begun with the objective of becoming an instrument for social change, conceived and practiced in the street. | Caná Project – Shelter and Education Promoted by the Domingo Lázaro Marianist Educational Foundation with the help other church institutions, they give shelter to children and young people from a favela, where some thousand families live in extreme poverty. The Caña project was begun with the objective of becoming an instrument for social change, conceived and practiced in the street. |
| Integrated education for girls The objective is to integrate groups of girls from humble backgrounds both socially and work-wise. The Vincente Maria Social Center evaluates the school grade level of the girls and facilitates access to a public school. The Fesmai Foundation promotes the project contributing, in addition, one of the objectives of the UN which is to achieve universal primary education. | Integrated education for girls The objective is to integrate groups of girls from humble backgrounds both socially and work-wise. The Vincente Maria Social Center evaluates the school grade level of the girls and facilitates access to a public school. The Fesmai Foundation promotes the project contributing, in addition, one of the objectives of the UN which is to achieve universal primary education. | Integrated education for girls The objective is to integrate groups of girls from humble backgrounds both socially and work-wise. The Vincente Maria Social Center evaluates the school grade level of the girls and facilitates access to a public school. The Fesmai Foundation promotes the project contributing, in addition, one of the objectives of the UN which is to achieve universal primary education. | Integrated education for girls The objective is to integrate groups of girls from humble backgrounds both socially and work-wise. The Vincente Maria Social Center evaluates the school grade level of the girls and facilitates access to a public school. The Fesmai Foundation promotes the project contributing, in addition, one of the objectives of the UN which is to achieve universal primary education. |



EC9. Understanding and describing significant indirect economic impacts, including the extent of impacts.

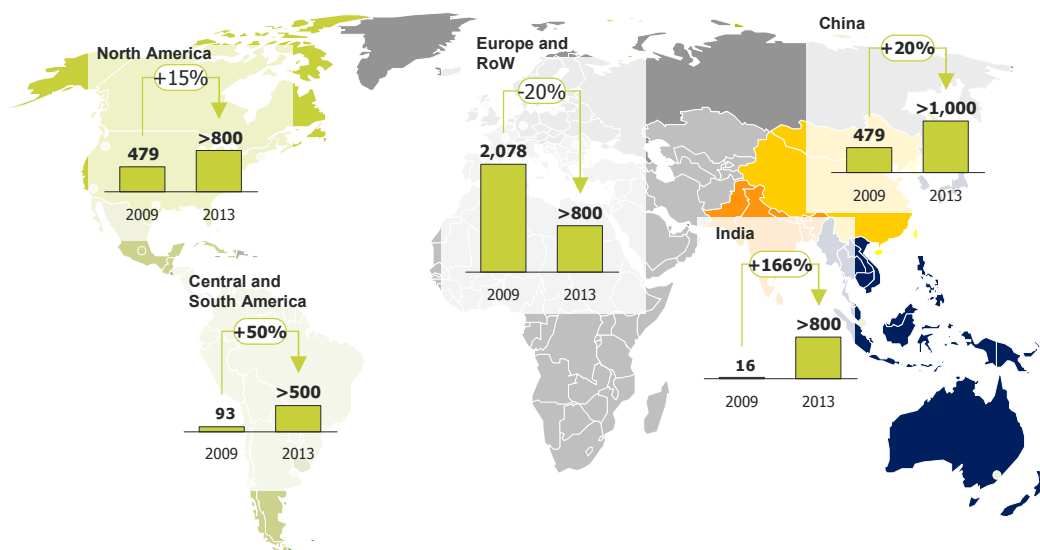
The Gamesa business plan for the next three years (PN 2011-2013), whose objective is to strengthen leadership of the company in the wind market, is supported with three strategy vectors: Reduction in the cost of energy, maximization of growth, and maximization of efficiency.

Its execution produces an indirect economic impact generated by circulation of wealth in the economy; this is caused by company, sector, and local changes in productivity. At the same time, it improves qualifications and knowledge in the professional community and generates jobs dependent on the supply and distribution chains.

Maximize growth. This vector targets expansion into new markets and segments covering the entire value chain from wind farm promotions to their operation and maintenance.

- Commercial expansion to new geographic markets and new segments, compensating for the maturity and regulatory uncertainty of Gamesa's traditional geographic markets, resulted in opening 12 new markets, including two during the first quarter of 2011, and more than 20 new customers. In order to successfully continue this trend and reach the 2013 4,000 MW sales objective, Gamesa is increasing local presence by opening new sales offices (24 in total, with seven opened during 2010), improving understanding of client needs, and reducing response times to their demands. Likewise, the new sales organization will continue designing and making individualized value propositions that adapt to the casuistry of each client segment, ranging from the large utilities, to the small and medium independent producers, and including industrial groups and financial investors.

Gamesa sales, 2009-2013 (MWe sold; CAGR 09-13)

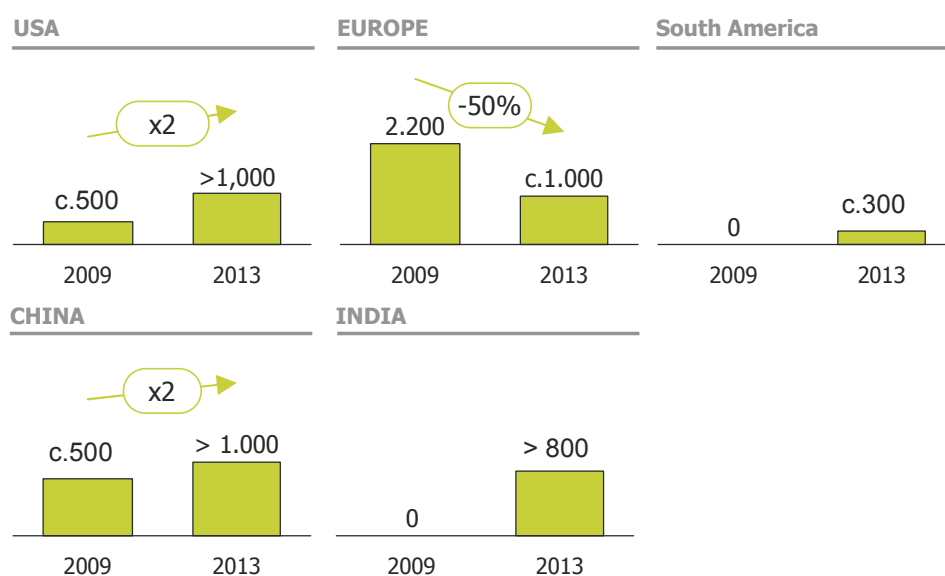


- Gamesa Energía, the development, construction, and wind farm sales division, constitutes a unique asset that enables Gamesa to offer detailed knowledge of the entire value chain to its clients, from measuring the wind to commissioning the wind farm. This reduces risk both for the customer and the financial entity backing the project. This reduction of risk is a key element given the context of the current macroeconomic and regulatory uncertainty in the market, turning Gamesa Energía into a tractor for significant demand. It has a target to deliver in the range of 400 MW per year during the 2011-2013 period, excluding joint promotion agreements in China which will add another 300 MW per year. Revival of sales and promotional activity will enable Gamesa Energía to increase its contributions to group profitability by more than €20 MM annually in the next three years.

Maximizing efficiency by launching new industrial platforms, adjusting capacity to demand, and optimizing cost structures.

- The change the wind energy market has experienced since the 2008 financial crisis, together with slow economic recovery and regulatory uncertainty, requires greater efficiency from wind turbine manufacturers that operate in an ever more competitive environment. Gamesa was one of the first companies in the sector to implement a cost optimization plan. It has generated accumulated saving of around €250 MM since it was launched, and has enabled the company to stay profitable with lower levels of activity.
- The new Gamesa business plan continues implementing measures to improve operating efficiency. Adapting capacity to industry demand is just one of them. Gamesa foresees reducing capacity in Spain by 50%, up to 1,000 MW at a cost of €10 MM in 2011 and €25 MM from 2011-2013). After shutting down capacity in 2010, 2011 will see restructuring of another three plants that will be used for large repairs and production of new product (G10X-4,5 MW platform).
- At the same time that capacity is rationalized in Spain, it will be increases in markets with high growth potential like India, with a forecast capacity of 800 MW for 2013, or South America with 300 MW of capacity in this same year, increasing the production capacity of key emerging markets. As a result, Gamesa will have 1,000 MW of capacity in each of the key markets in 2013.

Effective blade manufacturing capacity¹⁾, 2009-2013 (MW)



1) Capacity based on workforce size rather than equipment

- Gamesa starts 2011 with 500MW of G5x-850 KW (nacelle assembly) capacity in India. This is in keeping with the objective to double capacity so as to supply India's accelerated growth of demand. A new blade plant is planned to be opened during 2011 (300MW of G5x-850 KW) to continue with localization of the G9x-2 MW during 2012. The local supply chain plays a highly important role in the product localization process. As such, Gamesa works in close collaboration with more than 50 suppliers in India to meet supply commitments with cost, process and product quality, and terms aligned with Gamesa's demands.
- An industrial implementation plan will begin in Brazil in 2011 with the opening of a nacelle assembly plant in Bahía having 300MW of capacity. At the same time the local supply chain is defined and enables reaching 40% local content during the current year, 50% in 2012, and 60% in 2013. This year, Gamesa will deliver its first contract in Brazil: 42MW for the Dunas de Paracuru Park in the state of Ceará.

A graphic consisting of two overlapping gray rectangles. The front rectangle is slightly offset to the right and contains the text "Environmental dimension" in white, bold, sans-serif font.

Environmental dimension

Management Approach-Environment

Environmental Commitment: Gamesa is fully committed to continuous improvement and collaboration in order to achieve sustainable development. From the standpoint of prevention, this is done by developing and applying good practices aimed at environmental protection and by providing information and training on this culture. That's how it is expressed in the company Principles of Corporate Responsibility and Code of Conduct revised in October of 2008.

Paragraph 3.5 of the general standards of professional conduct, also advises that preservation of the environment is one of the guiding principles of the company. It is guaranteed through the approval of appropriate environmental policy and implementation of an environmental management system.

Everyone that works a Gamesa should know and assume said policy in the area where they operate and always act in accordance with an inspirational criteria of respect and sustainability, adopt habits and behaviors of the best environmental practices, and contribute positively and effectively to achieving the established objectives. They must make every effort to minimize environmental impact deriving from their activities and from use of the facilities, equipment and work resources at their disposition, endeavoring to make efficient use of same.

Integrated policy: The Integrated Workplace Health and Safety, Environment, and Quality Policy was revised in 2010. Gamesa has set complete customer satisfaction as an objective in all its processes including design, manufacture, assembly, mounting in the field, commissioning, and after sales service, internal as well as external. In order to achieve this, it established a safe work environment, guarantees maximum respect for the environment throughout the life cycle of its products, and adheres to an advanced quality system.

Gamesa's road to excellence is based on the following pillars.

- Health and Safety for people in the Workplace is more than a priority, it is a value.
- Commitment to responsible action regarding the health of both people and the environment. Conscious of its interaction with its surroundings, the company is committed to complying with prevailing legal requirements dealing with Health and Safety in the Workplace, the Environment, and Energy Efficiency, as well as applicable product regulations.
- Creation and distribution of wealth among shareholders, employees, suppliers, customers and communities in its operating activities. This commitment aims to prevent any nonconformity at each step of the processes and is carried out in a respectful harmonious fashion. Improvement and conservation of Health and Safety for people in the Workplace, Energy Efficiency, and product and service quality are achieved through commitment to continuous improvement.
- Sense of responsibility. Health and Safety in the Workplace, respect for the Environment, Energy Efficiency, and Quality requirements must be inherent to the organization. They must form an integral part of each person and each activity, and especially, of each person with responsibility for a team.

Operating responsibility: Responsibility for operating management of this activity falls to the Business Excellence Unit which reports directly to the COO's Management Committee. The mission of this unit is the promotion, strengthening and oversight of Health and Safety in the workplace, of the Environment, and of Quality via each area's management.

Strategic objectives: Following the guidelines laid out in the 2009-2011 plan, the following strategic objectives were defined for Gamesa's environmental area for 2011:

- Continuation of the waste reduction program using comparison with 2010 levels.
- Continuation of the energy efficiency and consumption reduction program, beating 2010 levels being the objective.
- Implementation of an EMAS compliant Environmental Management System.
- Obtain eco-design certification for the G10X wind turbine based on the UN 150301 standard.
- Increase the number of suppliers with plans for ISO 14001 certification over 2010 levels.
- Supplier environmental requirements compliance audits.

Management systems: The company has an integrated management system (IMS) that includes environmental management in accordance with ISO14.001 standards, quality management in accordance with ISO 9.001, and health and safety management in accordance with OHSAS 18.001. Within the company's internationalization process, the existence of unified management processes has turned into an added value of the first order. To be sure, nearly 100% of Gamesa's worldwide production capacity is certified with respect to these standards.



| Division | Location | ISO9001 | ISO 14001 | OHSAS 18001 |
|------------------------------|------------------------------|---------|-----------|-------------|
| Europe and Rest of the World | | | | |
| Nacelles | Ágreda, Soria | 2005 | 2005 | 2009 |
| Nacelles | Tauste, Zaragoza | 2001 | 2005 | 2009 |
| Nacelles | Medina, Valladolid | 2003 | 2005 | 2009 |
| Nacelles | Sigüeiro, A Coruña | 2001 | 2005 | 2009 |
| Gearboxes | Bergondo, A Coruña | 2005 | 2005 | 2009 |
| Gearboxes | Lerma, Burgos | 2005 | 2006 | 2009 |
| Gearboxes | Asteasu, Gipuzkoa | 2004 | 2005 | 2009 |
| Gearboxes | Mungia, Bizkaia | 2006 | 2008 | 2009 |
| Gearboxes | Burgos (tons) | 2005 | 2009 | 2007 |
| Blades | Aoiz, Navarra | 2010 | 2010 | 2010 |
| Blades | Somozas, Coruña | 2001 | 2005 | 2009 |
| Blades | Tudela, Navarre | 2008 | 2007 | 2009 |
| Blades | Miranda, Burgos | 2001 | 2005 | 2009 |
| Blades | Albacete | 2001 | 2005 | 2009 |
| Blades | Cuenca | 2001 | 2005 | 2009 |
| Blades | Imarcoain-moldes, Navarra | 2009 | 2005 | 2009 |
| Generators | Benissanó, Valencia | 2006 | 2007 | 2009 |
| Generators | Coslada, Madrid | 2005 | 2005 | 2009 |
| Generators | Reinosa, Madrid | 2003 | 2005 | 2009 |
| United States | | | | |
| Nacelles | Fairless Hills, Pennsylvania | 2008 | 2009 | 2009 |
| Blades | Ebensburg, Pennsylvania | 2008 | 2009 | 2009 |
| China | | | | |
| Generators | Tianjin | 2008 | 2008 | 2009 |
| Blades | Tianjin | 2008 | 2008 | 2009 |
| Gearboxes | Tianjin | 2008 | 2008 | 2009 |
| Nacelles | Tianjin | 2008 | 2008 | 2009 |
| India | | | | |
| Nacelles | Chennai | 2009 | 2010 | 2010 |

During 2010 Gamesa continued its certification process and obtained ISO 14001 certification of a new blade manufacturing plant in Aoiz, Navarra (Spain) and a Nacelle assembly plant in Chennai, India. It also recently incorporated efficient energy management in accordance with EN16001, currently in the implementation and integration phase. Specifically, the gearbox plant in Lerma was certified for Energy Efficiency.

