

Sustainability Report 2011

Gamesa



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The Gamesa 2011 Sustainability Report is published digitally. The electronic edition has saved approximately 102,18 tons of paper, with an estimated reduction of the environmental impact of 1,737.2 trees and 1,737.2 tons of CO₂.

Letter from the Chairman



Letter from the Chairman

Gamesa's transformed mission is the key driving force to provide a response to a very rapidly changing global scenario, which new and more demanding consumers are joining every day in a variety of markets having different needs that demand more competitive energy for their own development

Dear friends,

Gamesa construes sustainability as a business imperative and links responsible behavior to benefits that result in greater competitiveness. The purpose of our work lies in creating value, gaining access to a larger number of customers and markets, innovating and offering new and better products and services, along with incorporating sustainability into our operations, products and supply chain through the proper management of regulatory, operating and reputation-related risks.

Gamesa's transformed mission, to which quite a few references can be found in this report, is the key driving force to provide a response to a very rapidly changing global scenario, which new and more demanding consumers are joining every day in a variety of markets having different needs that demand more competitive energy for their own development. Local, inexhaustible, clean and safe energy provides a response to the global increase in demand and the constant onslaught of climate change.

Gamesa ended the year by meeting forecasts in terms of volume, profitability and financial strength. It also maintained profitable growth due to its globalization strategy – which enables us to take advantage of the growth in emerging markets and to diversify

market risks – and a rigorous efficiency program that allowed us to post double-digit improvements in our main operating figures and maintain margins despite operating in a complex macroeconomic and industry environment in highly competitive markets. In 2011, Gamesa's consolidated sales totaled €3.033 billion (+10%). EBIT amounted to €131 million (+10%) and net profit rose to reach €51 million (+2%).

During the year, we also made advances along the three vectors upon which our business plan is based:

- the Cost of Energy was reduced by 10% -15%, depending on the platforms and regions, by launching new products and services;
- despite the complex economic situation we are facing, the company grew with a 16.5% increase in the MW sold in 23 countries to 46 customers, broke into new markets and increased its portfolio of MW under maintenance and wind farm sales; and
- became more efficient by adjusting production capacity to demand, increasing localization of the supply chain in new markets and optimizing construction and logistics costs.

Our investments in R&D, which amounted to €117 million in 2011, along with the opening of new technology centers, continue to be geared at the development of new product families in order to continue reducing the

Cost of Energy, while making a contribution to caring for our environment. All of this was achieved without putting a stop to innovation: the Gamesa G10X-4.5 MW platform has continually beaten records since its recent launch. This is not only because it provides the greatest amount of power in the onshore wind power market or because its technological developments are allowing us to launch other platforms more quickly, but also because it is the first eco-designed wind turbine in the world. These circumstances not only place us at the cutting edge of wind turbine design and development, they are also a good showcase for the company's business philosophy.

The Gamesa Sustainability Report for 2011 brings us a little closer to our approach and ways of dealing with topics like corporate governance, reporting transparency, environmental and social aspects, as well as our relationships and ways of communicating with our main stakeholders. It also highlights our interest in measuring, analyzing and having the necessary tools to improve.

In the environmental area, for instance, the more than 24,000 MW we have installed over the course of our history today allow us to prevent the emission of more than 36 million tons of CO₂ per year, a figure which is equivalent to offsetting the annual CO₂ emissions of 12 million vehicles. This capacity to generate electricity

Letter from the Chairman

This corporate culture constitutes a differentiating management element which should underlie an organization geared for success in a working environment characterized by high performance and ethical behavior

would be sufficient to cover the annual consumption of 17 million families, a key contribution to the reduction of greenhouse gases, thereby mitigating climate change and creating a more sustainable future.

The existence of environmental management systems likewise ensures our behavior is suitable in this area. We presently maintain complete environmental management system coverage in accordance with the ISO 14001 standard at our production centers in Europe, the United States, China and India and have initiated the implementation of energy efficiency management systems in accordance with the ISO 16001 standard.