Specific management procedures: Gamesa has established a system for identifying the environmental and energy aspects of its activities, products and services that it can control, and those it can influence

within the Integrated Management System defined scope. The system takes into account new or planned projects, and new or modified activities, products and services. The company has a multisite system that is maintained in accordance with the ISO 14001:2004 standards, and that include procedure for monitoring the company indicators (IBE-1-003), as well as for analysis of the root cause of deviations, including nonconformities in the supply chain (PBE-1-008). The root cause analysis results in appropriate corrective actions being taken as well as sharing the lessons learned with the rest of the organization. Detection of areas for improvement and launching of preventative action is supported in PMA-1-004. Training and sensitization of Gamesa people is done following internal procedure PRH-1-001. Other specifically relevant procedures (not an exhaustive list) include documentation management (PBE 1-002), control of Legal and other requirements (PMA 3.2.01), the Environmental control system (PMA 4.6.01), and the procedure for internal audits of health and safety and quality systems (PBE-1-002). A particularly relevant milestone was winning the European Business Award for the Environment for the G10x in the best product division, in the Basque Country and Spanish sections.

Environmental Performance Indicators

Materials

EN1. Materials used by weight or volume.

| Consumption of raw materials (t) | 2010 | 2009 | 2008 |
|----------------------------------|---------|---------|---------|
| | 113,364 | 129,601 | 183,106 |

| Consumption of raw materials by geographic area (t) | 2010 | 2009 | 2008 |
|---|----------------|----------------|----------------|
| Europe and RoW | 79,754 | 107,007 | N.D |
| USA | 13,019 | 9,821 | N.D |
| China | 16,137 | 12,774 | N.D |
| India | 4,554 | - | N.D |
| Total: | 113,364 | 129,601 | 183,106 |

| Most significant consumption or raw materials (t) | 2010 | 2009 | 2008 |
|---|---------------|---------------|---------------|
| Oils | 702 | 544 | 1,001 |
| Solvents | 295 | 94 | 169 |
| Paints | 271 | 24 | 161 |
| Steel and sheeting | 4,650 | 2,613 | 13,989 |
| Scrap | 9,234 | 8,038 | 10,083 |
| Casting | 10,049 | 7,871 | 488 |
| Prepeg | 14,081 | 13,083 | 23,178 |
| Coatings | 472 | 604 | 1,670 |
| Adhesives | 1,148 | 881 | 2,505 |
| Total: | 40,900 | 33,752 | 53,244 |
| % consumo total: | 36% | 26% | 29% |

| Csumption of raw materials by product line (t) | 2010 | 2009 | 2008 |
|--|---------------|---------------|---------------|
| Gearboxes | 17,022 | 19,470 | 25,418 |
| Main frames | 13,154 | 17,144 | 25,444 |
| Generators | 8,519 | 10,804 | 14,004 |
| Axes | 5,325 | 6,920 | 9,668 |
| Transformers | 4,006 | 4,963 | 7,387 |
| Electrical Panels | 1,554 | 1,982 | 3,340 |
| Total semi-finished product: | 49,580 | 65,523 | 85,262 |
| % total consumption: | 43% | 47% | 47% |

| Raw material consumption Eco-Efficiency | 2010 | 2009 | 2008 |
|--|------|------|------|
| Tones of raw materials used (t/employee) | 16 | 20 | 25 |
| Tones of raw material per revenue (t/MMEURO) | 41 | 40 | 47 |

EN2. Percentage of materials used that are recycled input materials.

There is no substitute in the market for the main materials employed by Gamesa. For that reason, management centers on the efficient use of energy, water, and chemical products, via the best available technology.



Energy

EN3.- . Direct energy consumption by primary energy source.

| Energy source | 2010 | 2009 | 2008 |
|----------------------------------|---------|---------|---------|
| Natural gas | 189,798 | 197,994 | 323,773 |
| Europe and the Rest of the World | 157,102 | 174,407 | 229,079 |
| United States | 29,995 | 21,510 | 91,287 |
| China | 2,701 | 2,077 | 3,407 |
| India | - | - | - |
| Propane | 16,449 | 14,306 | 9,063 |
| Europe and the Rest of the World | 15,667 | 13,953 | 4,451 |
| United States | 782 | 353 | 2,668 |
| China | - | - | 1,944 |
| India | - | - | - |
| Diesel | 18,501 | 12,931 | 35,407 |
| Europe and the Rest of the World | 13,218 | 9,679 | 19,082 |

| | | | |
|---|---------|---------|---------|
| United States | 2,249 | 1,779 | 16,325 |
| China | 2,673 | 1,473 | - |
| India ²⁸ | 360 | - | - |
| Gasoline | 138 | 207 | 5,228 |
| Europe and the Rest of the World | - | - | 218 |
| United States | 138 | 207 | 5,010 |
| China | - | - | - |
| India | - | - | - |
| (1) Acquired direct primary energy (Gigajoules) | 224,886 | 225,438 | 342,974 |
| (2) Produced direct primary energy (Gigajoules) | 0 | 0 | 0 |
| (3) Sold direct primary energy (Gigajoules) | 0 | 0 | 0 |
| [(1)+(2)-(3)] Total DIRECT consumption of energy: | 224,886 | 225,438 | 342,974 |

| Consumption of primary energy by geographic area (GJ) | 2010 | 2009 | 2008 |
|---|---------|---------|---------|
| Europe and the Rest of the World | 185,987 | 198,039 | 278,152 |
| United States | 33,164 | 23,849 | 59,470 |
| China | 5,374 | 3,550 | 5,352 |
| India | 360 | - | - |
| TOTAL: | 224,886 | 225,438 | 342,974 |

EN4. Indirect energy consumption by primary energy source.

| Intermediate energy acquired and consumed (MWh) | 2010 | 2009 | 2008 |
|---|--------|--------|--------|
| Electricity | 76,438 | 71,401 | 90,218 |
| Europe and the Rest of the World | 56,046 | 51,142 | 58,056 |
| United States | 4,062 | 7,719 | 14,068 |
| China | 16,008 | 12,540 | 18,094 |
| India | 320 | - | - |

Intermediate energy consists of forms produced through the conversion of primary energy into other types. Just as for the majority of organizations, electricity is the only significant form of intermediate energy for Gamesa. It does not consume other energy products such as steam or water coming from an external heating or cooling plant, or refined or synthetic fuels, bio-fuels, etc.

²⁸ Data for diesel consumption in India is obtained by extrapolating the records of 6 months of 2010 to the full year.

³⁰ Conversion factor 21 teq CO₂/t CH₄



| Indirect energy consumption (GJ) | 2010 | 2009 | 2008 |
|---|----------------|----------------|------------------|
| Europe and the Rest of the World | 634,013 | 576,471 | 639,914 |
| United States | 45,633 | 89,197 | 209,092 |
| China | 214,692 | 147,625 | 165,613 |
| India | 3,945 | - | - |
| Total INDIRECT energy consumption: | 898,283 | 813,294 | 1,014,620 |

It should be noted that stoppage at the Somozas cogeneration plant brought a net energy consumption savings of 34,045 GJ resulting in a 2010 reduction in consumption r(GJ/MW) where the Gamesa-Somozas plant contributed 25.95% of the reduction.

| Energy Consumption Eco-Efficiency (total) | 2010 | 2009 | 2008 |
|--|------|------|------|
| Energy consumption by employee (GJ/employee) | 154 | 163 | 188 |
| Energy Consumption by revenue (GJ/MMEURO) | 406 | 321 | 354 |

EN5. Energy saved due to conservation and efficiency improvements.

The search for energy efficiency is a key piece, relative to cost-benefit, for reducing carbon dioxide emission, fomenting competitiveness, and stimulating an advanced technology and product market in order to improve energy efficiency. That is why the company has resources and capacity for identifying and optimizing its own processes from an energy perspective; through both in-house and external customer audits.

Within Gamesa, energy audits done by the efficiency team have identified potential energy cost savings for of €320,814 by avoiding use of 12,717 GJ/year, a saving of 1.557 tons of CO₂.

During 2010 there were 13 external customer energy audits in a wide variety of industries. Equivalent savings of 6,893,494 electric kwh, 37,024,403 thermal kwh, and potential CO₂ emissions reductions of 12,025 tons were identified.

EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

One of the three strategy vectors directing the 2011-2013 company business plan is to make Gamesa an industry leader for energy cost. During the next three years, the company will work to reduce the energy costs of its clients by 20%, and increase the reduction to 30% in 2015. This reduction will be achieved by working on the reliability, efficiency, and availability of the current and future portfolio of products. Thus:

- Gamesa has budgeted doubling the number of people dedicated to research and development for 2013, opening five new engineering / R&D centers: two offshore centers in Virginia (United States) and, pending approval of financing, in Glasgow (United Kingdom), and another three in Brazil, India, and Singapore. In 2010 there was already a workforce increase of 193 people, with another 53 contracted during January 2011, the engineering center in Chennai (India) was opened, and work was begun on the new offshore center in Virginia (United States) and it was inaugurated in

January 2011. Likewise, opening of a material R&D center (Singapore) is planned for the first half of 2011.

- Gamesa will launch five new product families. Among which feature the G97-2 MW, which will improve the current product's performance by 14% and become a market leader for low wind locations (IEC IIIA) in the 2MW category, the G94-2 MW – both in marketing phase- and the multi-megawatt product family whose technological improvements will be applied to existing product platforms to improve their reliability and performance. As such Gamesa positions itself as the energy cost leader in the sub-megawatt as well as the multi-megawatt segments.
- The Gamesa operations and maintenance division, also plays a fundamental role in reducing Energy Costs by maximizing availability and performance of the plant and minimizing the cost of service. Gamesa is incorporating O&M knowledge into product design with the objective of increasing availability and the lifetime of the wind turbine. Likewise, through component repair, inventory management, and development of preventive maintenance, it is reducing down times. Finally, in order to reduce costs, Gamesa provides training and certification programs for subcontractors, and incorporates the performance factor to the price of same.

EN7. Initiatives to reduce indirect energy consumption and the reductions achieved.

On the other hand, in 2010 Gamesa carried out energy efficiency awareness raising activities. For example it participates, together with 21 other Spanish companies, in projects that don't just explore business attitudes to climate change, but which get commitments for CO2 reductions, promoting a cultural change in society. Hand in hand with the CO2 Action project, led by the Entorno Foundation, 36,146 tons of CO2 emissions to the atmosphere were prevented. There were 120 measures implemented in lighting, air conditioning, mobility, use of office machines and auto consumption of renewables to achieve this.

A culture of change is also part of the essence of this project. Citizen awareness campaigns have managed to sensitize nearly 194,000 employees and get the commitment of more than 3,300 workers to implement energy savings and efficiency measures in their homes. This commitment by the citizenry will prevent more than 2,520 tons of CO2 emissions a year (equivalent to the emissions of 502 average Spanish families), in addition to generating savings of around €145 per year per family.

Other initiatives in this area like the externalization of printing services for offices and centers in Spain, have as their objective optimization of costs, rationalization of printer use, and to guarantee the confidentiality of documents. This externalization also contributes to improving aspects of sustainability, such as reduction of electricity consumption and paper consumption, rational consumables utilization, etc.

Likewise, Gamesa promotes the **21st Eco-Entrepreneur program** which encourages creation of companies in the clean technology sector. The program facilitates creating and establishing companies innovating in the area of renewable energies, energy efficiency, sustainable mobility, water cycle management, and energy waste management.

Water

EN8. Total water withdrawal by source.

| Total water consumption (m3) | 2010 | 2009 | 2008 |
|----------------------------------|---------------|---------------|----------------|
| Europe and the Rest of the World | 29,839 | 31,148 | 40,706 |
| Water networks | 29,974 | 26,835 | 33,683 |
| Subterranean water | 4,865 | 4,313 | 7,022 |
| United States | 3,465 | 3,461 | 3,913 |
| China | 58,002 | 52,616 | 77,659 |
| India | 1,833 | - | - |
| Total water consumption: | 93,140 | 91,225 | 121,121 |

Specifies the volume of water withdrawn in cubic meters per year (m3/year). In the case of Europe and the rest of the world, withdrawal of subterranean water is also included. This is a characteristic not given in the other geographical areas; all of the consumption reflected is from a network.

| Water consumption eco-efficiency | 2010 | 2009 | 2008 |
|---|------|------|------|
| Water consumption by employee (m3/employee) | 13 | 14 | 16 |
| Water consumption by revenue (m3/MMEURO) | 34 | 28 | 31 |

EN9. Water sources significantly affected by withdrawal of water.

Sources affected significantly by Gamesa's withdrawal of water in 2010 were not recorded. This means that there was no withdrawal that was more than 5% of the total annual average of any water mass, nor withdrawal from water masses recognized by experts as especially sensitive owing to their relative size, function, or singular nature, or that constitute a threatened or endangered system (or because they shelter protected plants or animals); nor withdrawal of water from any wetland on the Ramsar list or any other area having national or international protection.

EN10. Percentage and total volume of water recycled and reused.

100% of the effluents of drinking water at the Chennai, India plant are treated in a Reverse Osmosis plant and used for watering green areas of the same installation, preventing consumption of 1,466 m3 of water.

Biodiversity

EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

In 2010, no Gamesa installation whether its own, rented, or managed, was adjacent to, contained or located in protected areas, or in unprotected areas of great value to biodiversity. This affirmation likewise covers wind farms built during the year, none of which are in any natural protected space.

EN12. Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

| Most important impact on biodiversity (by impact type) | Severe or critical impact? | Corrective measures |
|--|----------------------------|--|
| VEGETATION: Occupation of natural vegetation, generally mountain spaces. | Yes | Preparation of a study to prevent construction in critical vegetation zones, included as an annex to the Environmental Impact Study. Greece. |
| FAUNA: Occupation of aerial spaces by structures. | Yes | Creation and installation of nests for osprey and peregrine falcons in the Odiel river natural marshes. Huelva (€50,000) |
| WASTE: Generation of inert, urban and hazardous waste. | No | |
| LAND: Generation of erosion processes. | No | |
| WATER ENVIRONMENT: Suspended solids in runoff water during works. | No | |
| NOISE: Noise nuisance to nearby areas | No | |
| VISUAL IMPACT | Yes | Payment of environmental fee prior to construction (€7,860) and at launch of operations (€8,691.93) Germany. |
| ATMOSPHERE | No | |

Note: The format for activity impact was modified in 2010 to show only severe or critical impacts.

This table summarizes the impacts produced in all those wind farms where construction was begun in 2010. In addition, the compensatory measures taken during the year as well as the assigned budget are included.

EN13. Habitats protected or restored.

| Physical area occupation levels | | | | | | |
|---------------------------------|------------|-------------------------|-----------------|-------------------------|-----------------------------|---------------------|
| Year | Power (MW) | Total surface area (Ha) | Cultivated (Ha) | Natural vegetation (Ha) | Non-natural vegetation (Ha) | Protected area (Ha) |
| 2010 | 118 | | | | | 0 |
| 2009 | 154.76 | 7.78 | 7.37 | 0.01 | 0 | 0.4 |
| 2008 | 541.0 | 69.47 | 57.2 | 5.3 | 6.93 | 0.31 |

EN14. Strategies, current actions and future plans for managing impacts on biodiversity.

Gamesa conducts an Environmental Impact Study (EIS) for all projects the Administration requests one for. Nevertheless, when said study is not required by the administration, Gamesa applies internal controls in order to insure compliance with legal and internal environmental requirements. In 2010 the number of studies contracted was reduced. At a domestic level, activity diminished considerably, but the number of studies did not vary in a significant way given that Gamesa continued with promotional projects, or due to the existence of wind farms that were in operation phase where the number of studies has increased the most.

Internationally, some of the countries that were previously very active, such as Italy and Poland, are at a standstill as far as contracting environmental studies for new projects, focusing on development of those projects with the most advanced status.



| Biodiversity Studies | Spain | | | International | | | Total | | |
|--------------------------------|-------|------|------|---------------|------|------|-------|------|------|
| (breakdown by phase) | 2010 | 2009 | 2008 | 2010 | 2009 | 2008 | 2010 | 2009 | 2008 |
| Promotion Phase | | | | | | | | | |
| Preliminary EIA studies | 17 | 24 | 50 | - | 8 | 5 | 17 | 32 | 55 |
| Archeology | - | 5 | 3 | - | 5 | - | - | 10 | 3 |
| Environmental impact study | 17 | 11 | 5 | 7 | 8 | 19 | 25 | 19 | 24 |
| Bird fauna and bats | 1 | 7 | 17 | 6 | 20 | 19 | 7 | 27 | 36 |
| Noise | - | - | 1 | | 8 | 28 | - | 8 | 29 |
| Specific Environmental Studies | 22 | 16 | 23 | 1 | 5 | | 23 | 21 | 54 |
| Construction Phase | - | - | - | - | - | 31 | - | - | - |
| Environmental monitoring | 7 | 23 | 13 | - | - | 2 | 7 | 23 | 15 |
| Archeological monitoring | - | 3 | 4 | - | - | - | - | 3 | 4 |
| Others | - | - | 3 | - | - | 2 | - | - | 5 |

| Biodiversity Studies | Spain | | | International | | | Total | | |
|--------------------------|-----------|-----------|------------|---------------|-----------|------------|-----------|------------|------------|
| Operations Phase | - | - | - | - | - | - | - | - | - |
| Environmental monitoring | 7 | 7 | 7 | - | - | - | 7 | 7 | 7 |
| Others | 14 | - | 2 | - | - | - | 14 | - | - |
| TOTAL | 85 | 96 | 128 | 14 | 54 | 106 | 99 | 150 | 234 |

EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

In relation to the number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk, it shows that at a domestic level no species catalogued as in danger of extinction by the Red Book of vertebrates of Spain is found. Remaining vulnerable are: Peregrine falcon (*Falco peregrinus*), Montagu's harrier (*Circus pygargus*), the black bellied sand grouse (*Pterocles orientalis*), Lesser Horseshoe bat, Greater Horseshoe bat.

In addition, in some of the Huelva farms, there are species included in the Andalusian Catalog of Threatened Species of Wild Flora: *Isoetes durieu* and *Erica andevalensis*. At an international level, at the San Francesco (Italy) wind farm, the following species are catalogued in the Red Book of Vertebrates of Italy: *Pernis apivorus* (vulnerable), *Milvus migrans* (vulnerable); *Circus gallicus* (in danger); *Circus aeruginosus* (in danger); *Accipiter nisus* (vulnerable); *Buteo buteo* (vulnerable); *Falco subbuteo* (vulnerable) and *Falco naumanni* (vulnerable).

Emissions, effluents and spills

EN16. Total direct and indirect greenhouse gas emissions by weight.

| Greenhouse Gas Emissions (t) | 2010 | 2009 | 2008 |
|--|---------------|---------------|---------------|
| Direct CO₂ emissions (t) | 13,066 | 12,983 | 20,223 |
| Europe and the Rest of the World | 10,781 | 11,382 | - |
| United States | 1,908 | 1,375 | - |
| China | 350 | 226 | - |
| India | 27 | - | - |
| Indirect CO₂ emissions (t) | 37,628 | 33,722 | 45,340 |
| Europe and the Rest of the World | 22,526 | 19,690 | - |
| United States | 2,318 | 4,276 | - |
| China | 12,472 | 9,756 | - |
| India | 312 | - | - |
| Total CO₂ Emissions | 50,694 | 46,705 | 65,563 |

In the global balance sheet of emission we should take into account the launch of the new plants in Aoiz (Navarra-Spain) and Chennai (India).

It should be noted that stoppage at the Somozas cogeneration plant resulted in preventing the emission of 1,144 tons of CO₂, meaning that in 2010 the Somozas plant contributed 5.73% to the total reduction (tCO₂/MW).



EN17. Other relevant indirect greenhouse gas emissions by weight.

| Other Greenhouse Gas Emissions (t) | 2010 | 2009 | 2008 |
|---|--------------|--------------|--------------|
| Direct CH ₄ emissions (kg) | 262 | 278 | 1,463 |
| Indirect CH ₄ emissions (kg) | 2.57 | 2.19 | 2.76 |
| t equivalent CO ₂ ³⁰ | 5.56 | 5.89 | 31.12 |
| Direct N ₂ O emission (kg) | 31.8 | 32.3 | 68.02 |
| Indirect N ₂ O emissions (kg) | 1.93 | 1.74 | 13.42 |
| t equivalent CO ₂ ³¹ | 10.46 | 10.56 | 25.25 |
| Total CO₂ emissions (other emissions) | 16.02 | 16.45 | 56.37 |

EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved.

Gamesa's activity is crucial in the fight against climate change, as the more than 20,000 MW it has installed prevent the emission into the atmosphere of 30 million tons of CO₂ per year. This means that Gamesa operations contribute to the reduction of Greenhouse Gas emissions (GHGs), and achieving Kyoto objectives, and finally, to the creation of a more sustainable future through mitigation of climate change.

| Prevention of GHG emissions (according to records of installed MW) | 2010 | 2009 | 2008 |
|---|------------|------------|------------|
| MW installed - annual | 2,586 | 2,231 | 3,168 |
| MW installed - cumulative | 20,834 | 18,249 | 16,016 |
| GWh / year ³² | 52,084 | 45,616 | 40,040 |
| t CO ₂ prevented - cumulative ³³ | 31,250,550 | 27,371,550 | 24,024,600 |
| t NOx prevented - cumulative | 358,079 | 313,632 | 275,282 |
| t SO ₂ prevented - cumulative | 197,920 | 173,353 | 152,156 |
| TEP prevented - cumulative | 4,479,246 | 3,923,256 | 3,443,526 |

EN19. Emissions of ozone-depleting substances by weight.

| Ozone-depleting substances (ODS) | 2010 | 2009 | 2008 |
|--------------------------------------|-------------|-------------|-------------|
| R12 (expressed in Kg eq CFC-11) (2) | 0 | 0 | 1.6 |
| R22 (expressed in Kg eq CFC-11) (2) | 21.7 | 54.7 | 69.6 |
| R409 (expressed in Kg eq CFC-11) (2) | 0 | 0 | - |
| R401 (expressed in Kg eq CFC-11) (2) | 1.1 | 0 | 1.1 |
| Total kg eq CFC-11 | 22.8 | 54.7 | 72.3 |

Chlorofluorocarbon substances (CFC's) 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 Gamesa is marginal and located mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation.

³¹ Conversion factor 310 teq CO₂/t N₂O

³² Considering a number of effective hours = 2500

³³ Considering the following conversion factors per year of wind turbine operation. Source IEA:2009 CO₂ emissions from fuel combustion: 0.6 tCO₂/MWh; 0.006875 t NOx/MWh; 0.0038 tSO₂/MWh; 0.086 tep/MWh

³⁸ Calculation used for the rotation ratio: number of voluntary separations / yearly average workforce

EN20. NO, SO and other significant air emissions by type and weight.

The calculation of these indicators of emissions, measured in tons, is given by the sum of the emission of each of the parameters at the emission focus. To this effect, quantitative measurements of each source of emissions by Authorized Control Agency (OCA), and applied the total emission factor considering the volume and hours of operation of each one of them.

| Other emissions | 2010 | 2009 | 2008 |
|--------------------------------|------|------|------|
| CO (t) | 15.4 | 58.4 | 99.7 |
| NOx (t) | 7.6 | 21.3 | 44.6 |
| SOx (t) | 1.0 | 1.1 | 0.7 |
| VOC (t) | 3.6 | 3.9 | 1.4 |
| Particles (t) | 1.0 | 1.5 | 2.3 |
| HCx (t) | 0 | 0 | 2.3 |
| Organic carbon total (COT) (t) | 6.6 | 6.9 | 7.5 |

This table excludes emissions Gamesa factories in China, because the parameters subject to control emissions are different from these, according to the regulations in force in that country.

EN21. Total water discharge by quality and destination.

In Gamesa, the only water discharges that occur are related to the use and consumption of sanitary water. The discharge values are calculated considering the overall water consumption of each facility and discounting of those engaged in industrial applications, most of which evaporate in the cooling towers. The factor applied is 80%.

With regard to the pollutants in discharges, the method of calculation considers the values of the different parameters measured by an Authorized Control Agency (OCA) and the discharge flows in each center of Gamesa. The value represented is obtained by statistical average of all measurements.

| Volume discharged | 2010 | 2009 | 2008 |
|-------------------------------------|---------------|---------------|---------------|
| Europe and the Rest of the World | 15,669 | 31,635 | - |
| United States | 2,563 | 2,268 | - |
| China | 35,725 | 30,335 | - |
| India | - | - | - |
| Total water discharged (m3): | 53,957 | 64,238 | 52,882 |

| Effluent Pollutant Concentrations | 2010 | 2009 | 2008 |
|-----------------------------------|--------|--------|--------|
| pH | 7.95 | 7.61 | 6.94 |
| Suspended solids (mg/l) | 77.10 | 76.91 | 83.32 |
| COD | 121.82 | 198.92 | 218.68 |
| BOD5 | 35.20 | 73.42 | 67.82 |
| Oils and fats | 16.16 | 19.56 | 14.58 |
| Total phosphorus | 4.40 | 5.25 | 2.25 |
| Total nitrogen | 16.16 | 57.43 | 23.61 |
| Total Chromium | 0.73 | 0.02 | 0.95 |

| Effluent Eco-efficiency | 2010 | 2009 | 2008 |
|-------------------------------------|------|------|------|
| Effluence by employee (m3/employee) | 7 | 10 | 7 |
| Effluence by revenue (m3/MMEURO) | 19 | 19 | 14 |

EN22. Total weight of waste by type and disposal method.

| Waste (tonnes) | 2010 | 2009 | 2008 |
|----------------------------------|-------|-------|-------|
| Hazardous waste | 2,603 | 3,429 | 4,683 |
| Europe and the Rest of the World | 1,995 | 2,887 | - |
| United States | 22 | 13 | - |

| Waste (tonnes) | 2010 | 2009 | 2008 |
|------------------------------------|---------------|---------------|---------------|
| China | 573 | 529 | - |
| India | 14 | - | - |
| Non-hazardous waste | 13,349 | 12,631 | 17,051 |
| Europe and the Rest of the World | 9,616 | 10,182 | - |
| United States | 2,319 | 1,582 | - |
| China | 1,197 | 867 | - |
| India | 181 | - | - |
| Total waste generation (t): | 15,952 | 16,060 | 21,734 |

The increase in waste generation in the United States is associated with an increased production in both the manufacturing center of blades as in the nacelle, which represented growth of 30% and 37% respectively.

In relation to Gamesa production centers in China, the increase in waste generation is due, as if the United States, to an increase in production, and to the start-up phase of the assembly of CR20 generators and to the mounting and assembly of nacelles G8X platform, which have been increased by 50% and 40% respectively. The production of blades, also has increased by 20%.

| Destination of waste (by treatment method) | 2010 | 2009 | 2008 |
|--|--------|-------|-------|
| Recovery | | | |
| Hazardous waste | 4.15% | 3.9% | 1.8% |
| Non-hazardous waste | 0.14% | 0.4% | 0.03% |
| Disposal | | | |
| Hazardous waste | 71.89% | 69.3% | 73.3% |
| Non-hazardous waste | 51.13% | 34.5% | 44.6% |
| Reuse | | | |
| Hazardous waste | 1.93% | 1.9% | 2.0% |
| Non-hazardous waste | 2.48% | 2.9% | 3.3% |
| Recycling | | | |
| Hazardous waste | 15.33% | 18.0% | 13.4% |
| Non-hazardous waste | 42.61% | 42.0% | 36.2% |
| Temporary storage | | | |
| Hazardous waste | 6.70% | 6.9% | 9.2% |
| Non-hazardous waste | 3.64% | 20.0% | 15.7% |

| Waste Management Eco-efficiency | 2010 | 2009 | 2008 |
|---------------------------------|------|------|------|
| Waste per employee (t/employee) | 2.1 | 2.5 | 3 |
| Waste by revenue (t/Euros MM) | 5.7 | 4.9 | 5.7 |

EN23. Total number and volume of significant spills.

The environmental management system implemented in the Games group prevents accidental spills with technical control elements (spill pallets, loading and unloading areas, storage of chemical products, protection of the rainwater network, etc.) as well as management mechanisms. Likewise, there are detection mechanisms, reporting, and correction of environmental anomalies.

In 2010 there were no significant spills at Gamesa. Significant spills are understood to be those that cause damage to exterior surroundings of the installation and require notification of the appropriate Administration. However there were five (5) small spills of hydraulic and lubrication oil recorded, with a total volume of 0.76 m3. All were recorded, communicated and corrected conforming to internal management process. It was not necessary to adopt exceptional corrective measures.



EN24. Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.

| Most Common Waste (t) | 2010 | 2009 | 2008 |
|---------------------------------|-------|-------|-------|
| Hazardous waste | | | |
| Prepeg | 1,364 | 1,669 | 1,718 |
| Catalyzed waste | 162 | 119 | 185 |
| Contaminated metal containers | 59 | 259 | 77 |
| Contaminated materials | 333 | 602 | 850 |
| Semi-solid resins | 66 | 97 | 311 |
| Used oil | 102 | 120 | 77 |
| Contaminated plastic containers | 116 | 59 | 264 |
| Non-hazardous waste | | | |
| General garbage | 2,940 | 3,893 | 4,688 |
| Paper and cardboard | 623 | 701 | 884 |
| Wood | 1,903 | 1,313 | 1,318 |
| Casting sand | 2,137 | 2,296 | 3,524 |
| Scrap | 4,081 | 3,280 | 3,570 |
| Polyethylene | 754 | 795 | 1,193 |

In relation to previous data, indicate that none of this waste is transported internationally.

EN25. Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

No spillages or run-offs into aquatic habitats that could have significant impact on water resource availability were recorded in 2010.

Products and Services

EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

New products: Gamesa was recognized by the European Business Awards for the Environment 2009/2010 organized by the European Commission's Directorate General for the Environment in all EU member countries. The purpose of the award is to publicly recognize organizations/companies that have contributed to achieving the principles of sustainable development through their actions and whose efforts can serve as an example for other companies. Gamesa took part in the Product Award for Sustainable Development category with its Gamesa G10X-4.5 MW wind turbines. It was the winner in the Basque Country section as well as the Spanish section.

We would like to underscore that the Gamesa G10X - 4.5 MW wind turbine, with a unitary power output of 4.5 MW, represents the equivalent of the annual consumption of more than 3,000 households, and that this new wind turbine's energy production over the first six years of its commercialization will contribute to preventing almost 26 million tons of CO₂, 3.8 million tons of equivalent petroleum (TEP), 0.2 million tons of SO₂ or 0.3 million tons of NO₂, among the most significant figures.

As a point of reference, a forested surface area of 2.6 million hectares is needed to prevent that same amount of CO₂, and a reduction of 6.4 million motor vehicles would be needed to prevent the same amount of CO₂.

Life Cycle Analysis – (LCA): During 2010 the lines of work laid out for the "ECOWIND project were continued: Life Cycle Assessment and Application of the Eco-Design Concept to an Onshore 2.0 MW Wind Turbine" continued in 2009. This project has placed Gamesa at the cutting-edge of the industry as the first Spanish company dedicated to the design, development, manufacturing, maintenance and construction of wind turbines and wind farms to pioneer a wind turbine life cycle assessment (LCA).

The main aim of this study is to calculate the environmental impact associated with a Gamesa G90-79M-III A wind turbine at the El Carril Wind Farm located in the Castrogeriz y Pedrosa del Príncipe local authority in the province of Burgos throughout its entire life cycle, in other words, from when it is manufactured to its final dismantling. The product's entire life cycle will be analyzed by defining all the environmental loads linked to each unitary phase, stage or process, assessing which of them are more or less harmful in order to calculate its environmental impact.