From a social standpoint, Gamesa continued to provide quality jobs to 8,357 people around the world in 2011 (+15% compared to 2010), without giving up any of its management priorities. Safeguarding our professionals' physical integrity and health constitutes one of these priorities. The constant reduction in the accident frequency and severity rates (by 22% and 43% respectively over the last three years) or the fact that such rates form part of the ratios used to measure target management for many Gamesa personnel are a good example of the two-fold relationship between sustainability and production activities in our company. Our recruitment, development and talent management processes are governed by the principles of equality, merit and capacity, and always respect the principle of equa-

lity between men and women. Through our Corporate University, we have provided intense training activities, and talent management has become a key element for professional development and employability.

We have also performed intense awareness raising activities within the organization on our values and attitudes for success. Respect, teamwork, sustainability, excellence and innovation constitute the essential values of reference behind the conduct of a global organization with a vocation for leadership and driven by customer needs. This corporate culture – shared in over 300 work sessions at which practically the entire workforce took part – constitutes a differentiating management element which should underlie an organization geared for success in a working environment characterized by high performance and ethical behavior, as well as the greatest motivation to develop the professional capacity of our people.

Respect for human rights and public freedoms, the application of the United Nations Global Compact's contents, the natural environment's preservation, collaborating in the development and well-being of the communities with which we have established a relationship and respect for international standards on fundamental rights and freedoms are also firm undertakings made by Gamesa.

This report highlights our rigorous management of environmental, social and governance risks and opportunities, which has additionally been recognized by some of the most prestigious sustainability indexes like the FTSE4Good or Dow Jones Sustainability Indexes, in which we have appeared continuously over the last five years.

I hope that this Sustainability Report 2011, which Gamesa places at the disposal of its stakeholders for the eighth consecutive year in accordance with the Global Reporting Initiative (GRI) Guidelines version G3, is of interest, not only because it reflects a balanced view of our economic, social and environmental performance, but also, and more importantly, because it contains our vision and stance on the main factors that will determine our company's development in the near future.

Jorge Calvet, Chairman and CEO
April 2012

01

Sustainability strategy and analysis



1. Gamesa's sustainability impacts

Economic sustainability: 18 years of experience in the technology and industrial wind power industry allow Gamesa to position itself as one of the world's leading firms in wind turbine design, manufacture and maintenance. Its activity creates added value among its main stakeholders, which it redistributes to its shareholders, by creating products and services to respond to the needs and requirements of customers, shareholders, suppliers, employees and the communities in which it operates.

	2011	2010	2009	2008	2007
Turnover (10 ⁶ €)	3,033	2,764	3,229	3,834	3,247
Equivalent MW sold	2,802	2,405	3,145	3,684	3,289
EBIT (10 ⁶ €)	131	119	177	233	250
Net pre-tax profit (10 ⁶ €)	51	50	115	320	220
NFD / EBITDA	2x	-0.6x	0.7x	0.1x	0.5x
Listing as at 12/31 (€)	3.21	5.71	11.78	12.74	31.98
Earnings per share (€)	0.209	0.208	0.48	1.32	0.90
Gross dividend per share (€/share) ¹	0.051	0.119	0.21	0.23	0.21

¹The market value of flexible dividends has been reported since 2009, which in 2011 amounted to €12.6 million (€11 million in flexible dividends and €1.6 million in dividends)

Social sustainability: Gamesa generates quality employment and is renowned for its alignment with the main international undertakings on business ethics.

	2011	2010	2009	2008	2007		2011	2010	2009	2008	2007
Workforce	8,357	7,262	6,360	7,187	6,945	United Nations Global Compact	✓	✓	✓	✓	✓
Sick leave frequency rate	3.84	4.19	4.91	9.15	20.06	Dow Global Sustainability Index	✓	✓	✓	✓	✓
Severity rate	0.09	0.13	0.16	0.19	0.30	FTSE4Good	✓	✓	✓	✓	✓
% international workforce	42	36	31	32	33	Ethibel Excellence Europe	✓	✓	✓	✓	-
% women in workforce	23.17	24.55	25.52	25.34	22.30	Global Challenges Index	✓	✓	✓	✓	✓
% permanent employment contracts	88	87	86	72	68	CleanTech Index (CTIUS)	✓	✓	✓	✓	-
Hours of training / employee	39.57	32.27	32.32	32.79	24.10						

Environmental sustainability: Gamesa develops and markets sustainable products and services globally through environmentally friendly processes and activities.