LCA is essentially a work tool designed to direct efforts, so as to eliminate impacts and, if that were to prove impossible, to minimize them as much as possible, thus leading to the environmental improvement of both the production process and the product. It will additionally make a reference model available to draw up future designs and redesigns.

Work can be performed on the basis of this reference model to reduce or eliminate impacts that would otherwise be generated by certain designs, processes, materials or components.

A consequence of its use will also enable the usage of both raw material and energy inputs to be maximized. Waste, emissions and discharge outputs will therefore be reduced. This optimization will also make a basic tool available to move towards eco-design, in addition to improving both the end product as well as the process in environmental terms.

Operations and Maintenance: review and update of the content, structure and format of both corrective and preventive maintenance tasks for the Gamesa G8X-2.0 MW platform and the new Gamesa G10X-4.5 MW platform. Approximately 60% of all maintenance tasks corresponding to the Gamesa G8X-2.0 MW and 100% of those corresponding to the Gamesa G10X-4.5 MW had already been updated and reviewed as of December 31.

Environmental Requirement Documents Incorporated into G10X, G11X, and G97 Design: Environmental assessment criteria covering all life cycle stages of a wind turbine starting off from the preliminary design of solutions were defined within a process known as SC2G (Spanish abbreviation for "Solution Conception System for Gamesa Customers"), whose scope covers both product development projects and technological development projects. An effort is being made to do away with or reduce as much as possible the number of environmental impacts produced throughout a product's life cycle by means of the input provided by these environmental requirements in the initial design phase. The input requirements are essentially eco-design criteria for products, processes and supportability.

Redefinition of Containers and Packaging: As a result of the Company's commitment to the environment, new packaging was designed for the gearbox plants in 2009. The initial idea involved reducing the use of the wooden packaging currently used to transport gearbox components from component manufacturing plants to gearbox assembly plants and replacing it with another kind of higher-quality, safer, reusable packaging. Currently, development is also being done for gearboxes for the new G10X platform. The redesign was carried out for the G8X gearbox, whose internal components are manufactured at the Gamesa Asteasu plant and subsequently assembled at the Gamesa Lerma plant. After its design, manufacture, validation and certification, it was progressively introduced to the logistical operations between these plants. This, for instance, led to a reduction in the wood waste generated at the Gamesa Asteasu plant from 100t in 2008 to 70t in 2009 and 31t in 2010, reducing waste by 70% in just two years. Gamesa will continue to conduct studies on problematic containers and packaging at its work centers in order to develop lines of work that would allow them to be reused, raw material consumption to be reduced and waste generation to be minimized.

Use of more environmentally friendly substances and products Surface coating is one of several operations that cause environmental impacts. Volatile organic compounds (VOCs) are released into the atmosphere during painting and cleaning operations. Lines of research have been initiated on this issue to assess the possibility of replacing the paints and the blade and tower components currently used with other similar or better performing components that are less harmful to the environment.

On the other hand, many metal coatings, material and chemical products are being replaced with more environmentally friendly substitutes, the objective being to reduce environmental impact associated with the life cycle of our products.

EN27. Percentage of products sold and their packaging materials that are reclaimed by category.

Each wind turbine is made up of a large number of structural, electrical and control components.

The types, shapes and materials comprising the different components are likewise diverse. A large part of these are essentially recoverable materials having considerable added value like steel and different kinds of metals, which makes them highly attractive when it comes to their recycling. Ninety per cent of the materials used to manufacture the Gamesa G5X-850 kW and Gamesa G9X-2.0 MW wind turbine models are made of different kinds of steel.

This information makes it possible to make decisions on and plan for the disposal of the waste generated when wind generators and wind farms are dismantled. It likewise enables the recycling percentage of said materials to be calculated using weight. Regarding the current wind turbine dismantling plan, the end-of-life options of the main components of the wind turbine will serve to delve further into these issues, as well as to bring the current dismantling plan up to date.

| Materials | G52-850 MW | G80-2.0 MW |
|---------------------|-----------------|-----------------|
| Steel | 101.6 t (91.7%) | 275.5 t (90.1%) |
| FRP | 7.7 t (6.9%) | 22.7 t (7.4%) |
| Electric components | 0.2 t (0.2%) | 2.9 t (1.0%) |
| Others | 1.35 t (1.2%) | 4.6 t (1.5%) |

Environmental regulations compliance

EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

There is no record of significant fines or sanctions for non-compliance with environmental regulations in 2010.

Transport

EN29. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Gamesa monitors the safety conditions laid down by the ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road).

A dozen of the hazardous substances included in the road haulage list drawn up in 2010 are the most significant and constitute >75% of the total amount of goods carried.

| Main Dangerous Goods (breakdown by UN classification) | UN Number | 2010 | 2009 | 2008 |
|--|--------------|-------|-------|-------|
| Liquefied natural gas | 1972 | 9,726 | 1,635 | 1,447 |
| Paints and paint-related materials | 1263 | 278 | 184 | 450 |
| Toxic organic liquids | 2810 | 62 | 232 | 233 |

| Main Dangerous Goods (breakdown by UN classification) | UN Number | 2010 | 2009 | 2008 |
|--|--------------|------|------|------|
| Corrosive liquid amines or polyamines | 2735 | 59 | 50 | 141 |
| Flammable liquids | 1993 | 55 | 41 | 116 |
| Solids containing flammable liquid | 3175 | 0 | 0 | 93 |
| Gas oil | 1202 | 199 | 58 | 80 |
| Chem rez 2023/2016 | 2586 | 18 | 52 | 80 |
| Commercial propane | 1965 | 216 | 18 | 70 |
| Contaminated materials | 1373 | 23 | 51 | 68 |
| Environmentally hazardous solid materials | 3037 | 10 | 41 | 65 |
| Acetone | 1090 | 30 | 19 | 63 |
| Others | - | 191 | 229 | 284 |

General environmental

EN30. Total environmental protection expenditures and investments by type.

| Environmental expenses (type of expense in €) | 2010 | 2009 | 2008 |
|---|------------------|------------------|------------------|
| Facility refurbishment | 138,083 | 238,573 | 265,113 |
| Analyses | 21,107 | 34,356 | 16,069 |
| Safety advisor | 9,479 | 20,816 | 36,938 |
| Consulting / Advice | 966,096 | 1,510,773 | 2,240,294 |
| Waste management | 1,467,752 | 1,648,092 | 1,595,509 |
| Environmental monitoring plan | 286,955 | 319,295 | 314,608 |
| Environmental management system costs | 42,764 | 14,768 | 12,676 |
| Training | 27,033 | 3,754 | 27,356 |
| Others | - | 8,350 | 71,560 |
| TOTAL | 2,959,268 | 3,798,677 | 4,580,143 |

The graphic consists of two overlapping gray rectangles. The top rectangle is slightly offset to the left and contains the text 'Social' in white. The bottom rectangle is slightly offset to the right and contains the text 'dimension' in white.

Social dimension

Labor practices and decent work

Management Approach-Labor practices

The company's human capital management model and its value proposition to its employees are at a minimum based on respecting and complying with universally recognized international standards, both of a general nature as related to human rights, and of a work nature. Their most essential principles are included in Gamesa's Code of Conduct and Principles of Corporate Social Responsibility.

Safeguarding the health and physical integrity of people is a corporate priority, implemented using different Company policies and processes. All Gamesa personnel managed by objectives, in accordance with the *Gamesa Management by Objectives (GMBO)* process, have the corporate Health and Safety objective, referenced to the continuous reduction of the frequency and seriousness indices.

Likewise, Gamesa's Integrated Security department monitors the safeguarding of the physical integrity of our people in countries where the socio-political conditions result in a complicated climate. It alerts different departments, trains employees on safety measure to adopt and deploys, if appropriate, the corresponding institutional activities with local and national authorities.

Gamesa promotes the equality of people. In 2010 it signed an Equality Plan as well as the Sexual Harassment Prevention Protocol with the CC.OO, UGT and ELA in Spain, for reasons having to do with gender, morale, and bullying. Gamesa in the United States also has its own standards of applications regarding these issues.

The selection process at Gamesa is governed by the principles of equality, merit, and ability. **No candidate shall be subject to discrimination** for reasons of gender, age, race, religion, beliefs or opinions at any stage of the Selection Process. All candidates shall be evaluated using **criteria that deal exclusively with professional requirements**, guaranteeing evaluation of their knowledge, capacities, and abilities.

A solid **corporate culture** is a primary management component for differentiating winning companies. Aware of this, Gamesa redefined its corporate values in 2010 as part of its transformation and globalization process. First line management participated and the objective was to have a corporate culture that sustains a success oriented organization that promotes **high levels of performance and ethics** in the workplace, where people that work in Gamesa find the best environment and feel the greatest motivation to develop their personal and professional abilities, and to feel recognized.

Respect, teamwork, sustainability, excellence and innovation constitute the essential behavioral values of Gamesa, a global organization with a vocation of **leadership** and **passionate about satisfying its customers' needs**.

These basic standards together with other key strategic competencies are systematically evaluated in the **Performance Evaluation Process** which affects 3,641 people.

This process includes:

- Harmonization of its annual objectives, by which **Gamesa Management by Objective (GMBO)** system enables translating the strategic lines of the company defined in its annual Strategic Plans and Budgets into action plans. Evaluation of the results of these objectives directly impacts Gamesa's annual variable remuneration system.
- Evaluation of **Performance Factors** enables us to measure the degree of alignment and performance of our personnel with respect to strategic competencies and Gamesa's corporate values.

The process impacts raising annual salaries, and likewise serves as reference for defining training activities and for professional development set out for employees and the associated responsible person.

Our **Remuneration and Compensation Policy** is a key management tool for aligning the actions and behavior of our people with the organization's culture and objectives.

Rewarding people at Gamesa in order to attract them, develop them, and motivate them implies a fair and competitive Compensation Strategy, one that provides an Opportunity of Total Compensation to all, including an appropriate well oriented combination of intrinsic and extrinsic rewards. It must contemplate all aspects of compensation and benefits that our employees may demand.

The basic elements of our remuneration are:

- Fixed remuneration: Determined by position and level of responsibility as well as individual contributions to performing the job.
- We have a system of salary ranges that correspond to professional levels at the company.
- Annual Variable Compensation: Linked to organizational performance, area and individual, with a direct link to key business results.
- Long Term Incentive: Linked to achieving the defined Business Strategy Plan.
- Benefits: In order to protect and guarantee a standard of living in short and medium term.

Likewise there are reward schemes defined in the collective agreements that are applicable to Gamesa personnel.

Compensation includes recognition schemes not just financial. Worth mentioning is the **Gamesa Patent and Inventors Competition**.

Another of the axes that supports our value proposition to our employees is **employability**: we offer professional development opportunities through training and professional experiences These are fundamental axes of the talent management cycle that we manage from our **Corporate University**.

During 2010, Gamesa launched its Corporate University. With this initiative the company contributes to the employability of its employees, and those of the rest of the supply chain, as well as promoting commitment and alignment with corporate strategy and culture.

The global scope of the Corporate University enables Gamesa to get to all of the geographic areas where the company has offices and industrial bases, as well as all of its businesses and activities, professional categories and knowledge areas. Its integrated nature includes other groups like customers and suppliers.

Gamesa's Corporate University transcends the traditional concept of a corporate university that focuses on training processes It is founded on integrated management of the talent cycle, and includes organizational functions, selection, evaluation, knowledge management, training, professional careers, and management of key groups as its responsibility. An information system supports these functions. They guarantees efficient and effective management of the processes associated with talent management, including an online space where interactivity with employees is facilitated.

Another fundamental axis of our Human Capital Management model is found in our social philosophy regarding relationships with worker representatives, our **Social Dialog** model. Important milestones during 2010 include signing the second Gamesa Collective Agreement in the United States, as well as the major agreement reached with worker representatives for processing the Downsizing Plans that suspend operations in four plants in Spain and end them in one.

Labor practices & decent work performance indicators

Employment

LA1. Total workforce by type, employment contract and regions.

| Geographic areas | 2010 | 2009 | 2008 |
|-----------------------------------|--------------|--------------|--------------|
| Europe and the resto of the world | 4,935 (68%) | 4,714 (74%) | 5,175 (72%) |
| Spain | 4,629 | 4,391 | 4,912 |
| Italy | 97 | 77 | 73 |
| Germany | 40 | 42 | 51 |
| Portugal | 19 | 18 | 28 |
| France | 29 | 23 | 26 |
| Greece | 23 | 17 | 20 |
| Denmark | 1 | 26 | 18 |
| Poland | 24 | 13 | 12 |
| Egypt | 10 | 9 | 10 |
| Morocco | 6 | 9 | 10 |
| United Kingdom | 10 | 5 | 5 |
| Mexico | 11 | 5 | 5 |
| Hungary | 2 | 1 | 1 |
| Ireland | 0 | 1 | 1 |
| Japan | 1 | 1 | 1 |
| Others | 28 | - | 13 |
| United States | 912 (12%) | 770 (12%) | 1,067 (15%) |
| China | 1,083 (15%) | 876 (13%) | 945 (13%) |
| India | 332 (5%) | 67 (1%) | 5 (0.1%) |
| Total employees: | 7,262 | 6,360 | 7,197 |

| Type of employment | 2010 | 2009 | 2008 |
|-------------------------|--------------|--------------|--------------|
| Direct workers | 2,239 (31%) | 2,089 (33%) | 4,390 (61%) |
| Indirect workers | 2,569 (35%) | 2,192 (34%) | 2,797 (39%) |
| Structure workers | 2,454 (34%) | 2,079 (33%) | - |
| Total employees: | 7,262 | 6,360 | 7,197 |

| Type of contract | 2010 | 2009 | 2008 |
|------------------------|--------------|--------------|--------------|
| Permanent employees | 6,316 (87%) | 5,472 (86%) | 5,191 (72%) |
| Temporary employees | 946 (13%) | 888 (14%) | 1,996 (28%) |
| otal employees: | 7,262 | 6,360 | 7,197 |

LA2. Total number and rate of employee turnover by age group, gender and region.

| Personnel dismissals ³⁸ | 2010 | 2009 | 2008 |
|--|------------|-----------|------------|
| Total number of employees | 7,262 | 6,360 | 7,197 |
| By sex (No. of dismissals/percentage) | | | |
| Men | 162 (77%) | N.A. | N.A. |
| Women | 48 (23%) | N.A. | N.A. |
| By region (No. of dismissals/percentage) | | | |
| Europe and the Rest of the World | 81 (1,7%) | 86 (1,8%) | 280 (5,4%) |
| United States | 42 (5,1%) | 55 (7,1%) | 92 (8,5%) |
| China | 76 (7,8%) | 54 (6,1%) | 62 (6,5%) |
| India | 11 (5,3%) | - | - |
| By age (No. of dismissals/percentage) | | | |
| <25 years | 13 (6,1%) | N.A. | N.A. |
| 25-30 years | 84 (40%) | N.A. | N.A. |
| 31-35 years | 62 (29,5%) | N.A. | N.A. |
| 36-40 years | 20 (9,6%) | N.A. | N.A. |
| >40 years | 31 (14,8%) | N.A. | N.A. |
| Total number of dismissals | 210 (3%) | 195 (3%) | 434 (6%) |

LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

In accordance with the company compensation and benefits policy, the social benefits package offered does not distinguish between full-time employees and others, but between professional categories.

In this point we can go back to the company flexible compensation program focusing on management personnel in Spain (previously referenced in indicator EC3)

Labor/Management Relations

LA4. Percentage of employees covered by collective bargaining agreements.

| Employees covered by collective agreement s | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|
| Number of employees covered by collective agreement. | 2,428 | 2,367 | 3,037 |
| By geographical areas | | | |
| Europe and the Rest of the World | 2,046 (41%) | 2,025 (43%) | 2,440 (53%) |
| United States | 382 (42%) | 342 (44%) | 597 (56%) |
| China | - | - | - |
| India | - | - | - |
| Percentage of the total number of workers | 33% | 37% | 42% |

LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

Concerning the minimum period for prior notice of organizational changes in Europe and Spain, legislation lays down very strict criteria concerning serving notice about such organizational changes. Despite this, Gamesa goes beyond its statutory obligations and gives notice of such changes before the statutory minimum periods. In the United States, the only legal requirement is to give two months prior notice in the event of group layoffs. This entitlement has not only been recognized but improved upon in the collective agreement.

⁴⁰ Due to the manufacturing start-up activity in Chennai, India in 2010.

Occupational Health&Safety

LA6. Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.

Whether or not the current regulations in each country provide for the existence of legal authorities that establish rights and obligations regarding workplace health and safety (i.e. the Health and Safety Council in Spain or union/company agreements in the United States), the company has formal worldwide procedures for Internal and External Communication dealing with the Environment, Energy Efficiency, and Workplace Health and Safety (Regulation PBE.1.004). Prevention Meetings have been established to deal with health and safety. They are organized by the work center and their function is to promote initiatives involving methods and procedures for risk prevention, for those involving planning, implementation and evaluation of preventative policy, as well as those stemming from prevailing legislation. Their operation, as well as the people acting on their behalf, is subject to regulation. Its purpose is to systematically regulate, arrange, and specify the operations of same in all work centers.

By setting up these bodies, professional participation in designing work risk prevention policy and in control and execution of the measures intended to promote better working conditions, is guaranteed. The following functions, among others, are the responsibility of the Prevention Meetings:

- Take part in identifying those risks that should be evaluated and controlled.
- Advice regarding preparation, implementation, evaluation and revision of prevention plans and programs.
- Take part in preliminary reports dealing with impact on labor health for projects in planning, work organization, and introduction to new technologies.
- Advice regarding procedures, content and organization of worker information and training activities regarding health and safety.
- Take part in work condition improvement initiatives and initiatives for correcting existing deficiencies suggested by one of the parties.
- Advice regarding the designation of workers, by company, to be responsible for preventative functions, the determination of said functions, or the evaluation of compliance to them.
- Take part in the designation of the Center's emergency teams.
- Advice regarding the method, composition, and type of experts necessary for the setting up the Preventions Service, as well as the planning activities it should do, and evaluation of its operation.
- Advice regarding contraction, sanction, or dismissal of members of the preventative service itself.
- Advice regarding the choosing the entity and the agreement conditions if an external prevention service is to be used.
- Advice regarding the design of health monitoring programs adapted to the risks, as well as evaluation of their results, with the limitations provided for by law.
- Any others required by law.

| Percentage of workers represented | |
|-----------------------------------|---------------------|
| Spain | More than 75% |
| Europe and rest of the world | More than 75% |
| United States | More than 75% |
| China | More than 75% |
| India ⁴⁰ | Between 50% and 75% |



LA7. Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.

Accident indicator management is guided by internal management regulations (PBE-1-007). It establishes standard criteria for classifying, registering, notifying, investigating and analyzing incidents in order to: a) determine underlying preventative system deficiencies and other factors that could cause or contribute to the appearance of incidents; b) identify need to implement corrective actions; c) identify opportunities for preventative action and continuous improvement.

The Frequency and Seriousness Indices only include accidents resulting in sick leave. The Hazard Index includes all incidents (with or without sick leave).

The calculation of days lost makes reference to work days, which are counted beginning the day following the accident.

There were no work related fatalities recorded in 2010 for Gamesa employees. However, a work related death was reported involving an unsupervised contractor at a wind park in India.

| <i>Accidents, work related illnesses, and absenteeism</i> | 2010 | 2009 | 2008 |
|---|-------|-------|--------|
| <i>Lost workday rate (IF)</i> | 4.19 | 4.91 | 9.15 |
| <i>Europe and the Rest of the World</i> | 5.30 | 6.36 | 11.94 |
| <i>United States</i> | 1.28 | 1.16 | 2.47 |
| <i>China</i> | 0.71 | 0.00 | 4.83 |
| <i>India</i> | 0 | - | - |
| <i>Severity rate (IG)</i> | 0.127 | 0.158 | 0.19 |
| <i>Europe and the Rest of the World</i> | 0.161 | 0.205 | 0.24 |
| <i>United States</i> | 0.047 | 0.017 | 0.02 |
| <i>China</i> | 0.016 | 0.024 | 0.16 |
| <i>India</i> | 0 | - | - |
| <i>Hazard index (HI)</i> | 38.71 | 45.36 | 87.19 |
| <i>Europe and the Rest of the World</i> | 43.18 | 56.01 | 102.25 |
| <i>United States</i> | 38.99 | 21.49 | 88.53 |
| <i>China</i> | 8.56 | 5.26 | 15.02 |
| <i>India</i> | 96.04 | - | - |
| <i>Total work-related illness index (ODR)</i> | 0.034 | 0.218 | N.A. |
| <i>Index for days lost per accident (IDR)</i> | 25.48 | 31.67 | 38.07 |
| <i>Europe and the Rest of the World</i> | 32.13 | 40.99 | 48.63 |

| <i>Accidents, work related illnesses, and absenteeism</i> | 2010 | 2009 | 2008 |
|---|-------|-------|-------|
| <i>United States</i> | 9.33 | 3.48 | 4.94 |
| <i>China</i> | 3.28 | 4.87 | 31.86 |
| <i>India</i> | 0 | - | - |
| <i>Absenteeism Rate (AR)</i> | | | |
| <i>Europe and the Rest of the World</i> | 7.05% | 6.36% | 5.71% |
| <i>United States</i> | 3.53% | 3.81% | 5.85% |
| <i>China</i> | 1.64% | 1.49% | 3.73% |
| <i>India</i> | 0.90% | - | - |

Index explanations:

- Lost workday rate (IF)=(Total number of accidents resulting in sick leave / Total hours lost) x 1.000.000
- Severity rate (IG)= (Number of days lost due to accident / Total hours lost) x 1.000
- Hazard Index (HI)= (Total number of accidents resulting in sick leave + work related illnesses + first aid(FA)+ medical treatments (MT)+ restricted work (RW)) / total hours lost) x 1.000.000 - See glossary definition.
- Work related illnesses (ODR)=(number of work related illnesses / Total hours lost) x 200,000
- Days lost index (IDR) = (No. of days lost / Total hours lost) x 200,000
- Calculation of the absenteeism rate is defined as the number of hours lost / number of hours worked. This criterion is applied in Europe and the rest of the world, China, and India. Due to special market characteristics, in the case of the United States absenteeism is defined as "the total hours scheduled to be worked that were not worked."

LA8. Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.

The company has standardized systems (PHS-1-010 and derivatives) and general criteria to guarantee that the health status of company personnel is monitored and that establishes actions that make it possible to:

- Determine the effects of work conditions on health in a timely fashion.
- Arrive at conclusions related to adjusting jobs to people.
- Determine the need to apply or improve protection and prevention measures.
- Identify workers that are especially sensitive to certain risks.

In the first place, a health monitoring plan is established for each and every employee in the group (through specific protocols and annual planning), in the second, medical check-ups are established (initial, specific, periodic and / or after an extended absence) and finally, results are evaluated and adjustments made based on the suitability of employees for each job.

On the other hand, given the characteristics and locations of Gamesa's current operations, it has not been considered necessary to implement assistance programs for workers, their families, or members of the community in relation to serious illness. The last program of this nature realized by the company was for the H1N1 flu pandemic declared by the World Health Organization in 2009.

LA9. Health and safety topics covered by formal agreements with trade unions

Formal agreements and negotiations with the unions are as a general rule established locally, not globally. These agreements cover issues related to workplace health and safety because said issues are regulated in the country, or because during negotiation Gamesa's health and safety management model criteria, indicators, and requirements were incorporated.

On the other hand, through the Prevention Meeting described in section LA6, there is union representation when the labor framework provides for it (i.e. Spain), or if not there is always worker representation for tackling the issues and agreements that, among other things, include the following:

- Workplace accident data.
- Personal protective equipment.
- Participation of worker representatives in inspections, audits, and investigation of accidents related to health and safety.
- Workplace health and safety training and education.
- Mechanisms for reporting, observing unsafe conditions, etc.
- Right to reject dangerous work.
- Periodic inspections.

Management plans related to workplace health and safety are presented in the prevention meetings.



Training and education

LA10. Average hours of training per year per employee by employee category.

| Training | 2010 | 2009 | 2008 |
|--|---------|---------|---------|
| Total hours of training | 220,861 | 205,555 | 235,687 |
| Average training (hours/year and employee) | 32.27 | 32.32 | 32.79 |
| Type of training | | | |
| Know-how | 81.82% | 92% | N.A. |
| Skills | 18.15% | 8% | N.A. |
| Attitudes | 0.03% | 0.04% | N.A. |
| Training by professional groups | | | |
| Technicians | 36% | 52% | N.A. |
| Specialists | 42% | 32% | N.A. |
| Managers | 18% | 13% | N.A. |
| Supervisors | 3% | 3% | N.A. |
| Directors | 1% | 0.5% | N.A. |
| Training by methodology | | | |
| Classroom training | 75% | 81% | N.A. |
| Hand-on | 7% | 14% | N.A. |
| On-line | 17% | 4% | N.A. |
| Mixed | 1% | 1% | N.A. |
| Long distance | 0.1% | 0.3% | N.A. |
| Number of training activities | 3,736 | 2,838 | 2,025 |

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Since 2009 Gamesa has had a strategic Human Capital Management program, the objective being to promote its people's employability. It is one of the objectives of the Company's upper management.

The need to respond to growing requirements for productivity and efficiency includes improving employability, based on the one hand on training-focused professional development, and on the other, professional experience.

On the training side, Games has a broad offering, where the organization's technical knowledge is structured and clarified. It includes more than 500 courses whose content is updated by Gamesa's expert community, taught by both internal and external people, and is always free.

Likewise, there are management skills programs for executives, managers, specialists and supervisors. The methodology and depth of knowledge of each of the management skills are tailored to each group (27,327 hours; 12.37% of total training).

Gamesa Spain's flexible compensation program encourages access to training paid by the employee, but financed by Gamesa, deducting payments from their salary over time at no additional cost.

On the professional experience side, 772 internal transfers / promotions were made in 2010, and are broken out as follows:

- 437 lateral moves
- 294 promotions
- 41 international transfers

The Downsizing Plan negotiated in 2010 and affecting five production centers in Spain, incorporated opportunities for professional experience in other positions that helped mitigate the effects of the temporary layoffs (Sigüeiro, Tauste, Miranda and Medina) and authorized closings (Alsasua). Specifically, with respect to the centers affected by temporary layoffs, there were more than 150 offers of employment made, which allowed for professional experience in other jobs for 84% of the affected workforce, including high added value international experience. On the other hand, in the center where

150 work contract cancellations were authorized, 71 people were transferred to other internal positions and an agreement made with the external company taking responsibility for the facilities, to commit to giving preference in the selection process to 45 Alsasua workers.

In the dismissal process mentioned, Gamesa went beyond what was legally provided for, and of course taking into account the years worked by the employee.

Years of service is referenced in the compensation calculation in other types of dismissal processes different from the one described.

Finally, signing of more than 50 replacement contracts in Spain, as the formula implemented in agreement with social agencies for work centers where the workforce was older (from 62 years of age).

LA12. Percentage of employees receiving regular performance and career development reviews.

The company has policies and procedure (i.e. PRH-1-004) that determine the framework and criteria of action for the integrated Performance Management process. These policies and procedures enable the performance of people to be assessed for a specific period of time, as well as the design of necessary development activities with a view to employee performance in the future and to set a fair level of remuneration that ensures internal equity.

This process on the one hand enables evaluation of performance supported by a reduced number of competencies and on the other, enables evaluation of the degree of success with established GMBO objectives, linking the result to the compensation variable. This conceptual process likewise includes a personal development dimension through the definition of an Individual Development Plan for each employee.

| Performance evaluation | 2010 | 2009 | 2008 |
|--|-------|-------|-------|
| Number of people subject to evaluation | 3,641 | 2,854 | 2,775 |
| % employees subject to evaluation | 50% | 45% | 39% |

Diversity and equal opportunity

LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.

| Board of Directors | 2010 | 2009 | 2008 |
|--|------|------|------|
| By gender | | | |
| Men | 9 | 10 | 10 |
| Women | 1 | 0 | 0 |
| By age segment | | | |
| <30 years | 0 | 0 | 0 |
| 30-50 years | 1 | 2 | 2 |
| >50 years | 9 | 8 | 8 |
| Average number of directors on the Board | 10 | 10 | 10 |

| Employees (yearly average headcount) | 2010 | 2009 | 2008 |
|--------------------------------------|-------------|-------------|-------------|
| Executives | 93 | 91 | 83 |
| Men | 83 (89%) | 81 (89%) | 76 (92%) |
| Women | 10 (11%) | 10 (11%) | 7 (8%) |
| Managers and specialists | 3,058 | 2,791 | 2,610 |
| Men | 2,294 (75%) | 2,067 (74%) | 1,957 (75%) |
| Women | 765 (25%) | 724 (26%) | 653 (25%) |
| Employees | 3,571 | 3,829 | 4,412 |
| Men | 2,678 (75%) | 2,836 (74%) | 3,309 (75%) |
| Women | 893 (25%) | 993 (26%) | 1,103 (25%) |
| Average number of employees: | 6,723 | 6,711 | 7,105 |

Considering the data from year-end, on 31 December, the composition is as follows:

| Employees breakdown (as of dec-31) | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|
| By gender | | | |
| Men | 5,479 (75%) | 4,737 (74%) | 5,366 (75%) |
| Women | 1,783 (25%) | 1,623 (26%) | 1,821 (25%) |
| Total employees: | 7,262 | 6,360 | 7,197 |
| By age segment (as of dec-31) | | | |
| < 25 years | 416 (6%) | 310 (5%) | 934 (13%) |
| 26-30 years (<i>New segment 2010</i>) | 1,900 (26%) | - | - |
| 31-35 years (<i>New segment 2010</i>) | 2,017 (28%) | - | - |
| 26-35 years | - | 3,558 (56%) | 3,886 (54%) |
| 36-40 years (<i>New segment 2010</i>) | 1,332 (18%) | - | - |
| >40 years (<i>New segment 2010</i>) | 1,597 (22%) | - | - |
| 36-50 years | - | 2,045 (32%) | 1,868 (26%) |
| >50 years | - | 447 (7%) | 503 (7%) |
| Total employees: | 7,262 | 6,360 | 7,197 |
| Por professional group (as of dec-31) | | | |
| University graduates | 3,290 (45%) | 3,002 (47%) | N.A. |
| Non-university graduates | 3,972 (55%) | 3,358 (53%) | N.A. |
| Total employees: | 7,262 | 6,360 | 7,197 |

LA14. Ratio of basic wage of men to women by employee category.

Gamesa incorporates equality, cultural diversity, the fight against discrimination and the promotion of equal opportunity in its human asset management. In keeping with this commitment, the basic salary ratio between men and women is 1:1 (taking as a reference the base salary, not including additional remuneration due to seniority, social benefits and other benefits).

Human rights

Management Approach-Human Rights

Respect of human rights and public freedoms constitute one of the standards of conduct that must be observed by those subject to the Gamesa Code of Conduct. Paragraph 3.1 expressly states that Gamesa is committed to applying the United Nations World Compact that it formally joined on December 21, 2004, to the conservation of the natural surroundings when carrying out its activities, and to collaborating in the development and well-being of the Communities it has relationships with. As such, it is committed to respecting minimum international standards for protection of the fundamental rights and liberties of people affected by its operations and, specifically the United Nations Standards regarding responsibilities of transnational companies and other commercial companies in the sphere of Human Rights, the Guidelines of the OECD, and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labor Organization.

The company is committed to the elimination of all forced and obligatory labor, to the eradication of child labor and compulsory work for the payment of debts, as well as to the extinction of any kind of coerced work.

Likewise it established the **principle of legal compliance** with the prevailing law in the countries where it operates, heeding the spirit and purpose of same. Additionally, conduct that without violating prevailing law in a country where it operates goes against the values, principles or ethical behavior established in the Code of Conduct is to be avoided.

There is also a commitment to equal opportunity in order to prevent any type of discrimination and in particular it commits to:

- assuring that selection and promotion of employees is done exclusively based on merit and the exact skills required in each case, especially regarding equality of treatment between men and women.
- to developing an appropriate policy for personal and professional training of its employees fomenting an environment where equal opportunity is available to each one of them, guaranteeing that there is no discrimination due to race, gender, ideology, nationality, handicap, belief, or any other personal condition, physical or social, and rejecting any manifestation of harassment or any other conduct that results in an intimidating or offensive atmosphere.

This same code establishes another series of standards of conduct related with the **promotion and defense of human rights**. They include promotion of an appropriate workplace health and safety policy and the adoption of preventative measures guaranteeing compliance with prevailing regulations in each country, and that consolidate observance of international standards and practices guided by a criteria of excellence.

The company is likewise aware of the importance of overall development of the individual. It promotes policies for **balancing family life** that facilitate the need to find balance between professional and personal life.

The **Regulatory Compliance Unit (UCN)** was created to guarantee observance of these standards of professional conduct and is authorized to:

- Propose review and update of the Code of Conduct to the Board of Directors, dealing with suggestions made by all stakeholders.
- Resolve all questions that may arise regarding interpretation and / or application of the Code of Conduct.
- Receive questions or complaints regarding activities that lack ethics, integrity, or go against the principles included in the Code of Conduct. Provide a channel that functions in accordance with the procedures established in the Code itself.
- Take suggestions, questions or proposals related to the Code of Conduct.
- Evaluate and prepare an annual report communicating the degree of compliance to the Code of Conduct.
- Inform the Audit and Compliance Committee about suggestions, questions, proposals and non-compliant activities related to the Code of Conduct.

Human Rights performance indicators

Investment and procurement practices

HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

There have been no significant investments during 2010 that could put human rights protection at risk or affect the reputation of the company or the stability of those investments. For more detail, see the 2010 Legal Report note 2g). Significant investments are considered to be those that must be communicated as Relevant Facts to the National Securities Commission (CNMV), and they must be reported if knowledge of them could reasonably influence an investor to acquire or sell securities or financial instruments and as such having palpable influence on its pricing in a secondary market.

HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

The Gamesa General Conditions of Purchase explicitly include provisions on the respect for human rights and labor practices, as well as an evident stance against fraud and corruption. Gamesa is now working to ensure they are fully implemented across its entire supply chain. Among other things:

These general terms and conditions require suppliers to avoid employing minors directly or indirectly pursuant to the agreement contained in Convention 138 of the International Labor Organization (OIT/ILO).

They lay down the supplier's commitments to not employ forced or compulsory labor, to not punish or threaten their employees and to avoid any kind of discrimination.

Similarly, these terms and conditions set forth that suppliers must impede any kind of fraudulent activity by their representatives concerning any amount of money received from Gamesa or from the companies comprising its Group.

Gamesa controls its relationship with its suppliers through its General Conditions of Purchase or contracts. The degree of direct purchasing at the end of 2010 and the suppliers that have worked with the nacelle, blades, and tower units are the following:

| Implementation of General Conditions for Purchase | % of purchase volume | % Suppliers |
|---|----------------------|-------------|
| Europe | 98% | 66% |
| United States | 100% | 100% |
| China | 97% | 86% |
| India | 80% | 57% |

The Gamesa document of General contracting Conditions is available on the company web page.⁴²

Also indicate that to date there has been no specific analysis and monitoring of suppliers in human rights. However, the company is working on specific procedures to provide guarantees in this area, which is expected to be in operation during 2011.

HR3. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

As reported in the 2009 Sustainability Report, during that year there was an intense training effort, face-to-face for the most part. Gamesa trained 2,089 people in different geographic areas of operation.

As a consequence, the training done in 2010 focused on increasing that number and, fundamentally on reinforcing and consolidating of the previous year's message.

As a consequence of the aforementioned objectives, training was continued with e-learning in Europe and the Rest of the World (ROW) and reached a total of 1,073 employees representing 25.48% of those having training pending at the beginning of 2010.

⁴² <http://www.gamesa.es/en/sustainability/commitments/suppliers/suppliers-conditions-of-purchase.html>

Diverse face-to-face training sessions carried out in China should be added. These sessions focused on key personnel with a total of 32 employees attending, all of them pertaining to the management team from the purchasing and sales areas. The objective of the sessions was to communicate the principle of zero tolerance in essential question like respect for Human Rights, the fight for eradication of child labor, and rejection of corruption and bribery in all its forms, as well as the required control of the conflict of interest prevention procedures.

This training campaign continues in 2011 and on the occasion of the World Wide Forum held by the Business Excellence Unit on January 19 and 20, there was a training session attended by unit managers from the four geographic areas (Europe, Rest of the World, China, the United States, and India). The Regulatory Compliance Unit had equal involvement in the Convention course for the Promotion and Wind Farm Sales Unit and the Integrated Security Directorate.

As a fruit of all this, the percentage of company employees specifically trained on the policies and procedures related to the issue of human rights relevant to their activity reached 50.6%.

In preparation of the presentations that supported the training sessions, the 2010 Perception of Corruption Index prepared by International Accountability (Transparency International) was used as well as diverse audiovisual material available on the United Nations web page.⁴³

In addition, all of Gamesa's employees have received continuing and specific training with regards to the different standards included in the Company Code of Conduct. Our WOW Factor (*Way of Working with the Code of Conduct*) is the communication tool used, which the Regulatory Compliance Unit sends to all company employees in different geographical areas and in bilingual format, English and Spanish via the electronic Code of Conduct mail box.

Specifically, since the launch of this continued training program on November 20, 2009, there have been 19 communications sent regarding:

| WOW Factor continued Training (<i>Way of Working with the Code of Conduct</i>) | |
|--|--|
| Integrated profession conduct | Right to privacy |
| Data processing | Equal opportunity |
| Relationship with the Community | Code of Conduct Compliance Channel |
| Respect for Human Rights and Public Freedoms | Respect for the Environment |
| Corruption, Bribery, and Conflict of Interest | Listed on the Dow Jones Sustainability Index |
| Use and protection of Innovation assets and technological wealth | Cooperation and collaboration |
| Corporate image and reputation | Legal compliance |
| External activities | Relationships with Shareholders |
| Workplace Health and Safety | Regulatory Compliance Unit |

As indicated, communications are sent to all Gamesa employees that have a computer and an email account. Those who do not have them are reached by timely publication on the bulletin board of their work center.

All related communications can be found on the corporate intranet.⁴⁴

Finally, every two weeks, the Regulatory Compliance Unit sends a Newsletter (Compliance Unit Newsletter) to the members of the Management Committee. It is intended as a communication tool that the Regulatory Compliance Unit can use within the framework of the business ethics program they are charged with carrying out. The tool is used to inform those who make up the first line of reporting regarding subjects and issues and / or trends that are being observed in the world of business from the point of view of their ethics.

The chosen format attempts to be brief and concise so that the target readers get a good summary of the issues included in the Newsletter, without prejudice to the additional information, matters relating or any other issue of their interest, which upon their request is made available by the Regulatory Compliance Unit.

The information contained in the newsletter comes from public and / or private sources to which the Regulatory Compliance Unit has access and specific authorization for its internal use.

⁴³ <http://demo.transformlearning.com/thefightagainstcorruption/>

⁴⁴ <http://intranet.gamesacorp.com/INTRANET/GAMESA/WOW/index.htm>

⁴⁸ <http://www.gamesa.es/en/human-capital/compliance-channel.html>

Non-discrimination

HR4. Total number of incidents of discrimination and actions taken.

During 2010, the Regulatory Compliance Unit did not detect any incidents of discrimination due to race, color, gender, religion, political opinions, origin or social origin based on the International Labor Organization's (ILO) definition, or other kinds of discrimination that affect internal or external stakeholders.

Nevertheless, there are three confidential communications of possible discrimination. They were received through the Code of Conduct Compliance Channel ⁴⁸ managed by the Regulatory Compliance Unit and whose performance is reported every six months to the Audit and Compliance Committee. The three complaints mentioned invoke Regulation 3.3 of the Code of Conduct as the violated regulation. That regulation establishes the company's commitment to Equal opportunity. In each case the Regulatory Compliance Unit carried out an investigation. There was no evidence contrary to the cited regulation in any of the cases.

Specifically, with regards to the ant-discrimination measure adopted: Gamesa approved, signed, and published its **Equality Plan** in 2010. It was agreed with the CCOO, UGT, and ELA unions in July 2010, signed in Madrid on September 2, 2010, and published in the BOE (Official State Bulletin) in December. A permanent Committee was established in 2010 to follow-up as part of the Sexual Harassment Prevention Protocol for Reasons of Gender, Morale and Bullying applicable to Gamesa as a whole (except for the United States where there is a specific law already established). Human Capital management, core shared services, labor law counseling, and the General Counsel's Office are represented on the Committee. Within the framework of preventing harassment, the Spanish and US committees have dealt with one case in Spain and 2 in the United States. They were resolved internally with no evidence of discrimination.

Gamesa has also signed on to the Women's Empowerment Principles, an initiative guided by the Development Fund of United Nations Women (UNIFEM) and the United Nations Global Compact (UNGC). This global initiative which has the adherence of 167 companies around the world, offers a series of considerations to help the private sector focus on essential elements for promoting gender equality in the workplace, the market and the community.

Gamesa has also initiated collaboration with the Once Foundation for 2011. This will be done through a program of sensitization to handicaps and the **incorporation of handicapped people** in Gamesa. Job descriptions with handicap profiles were piloted in one of the blade plants during 2010. In addition, product purchase and service contracting opportunities with special employment centers through Fudosa were identified. The general lines on which an agreement with the Once Foundation would be founded have been identified. They are focused on direct employment of handicapped people, rolling out all types of activities related to:

- Promoting direct access to employment for handicapped people through incorporation to the Gamesa workforce of handicapped people.
- Promoting training of handicapped people.
- Promoting indirect work integration of people with handicaps through purchasing goods or services from ONCE Foundation Employment Centers.
- Driving activities in the area of improving accessibility to goods and services.
- Including handicapped people in its plans and strategies of social responsibility.
- Promoting activities fomenting social sensitization.
- Other projects that contribute to improving employment and social inclusion of people with disabilities.

Freedom of association and collective bargaining

HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

The International Labor Organization Declaration on fundamental principles and rights, constitutes the Company's main standard of labor management. The four fundamental components are:

- Elimination of all forms of forced or compulsory labor.

- Effective abolition of child labor.
- Elimination of discrimination in respect to employment and occupation.
- Freedom of association and the effective recognition of the right to collective bargaining.

Gamesa of course, as previously mentioned, includes respect and promotion of rights at work in its Code of Conduct and its principles of Corporate Social Responsibility: freedom of association and affiliation and the right to collective bargaining, working itself for the elimination of forced or compulsory labor, child labor, and all forms of coerced work.

Gamesa is aware of the role played by trade unions, not just in internal mediation for negotiating worker's labor conditions, but also as strategic entities that influence economic and social, national and transnational environments.

Building positive relationships with the trade unions, like we have in our centers in the United States and Spain, requires:

- Having a decided commitment to it that is supported by the Company's upper management and integrated throughout the chain of command.
- Establishing relationships at the appropriate level: national and local perspective
- Integrating the trade union perspective in the decision making process.
- Good faith, communication, and trust.

In the specific case of China, Trade Union Law recognizes the right of workers to form a trade union and request support from the employing company to do so. The National Trade Union is currently working so that employees may set up their own trade unions. Gamesa is coordinating with the National Trade Union on all the initiatives aimed at making this proposal's evolution possible.

In the case of India, and in accordance with the laws of the country, trade union activities are a legal right of workers and it is contrary to the law to oppose them. Gamesa in India is not opposed to the formation of a union, nor is there any oral or written condition to workers restricting a trade union, and of course it rejects any form of reprisal against workers for belonging to a union. We firmly support all measures oriented to the creation of a positive labor environment where there are no barriers between management and workers, encouraging all negotiation processes.

Child Labor

HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

There is no knowledge of activities carried out in the social perimeter that carry potential risk of child exploitation. Paragraph 3.1 of the Gamesa Code of Conduct, oriented to respect for human rights and public freedoms commits to the elimination of all types of forced or compulsory labor, the eradication of child labor and compulsory work for paying debts, and the extinction of all coerced work.

This condition is extended to the supply chain by specifically including it in general contract clauses.

Forced and compulsory labor

HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.

There is no knowledge of activities carried out in the social perimeter that carry potential risk of forced or nonconsensual work. Paragraph 3.1 of the Gamesa Code of Conduct, oriented to respect for human rights and public freedoms commits to the elimination of all types of forced or compulsory labor, the eradication of child labor and compulsory work for paying debts, and the extinction of all coerced work.

This condition is extended to the supply chain by specifically including it in general contract clauses.

⁵⁰ <http://soprweb.senate.gov/index.cfm?event=selectfields>

Security practices

HR8. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Gamesa has an Integrated Security Department whose main objective is to plan and set policies and techniques to protect the integrity of the Company's tangible and intangible assets, people, goods, information and knowledge. This department has a stable staff of 7 employees distributed geographically in China, the United States, and Spain. The rest of the staff is hired through security companies which are duly certified before the corresponding governmental authorities. Gamesa General Conditions of Purchase, particularly the clauses on the protection of human rights, and the prevention of fraud and corruption, apply to 100% of contracting.

The security workforce's composition varies on the basis of the business's needs. There was an average of 186 security guards in 2010.

| Security guard personnel | 2010 | 2009 | 2008 |
|----------------------------------|------------|------------|-----------|
| Europe and the Rest of the World | 87 | 50 | 40 |
| United States | 21 | 10 | 10 |
| China | 55 | 35 | 10 |
| India | 23 | 5 | - |
| TOTAL: | 186 | 100 | 60 |

| Seniority / Experience at the end of 2010 | < 1 year | 1-2 years | >2 years |
|---|----------|-----------|----------|
| Europe and the Rest of the World | 32% | 38% | 30% |
| United States | 40% | 60% | - |
| China | 20% | 80% | - |
| India | 85% | 15% | - |

Responsibility for contracting and managing security services lies with Gamesa's Integrated Security Department, which provides security staff with the instructions and training needed to perform their duties, particularly with respect to human rights. Evidence of this is the fact that 100% of subcontracted security personnel have been informed about Gamesa's Code of Conduct, as set forth in internal operating procedure ISI-1-0011, and that such personnel undergo continuous auditing by the Integrated Security Department.

Indigenous rights

HR9. Total number of incidents of violations involving rights of indigenous people and actions taken.

No violations of the rights of indigenous people were detected by the Regulatory Compliance Unit during 2010.

Nevertheless it should go on the record that during that period, communication was received from a financial asset management company asking for clarification regarding the veracity of certain information to which they had access, indicating the possible existence of discriminatory and / or abusive behaviors toward land owners in certain geographic zones.

An appropriate internal investigation was carried out by the Regulatory Compliance Unit, with the collaboration of different departments and areas of the company that were affected. The result of all of this was that there was no violation of rights or discriminatory and / or abusive behaviors. This was reported to the consulting entity

Society

Management Approach-Society

Gamesa is willing to contribute to the improvement of quality of life and creation of wealth, both by providing its own products services and by promoting economic-social development through non-business channels.

As such, community relationship strategy is built on the following principles:

- Sensitivity to social change in order to better understand how the needs of society in general evolve and as such anticipate future demands in the sector.
- Systematic, fluid, and truthful information about its activities that generates a climate of trust and credibility.
- Respect for the environment, complying with prevailing law and collaborating for the conservation and improvement of same.
- Creation of employment leading new competitive business developments.
- Support and development of disadvantaged groups and sectors.
- Contribute to raising the scientific and technological level of our environment by supporting research and promoting the use of environmentally friendly technologies and methods.
- Collaborate with institutions as platforms of activity for improvement and development of the Community.

This sensitivity translates to activities related to development of social-economic environments where the company operates, through projects and **community support programs**. Section EC.8 of this document describes these contributions in greater detail.

With regards to society in general, the Principles of Corporate Social Responsibility and the Code of Conduct that carries them out oblige all people that are subject to them to strict compliance with prevailing law. They must act with the principles of loyalty, good faith, prohibition of the arbitrary, and maintain at all times of the highest ethical and moral criteria in their attitudes and behavior. Specifically, Gamesa has developed a standard against fraud, and has put into practice mechanism such as the regulation for the prevention of **Conflicts of Interest** and / or cases of **Corruption and/or Bribery**, a process for consolidating the principles of trust and credibility that model the ethical business orientation of the company.

The creation of sustainable employment, contributions to the development of local supply chains that enrich the local socio-economic fabric, and compliance to environmental regulations are some of the contribution of the company to social development.

The company has various tools for driving the **sensitization of its professionals** regarding different aspects of the relationship with the community where they operate, among them are the following:

- The corporate policies are shared publicly via the corporate intranet.
- The revised Code of Conduct was communicated to all employees, and is available on the company web site as well as on the corporate intranet. Some groups have been expressly trained on the issue.
- The Regulatory Compliance Unit deals with all questions and reports of unethical activities, activities lacking integrity or going against the principles included in the Code of Conduct and they inform the Audit and Compliance Committee in a timely fashion of any irregularity detected with respect to compliance.

Society performance indicators

Community

S01. Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.

As indicated in the management approach associated with labor practices, a fundamental axis of the Company's Human Capital Management is found in its philosophy of social relationships with worker representatives, the Social Dialog model. Important milestones during 2010 include signing the second Gamesa Collective Agreement in the United States, as well as the major agreement reached with worker representatives for processing the Downsizing Plans that suspend operations in four plants in Spain and end them in one. See indicator LA11 for greater detail.

Corruption

S02. Percentage and total number of business units analyzed for risks related to corruption.

In 2010 the PDCA (Plan-Do-Check-Act) process relating to the Code of Conduct was closed. This process was started in 2008 with revision of the Code of Conduct. It continued in 2009 with the training and dissemination campaign and approval of the "Rules for the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery." It culminated in 2010 with a survey of those responsible for all areas and units of the company in their distinct geographical areas.

An appropriate self-analysis of the health of the Company Code of Conduct in General and the risks associated with corruption in particular was carried out with this questionnaire.

The questionnaire had a total of 54 questions and targeted a group of 130 people, all part of the Gamesa Global Management Group.

Of the 54 questions, in addition to those specifically grouped under the heading "the fight against bribery and corruption, there were another 7 that made reference to Company policies and practices dealing with the fight against and prevention of practices of corruption and bribery in conflict of interest situations (5 under the heading of "Good Governance and business ethics" and 2 under "Non-discrimination").



S03. Percentage of employees trained in organization's anti-corruption policies and procedures.

As specified in indicator HR3, in 2010 training on the Code of Conduct was continued in general, and anticorruption procedures and policies in particular were addressed.

Specifically, in addition to publication of the "Rules for the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery" on the corporate internet, training tasks started in the previous year were continued. As a consequence, 32 people in China, 55 in the Business Excellence Unit, and 18 in the Wind Farm Promotion and Sales Unit were added the 138 people of the 356 identified in the sales and purchasing areas and the Business Excellence unit that received specific training in 2009.

This resulted in the degree of compliance with respect to the objective established at the time the training work was launched (November 25, 2009) reaching 68%.

S04. Actions taken in response to incidents of corruption.

Nineteen communications regarding conduct allegedly contrary to that provided for in the Gamesa Code of Conduct were received via the code of conduct reporting channel monitored by the Regulatory Compliance Unit.

Two of them mentioned violation of Regulation 3.8 (Corruption and Bribery). After investigation, one of them resulted in identifying behavior contrary to that stipulated in the regulation. As a consequence, the Gamesa employee who behaved inappropriately departed the company.

The accusation mentioned in the previous paragraph was reported to the Regulatory Compliance Unit by a member of the company's management team. This demonstrates the degree of involvement of this group with compliance with Code of Conduct and its workings. Investigation of the reports included the collaboration of the Integrated Security Department.

Public Policy

S05. Public policy positions and participation in public policy development and lobbying.

Gamesa participates in developing public policy related to wind power through its membership in industry associations in the countries where it operates.

The reason Gamesa participates in these industry associations is to defend the interests of wind power and to reinforce it as a response to the climate and energy crisis, and as a key option for complying with objectives for the reduction of contaminating gases. Gamesa contributes to the formulation of wind industry policy positions on key issues. It helps create a regulatory framework in which it can successfully operate.

The objective is to create favorable conditions for the application of wind energy, helping to create policies that strengthen the development of wind markets, infrastructures and technology. More specifically:

- Implementation of standards favoring wind power and development of strategic initiatives to influence public policy such that stable markets are created and maintained, and overcome wind energy barriers.
- Defense of efficient systems of public incentives for renewable energy, principally feed-in-tariffs, shown to be the most effective for providing security, continuity and trust to investors. The most developed wind markets use feed-in-tariffs.
- Establishing ambitious objectives for participation of renewable energies in the energy mix.
- Elimination of technical, bureaucratic, and market barriers that limit the growth of wind power.
- Promote R&D+i.
- Make politicians, opinion makers, media companies, public opinion, NGO's and other interest groups aware of the benefits of wind power.

S06. Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.

At Gamesa, relationships with public authorities are guided by institutional respect and strict compliance with the law, as established in paragraph 3.14 of the company Code of Conduct. As such any link to, membership in, or collaboration with political parties, institutions, foundations or associations whose purposes go beyond those of the company, as well as any contributions thereto, should be done in such a way so as to ensure their personal nature is clear and without involving the company or its political neutrality in any way whatsoever.

In the United States lobbying is a permitted practice, recognized and regulated. Financial contributions that Gamesa makes for this activity are public and available on the Lobbying Disclosure Database.⁵⁰

Anti-competitive behaviour

S07. Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.

We have not initiated nor been the object of any legal action related to monopolistic practices or anti-competitive behavior.

Compliance

S08. Monetary value of significant fines and total number of non-monetary penalties for non-compliance with laws and regulations.

We have received no penalties deriving from non-compliance to laws and regulations. As far as we know, we comply with all legal provisions and regulations.



Product responsibility

Management Approach-Product responsibility

The products that Gamesa makes available on the market include a wide range of wind turbines developed to offer the best features in function with the type of location they are placed in, as described in indicator 2.2.

The company has its own wind turbine design and technology development capacity. It is vertically integrated and includes manufacturing of blades, molds used to manufacture the blades, root joints, gear boxes, generators, converters, and towers. It also does assembly of the wind turbine. We ensure that Gamesa plans and controls the design and development of the product, as well as services for its operation and maintenance. From the perspective of **customer health and safety**, during design and development planning, Gamesa defines steps, review, verification and validation for each step in the design and development. It also assigns responsibilities and authorities for same. It manages the interfaces between different groups involved in the design and development insuring efficient communication and a clear assignment of responsibilities. Inputs related to product requirements include: functional and performance requirements, applicable legal and regulatory requirements, information pertaining to previous similar designs, client specified requirements and recyclability as well other essential design and development requirements. The systematic reviews done at each step guarantee inclusion of relevant issues having to do with health and safety in the work place, the environment, and energy efficiency in all processes. This means product design and development as well as managing changes that might occur throughout its useful life.

A key factor for our company is our customer focus. We are aware that our success depends on the success of our customers. The company's flexibility allowing it to offer technologies, products, services and innovative ideas that improve our customers' competitiveness, is a determining factor. We are committed to the success of our customers over the long term, through dialog, mutual trust, and commitment to innovation. The relationship between Gamesa and its clients is fundamental for providing full response to their requirements and satisfying their needs. We do this using ongoing communication so as to measure the quality of service provided, a differentiating factor, as well as a market guarantee. We carefully follow a strict compliance standard, guaranteeing that Gamesa wind turbines are certified by independent prestigious bodies in accordance with the most current standards of design and type, including the following measures and validations:

- Product design in accordance with standard wind parameters (classes).
- Loads in accordance with specifications.
- Measurement of power curve.
- Measurement of noise level.
- Measurement of energy quality.
- Production center inspection.

Product responsibility performance indicators

Customer Health & safety

PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

The company has the management components necessary for establishing the activities, responsibilities and work flows necessary for insuring that the product design done by Gamesa takes into account the Health and Safety of workers, both its own and external, that will interact with the product throughout its life cycle. Specifically, the standard PHS-TEC-001 framework establishes an appropriate application environment in the Solution Conception System for Gamesa Customers (SC2G) and is applicable to:

- Product Development Projects (PDP) and modifications to the product design, subsystems and components throughout its lifecycle.
- Technical Development Projects (TDP) and the modifications that technical assets may be subject to during their life cycle.

The purpose of the health and safety evaluation is to detect intrinsic characteristics in the design that could unnecessarily generate future risks or dangers deriving from a poor safety concept, and that could affect the health and safety of workers doing their jobs throughout the useful life of the component.

PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

Gamesa has no record of incidents in 2010 caused by non-compliance to legal regulations or voluntary codes related to the impact of products and services on health and safety during their lifecycles.

Product and service labeling

PR3. Type of product information required by procedures, and percentage of significant products and services subject to such information requirements.

Gamesa places special importance on providing an appropriate degree information and labeling regarding the sustainability of its products and services. Given the nature of the equipment they sell, and not being the object of buy/sell by the final consumer, the guarantees are in the customer-supplier contract.

PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

One of Gamesa's main tasks is to provide truthful sales information about its products, technologies and services. Gamesa therefore maintains commercial practices that respect the legitimate interests and rights of the recipients to be provided with enough information to facilitate their choice.

Likewise, any sales messages drawn up by Gamesa are conceived under the umbrella of an honest and truthful marketing policy and no subjective comparisons are made in them. No information is supplied that could lead to a conflict of third-party rights or to a breach of good faith in business or contractual relationships with third parties. These policies cover all geographical areas where Gamesa has a commercial presence and ensure compliance with legal regulations.

Gamesa has no knowledge of any claims nor has it been the object of any penalties related to the sales communications tools it used for its products during 2010.

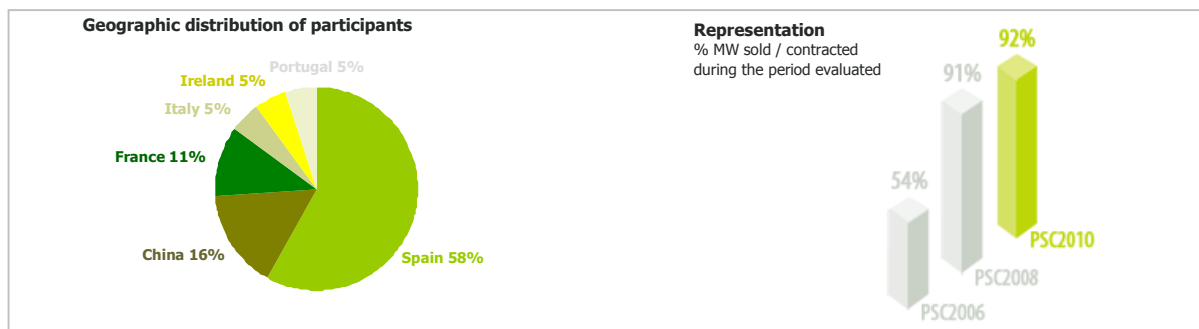
PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Gamesa's relationship with its customers is based on providing a full response to their requirements and meeting their needs. The company considers establishing mechanisms such as the Customer Satisfaction Project (CSP) as necessary. They enable us to establish direct communication in order to measure the quality of service provided.

The customer satisfaction process lets us know the perception of our company, products, and services first hand. To do that, issues linked with the development, construction and operations phases of our projects are evaluated, as well as general perceptions regarding the company. This project is executed every two years.

Nineteen clients in 6 different countries participated in CSP2010. This was representation of 92% and reached a general satisfaction level with the company of 100% as compared with 85% from the previous project (representation based on the % of MW sold / contracted in the period evaluated).

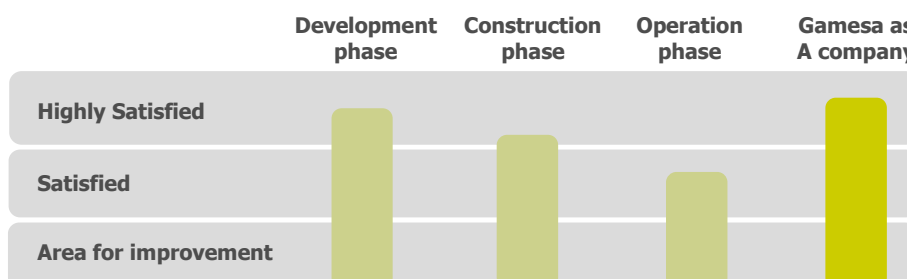
| Characteristics of CSP 2010 | | |
|--|--|---|
| Methodology | Enables | Profile of the survey |
| <ul style="list-style-type: none"> • Face-to-face interview with each of our customers. • Questionnaire focusing on the customer's activities, setting an improvement on their processes as a priority. • Increase in the number and depth of open (38) and closed (47) questions. • Importance field in each of the questions broached (assessment and importance). | <ul style="list-style-type: none"> • Strengthen our focus on customers • Focus on key aspects of the business • Define a framework to gather highly valuable information for their companies • Use of a format that facilitates more dynamic interviews. • Gather data with a view to improving future questionnaires | <ul style="list-style-type: none"> • 19 businesses in 6 different countries • The sample was guaranteed to include companies with different profiles and that its size was sufficiently big so as to offer a statistically viable result. |



Survey methodology We requested in the survey that the degree of importance be indicated (valued from 0-3 with three being the highest degree of importance) and degree of satisfaction attributed to a series of characteristics related to different phases of activity (development phase, construction phase, operations phase, and a section regarding overall satisfaction with Gamesa as a company). We also asked for suggestions and / or comments with different open questions pertaining to each of the phases.

| Methodology of CSP 2010 | | |
|-------------------------|------------------|----------------|
| Área | Closed questions | Open questions |
| Development phase | 15 | 8 |
| Construction phase | 13 | 6 |
| Operation phase | 12 | 11 |
| General satisfaction | 7 | 13 |
| Total | 47 | 38 |

Survey results by phase. The results obtained show a high level of satisfaction in the development and construction phase, achieving a very positive evaluation of Gamesa as a company. Likewise, an optimum level of satisfaction was achieved for the operation phase. In fact, our customers were not dissatisfied with any of the phases.



| Phase | Impact | Aspect | Strengths and weaknesses |
|---------------------|------------------|----------------------|--|
| Development | Highly satisfied | Positive evaluation | <ul style="list-style-type: none"> Commercial credibility and compliance with commitments Delivery terms offered |
| | | Area for improvement | <ul style="list-style-type: none"> Profitability of the product |
| Cosnstruction | Highly satisfied | Positive evaluation | <ul style="list-style-type: none"> Compliance with delivery terms ex-works Level of safety and observation of safety protocols Project management quality |
| | | Area for improvement | <ul style="list-style-type: none"> Compliance with provisional acceptance sign offs (CAP) |
| Operation | Satisfied | Positive evaluation | <ul style="list-style-type: none"> Duration of the contract (maintenance guarantee) Availability of the Gamesa G5X-850 kW platform Training quality |
| | | Area for improvement | <ul style="list-style-type: none"> G8X availability Quality of operations jobs |
| Gamesa as a company | Highly satisfied | Positive evaluation | <ul style="list-style-type: none"> Commitment to the communities Agreements that create value for both parties |
| | | Area for improvement | <ul style="list-style-type: none"> Technology and innovation |

Comparison of the average satisfaction index value 2008 vs 2010



Marketing communications

PR6. Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.

During 2010 Gamesa participated with its own stand in 18 international trade fairs on four continents: Europe, Asia, North and South America.

Gamesa attended the top trade fairs in Poland, Sweden, Rumania and Sri Lanka for the first time. And it repeated attendance in trade fairs in countries like Brazil, Mexico, the United Kingdom, and Canada. Participation in trade fairs went hand in hand with attending parallel conference programs with specific presentations.

Gamesa's stand at 2010 international trade fairs included a new product display, Gamesa Innova that runs through the different Gamesa product platforms, with innovation capacity being the core theme. The company also had product displays specific to its stand in China (nacelle Gamesa G8X-2.0 MW) and India (850 kW drive train).

For the first time it organized a product presentation seminar for customers outside of Spain: Gamesa G9X and Gamesa G10X seminar, in Ankara and Istanbul (Turkey).

PR7. Total number of incidents of non-compliance with regulations and voluntary codes of conduct concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.

Gamesa has no record of incidents caused by the marketing and advertising of its products in 2010.

Customer privacy

PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

With regards to claims having to do with privacy or loss of customer personal data, we have neither initiated nor been the target of any claim.

Compliance

PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

There is no record in 2010 of any significant fines or penalties related to noncompliance with product and services health and safety requirements, nor related to non-compliance regarding product related information. Nor are there records in 2010 of any penalties related to marketing communications, including advertising and promotion. Finally, there is no record in 2010 of penalties related to non-compliance of contractual conditions, nor for administrative or judicial rulings that have resulted in penalty because of this.

**Independent
verification**

AENOR Asociación Española de
Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 010/11

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

GAMESA CORPORACIÓN TECNOLÓGICA, SA

Entitled: ***GAMESA SUSTAINABILITY REPORT 2010***

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report, being its application level: **A***

This external assurance is in accordance with the requirements of the G3 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 25th March, 2011 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract – application nº GRI-013/11 dated 22th February, 2011 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the Installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate GAMESA CORPORACIÓN TECNOLÓGICA, SA, in the "GRI Reports List" which is published in its Web <http://www.globalreporting.org/GRIReports/GRIReportsList/>.

Issued on: 7th April 2010


Asociación Española de
Normalización y Certificación
General Manager of AENOR



Statement GRI Application Level Check

GRI hereby states that **Gamesa** has presented its report "Gamesa Sustainability Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

26 April 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Gamesa has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance Provider and for deciding the scope of the assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 April 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

Gri content index

PROFILE

| Strategy and analysis | | | Page |
|-----------------------|-----|---|------|
| ■ | 1.1 | Statement from the most senior decision-maker of the organization (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy. | 5-4 |
| ■ | 1.2 | Description of key impacts, risks and opportunities. | 7-11 |

| Organizational profile | | | Page |
|------------------------|------|--|-------|
| ■ | 2.1 | Name of the organization. | 17 |
| ■ | 2.2 | Primary brands, products and/or services. | 17 |
| ■ | 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures. | 18-13 |
| ■ | 2.4 | Location of the organization's headquarters. | 19 |
| ■ | 2.5 | Number of countries where the organization operates. | 19 |
| ■ | 2.6 | Nature of ownership and legal form. | 19 |
| ■ | 2.7 | Markets served. | 20-16 |
| ■ | 2.8 | Scale of the reporting organization. | 22-17 |
| ■ | 2.9 | Significant changes during the reporting period regarding size, structure and ownership. | 23 |
| ■ | 2.10 | Awards received during the reporting period. | 23-18 |

| Report parameters | | | Page |
|-------------------|------|---|-------|
| ■ | 3.1 | Reporting period for information provided. | 25 |
| ■ | 3.2 | Date of most recent previous report (if any). | 25 |
| ■ | 3.3 | Reporting cycle (annual, biennial, etc.). | 25 |
| ■ | 3.4 | Contact point for questions regarding the report or its contents. | 25 |
| ■ | 3.5 | Process for defining report content. | 25-20 |
| ■ | 3.6 | Boundary of the report. | 26 |
| ■ | 3.7 | State any specific limitations on the scope or boundary of the report. | 27 |
| ■ | 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | 27 |
| ■ | 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. | 27 |
| ■ | 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement. | 28 |
| ■ | 3.11 | Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report. | 28 |
| ■ | 3.12 | Table identifying the location of Standard Disclosures in the report. | 29 |
| ■ | 3.13 | Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. The relationship within the organization should be clarified as well. | 29 |

| Gobernante, Commitments and Engagement | | | Page |
|--|------|--|-------|
| ■ ■ | 4.1 | Governance structure of the organization, including commitments under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | 31-25 |
| ■ ■ | 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement). | 33-26 |
| ■ ■ | 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive. | 35 |
| ■ ■ | 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | 36 |
| ■ ■ | 4.5 | Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance. | 36 |
| ■ ■ | 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | 37-29 |
| ■ ■ | 4.7 | Processes for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics. | 37 |
| ■ ■ | 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance, and the status of their implementation. | 38-30 |
| ■ ■ | 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles. | 39 |
| ■ ■ | 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance. | 39 |
| ■ ■ | 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | 40 |
| ■ ■ | 4.12 | Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses. | 40 |
| ■ ■ | 4.13 | Membership in associations (such as industry associations) and/or national/international advocacy organizations to which the organization provides funding | 41-33 |
| ■ ■ | 4.14 | List of stakeholder groups engaged by the organization. | 42 |
| ■ ■ | 4.15 | Basis for identification and selection of stakeholders with whom to engage. | 43 |
| ■ ■ | 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | 44 |
| ■ ■ | 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | 45-37 |

ECONOMIC DIMENSION

| | | | Page |
|---------------------------------------|-----|---|-------------------------------|
| DMA-Disclosure on management approach | | | 47 |
| Performance indicators | | | ¡Error! Marcador no definido. |
| ■ ■ | EC1 | Direct economic value generated and distributed. | 48 |
| ■ ■ | EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | 49-40 |
| ■ ■ | EC3 | Coverage of the organization's defined benefit plan obligations. | 51-41 |
| ■ ■ | EC4 | Significant financial aid received from government. | 51 |
| ■ ■ | EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. | 52 |
| ■ ■ | EC6 | Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation. | 52 |
| ■ ■ | EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation. | 53 |
| ■ ■ | EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement. | 54-44 |
| ■ ■ | EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | 56-46 |

ENVIRONMENTAL DIMENSION










| | | | Page |
|---------------------------------------|-----|--|-------|
| DMA-Disclosure on management approach | | | 58-48 |
| Performance indicators | | | 61 |
| ■ ■ | EN1 | Materials used by weight or volume. | 61 |
| ■ ■ | EN2 | Percentage of materials used that are recycled input materials. | 62 |
| ■ ■ | EN3 | Direct energy consumption by primary energy source. | 62 |
| ■ ■ | EN4 | Indirect energy consumption by primary energy source. | 63-51 |
| ■ ■ | EN5 | Energy saved due to conservation and efficiency improvements. | 64 |
| ■ ■ | EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | 65 |
| ■ ■ | EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | 65 |
| ■ ■ | EN8 | Total water withdrawal by source. | 65 |

| | | | |
|---|------|---|-------|
| ■ | EN9 | Water sources significantly affected by withdrawal of water. | 66 |
| ■ | EN10 | Percentage and total volume of water recycled and reused. | 66 |
| ■ | EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | 66 |
| ■ | EN12 | Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | 67 |
| ■ | EN13 | Habitats protected or restored. | 67 |
| ■ | EN14 | Strategies, current actions and future plans for managing impacts on biodiversity. | 67-54 |
| ■ | EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | 68 |
| ■ | EN16 | Total direct and indirect greenhouse gas emissions by weight. | 68 |
| ■ | EN17 | Other relevant indirect greenhouse gas emissions by weight. | 69 |
| ■ | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | 69 |
| ■ | EN19 | Emissions of ozone-depleting substances by weight. | 69 |
| ■ | EN20 | NO, SO and other significant air emissions by type and weight. | 70 |
| ■ | EN21 | Total water discharge by quality and destination. | 71 |
| ■ | EN22 | Total weight of waste by type and disposal method. | 71-57 |
| ■ | EN23 | Total number and volume of significant spills. | 71 |
| ■ | EN24 | Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally. | 72 |
| ■ | EN25 | Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | 72 |
| ■ | EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | 73-59 |
| ■ | EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | 74-60 |
| ■ | EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | 74 |
| ■ | EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | 75 |
| ■ | EN30 | Total environmental protection expenditures and investments by type. | 75 |

SOCIAL DIMENSION - Labor Practices and work ethics

| | | | Page |
|---------------------------------------|------|---|-------|
| DMA-Disclosure on management approach | | | 76-62 |
| Performance indicators | | | 78 |
| ■ | LA1 | Total workforce by type, employment contract and regions. | 78-64 |
| ■ | LA2 | Total number and rate of employee turnover by age group, gender and region. | 79 |
| ■ | LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | 79 |
| ■ | LA4 | Percentage of employees covered by collective bargaining agreements. | 79 |
| ■ | LA5 | Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. | 79 |
| ■ | LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs. | 80-65 |
| ■ | LA7 | Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region. | 81-66 |
| ■ | LA8 | Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases. | 83 |
| ■ | LA9 | Health and safety topics covered by formal agreements with trade unions. | 83 |
| ■ | LA10 | Average hours of training per year per employee by employee category. | 84 |
| ■ | LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | 84-68 |
| ■ | LA12 | Percentage of employees receiving regular performance and career development reviews. | 85 |
| ■ | LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. | 85 |
| ■ | LA14 | Ratio of basic wage of men to women by employee category. | 86 |










SOCIAL DIMENSION – Human rights

| | | | Page |
|---|-----|--|-------|
| DMA-Disclosure on management approach | | | 87 |
| Performance indicators | | | 88 |
|  | HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | 89 |
|  | HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | 89 |
|  | HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | 89-72 |
|  | HR4 | Total number of incidents of discrimination and actions taken. | 91 |
|  | HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | 91-74 |
|  | HR6 | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | 91 |
|  | HR7 | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor. | 91 |
|  | HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | 92-75 |
|  | HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | 92 |

SOCIAL DIMENSION – Society

| | | | Page |
|---------------------------------------|-----|---|------|
| DMA-Disclosure on management approach | | | 93 |
| Performance indicators | | | 94 |
| ■ | S01 | Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting. | 94 |
| ■ | S02 | Percentage and total number of business units analyzed for risks related to corruption. | 94 |
| ■ | S03 | Percentage of employees trained in organization's anti-corruption policies and procedures. | 94 |
| ■ | S04 | Actions taken in response to incidents of corruption. | 95 |
| ■ | S05 | Public policy positions and participation in public policy development and lobbying. | 96 |
| ■ | S06 | Total value of financial and in-kind contributions to political parties, politicians and related institutions by country. | 96 |
| ■ | S07 | Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes. | 96 |
| ■ | S08 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | 96 |

SOCIAL DIMENSION – Product responsibility

| | | | Page |
|---|-----|---|-------|
| DMA-Disclosure on management approach | | | 97 |
| Performance indicators | | | 97 |
|  | PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | 99-80 |
|  | PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | 99 |
|  | PR3 | Type of product information required by procedures and percentage of significant products and services subject to such information requirements. | 99 |
|  | PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | 99 |
|  | PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | 99-82 |
|  | PR6 | Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. | 101 |
|  | PR7 | Total number of incidents of non-compliance with regulations and voluntary codes of conduct concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes. | 101 |
|  | PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | 101 |
|  | PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | 101 |

Glosario

| | |
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| AREA OF GREAT BIODIVERSITY VALUE | Areas that have no legal protection but whose characteristics in terms of biodiversity have been recognized by governmental and non-governmental organizations. Among them are habitats whose conservation is a priority. |
| BRM | Business Risk Model |
| CERES | The Coalition for Environmentally Responsible Economies - Coalition of investors, environmental organizations and other public interest groups that work with companies and investors tackling sustainability, such as climate change. |
| CoE | Cost of Energy |
| COP: | United Nations Global Compact Communication on Progress. |
| CRO: | Regional Operative Center. |
| CSP | Customer Satisfaction Project. |
| CSR: | Corporate Social Responsibility. |
| DIRECT EMISSIONS | Emissions from sources that are property of or controlled by the organization. For example direct emissions related to combustion from burning fuel to obtain energy within the operative limits of the organization. |
| DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDERS | Whoever becomes a member of a Company's Board of Directors due to being the owner of or representing a shareholding in the company having the capacity to exercise control over it, either alone or through agreements with others. |
| EMAS: | Eco-management and audit scheme. |
| ERE | Downsizing Plan. |
| ESG | Environmental, social and governance |
| FA | First Aid: Minor injuries or illnesses that do not need any type of assistance or require simple treatment that does not need to be done by medical personnel (although same is doing it), does not cause sick time to be taken or work restriction on the workers normal job. |
| FI | Frequency index: No. of Accidents resulting in sick time per million hours worked. |
| GCT | Gamesa Corporación Tecnológica, S.A. |
| GHG: | Greenhouse Gases. |
| GL | Germanischer Lloyd standards for the certification of wind energy equipment design. |
| GMBO | Gamesa Management by Objectives. |
| HI | Hazard Index: No. of accidents involving deterioration of health with or without loss of work per 1,000,000 hours. |
| INDEPENDENT DIRECTOR: | A member of a company's Board of Directors appointed due to their professional qualifications, irrespective of whether or they are a shareholder. |
| INDIRECT EMISSIONS | Emissions resulting from the organization's activities that are generated from sources that are owned by or controlled by another organization. Within the context of this indicator, indirect emissions include the emission of greenhouse gases from the generation of electricity, heat, or steam imported and consumed by the organization. |
| IPP | Independent Power Producer. |
| KPI | Key performance indicator |

| | |
|--------------------------------|---|
| MMEURO | Million euros |
| MT | Medical Treatment: Injuries or illness that need to be treated by medical personnel and that do not result in sick leave or work restrictions for the workers normal job. |
| MWe | We understand wind turbine MW equivalent sold as the data according to accounting criteria. For further details see the Management Report included in the Legal Report 2010. |
| O&M | Operation & Maintenance. |
| ODS: | Ozone Depleting Substances. |
| OHSAS 18,001 | Occupational Health and Safety Assessment Series. (Guidelines regarding Workplace Health and Safety Management Systems). |
| PD: | Product Development Projects. |
| PROTECTED AREA | Geographically defined area that is designated, regulated or managed in order achieve specific Conservation objectives. |
| R&D and Innovation: | Research and Development and Innovation. |
| ROW | Rest of the World |
| RW | Restricted Work: Injuries or illnesses that keep the worker from working a full shift or realizing some of the tasks that form part of his regular job, but that do not result in sick leave. |
| S&P | Standard & Poor's Stock market index in the United States. |
| SC2G | Solution Conception System for Gamesa Customers |
| SI | Seriousness Index: Number of working days lost due to Work Accidents involving sick leave per 1,000 hours worked. |
| Stakeholders: | Person, group or organization that has a direct or indirect stake in an organization. |
| TEP: | Tons of Equivalent Petroleum. |
| UCN: | Regulatory Compliance Unit |
| VOC: | Volatile Organic Compounds. |
| WBCSD | World Business Council for Sustainable Development. |