	2011	2010	2009	2008	2007
Raw materials (t/ Mill. €)	45	41	40	47	43
Energy Consumption (GJ/Mill. €)	421	401	321	354	396
Water Consumption (m3 /Mill. €)	33	34	28	31	37
Waste Generation (tons/Mill. €)	5	5	5	5	5
Effluent generation (m3/Mill. €)	20	20	17	13	20
Tons of CO ₂ emitted (tons/Mill. €)	18	21	15	17	19
Tons of CO ₂ avoided (cumulative- due to MW installed)	36,214,050	31,250,550	27,371,850	24,024,600	19,273,500
Tons of CO ₂ prevented (tons/Mill. €)	1,636	1,403	1,036	1,239	1,467

2. Sustainability trends, challenges and opportunities

New global scenarios

The world we know is undergoing a rapid thoroughgoing transformation. From the standpoint of its mission to provide technology solutions which allow clean everlasting energy to be produced anywhere, Gamesa recognizes and analyzes the great challenges we are facing. The role Gamesa can play in this new model of society is based on the need for leading the debate on changing the energy model towards a competitive low-carbon economy, thereby reducing the uncertainties surrounding future energy solutions and increasing the credibility of renewable energy sources.

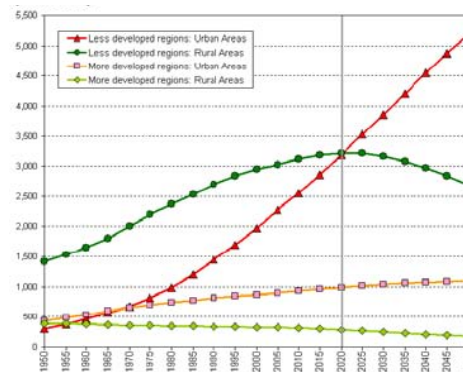
Social changes:

Over the last few decades, a significant advance has been detected in welfare indicators, such as: life expectancy, reduction in poverty, energy consumption, income, health, access to basic services, etc. At the same time, a global trend of steady growth in the population has been detected (7 billion in 2011), especially in Asia, accompanied by a greater concentration of the population in urban areas, including the incorporation of developing middle classes, which incentivize greater per capita consumption, principally in emerging countries.

A long-term view (over the next 40 years) therefore suggests that this growth will bring with it millions of new and more demanding consumers, who will need access to the most basic services, more infrastructures and particularly, a greater amount of more competitive energy.

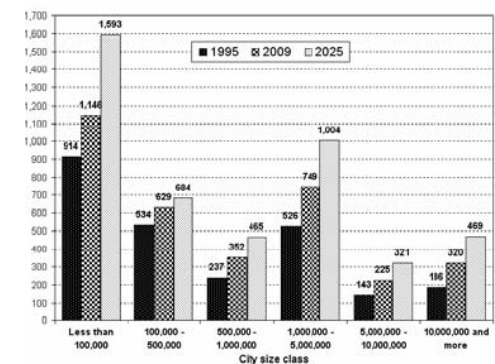
Along with this growth, a change is expected in the balance of power between the new communities and the companies which operate in them. Even today, a license to operate depends on the contribution such companies make to consolidating the societies comprised by these increasingly prosperous middle classes.

Urban and Rural Population by Regional Development (millions)



Source: United Nations, Department of Economic and Social Affairs, Population

Concentration of the Population in Urban Areas (millions)



Wind energy
has thus become
a strategic element
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238 installed GW
in the world in 2011

2. Sustainability trends, challenges and opportunities

Environmental changes:

The scarcity of resources in the planet and potential changes in the climate will, however, limit the capacity of around 9 billion inhabitants in 2050 reaching or maintaining a level of consumption in keeping with the wealth generated by today's developed markets. Greenhouse gases will continue increasing as the population and energy needs increase to reach a figure approaching 60 gigatons of CO₂ eq in 2030. Some countries like Australia, China, India, Poland or South Africa still generate between 68% and 94% of their electricity and heat by burning coal.

Two-thirds of global CO₂ emissions are generated by ten countries, mainly China and the United States, which produced 12 Gt CO₂, accounting for 41% of global emissions in 2011. More specifically, according to OECD forecasts, it is expected that primary energy consumption in Brazil, Russia, India and China together will grow by 72% between 2005 and 2030, compared to 29% in the thirty countries which make up the OECD. Greenhouse gas emissions from only these four countries will increase 46% by 2030, exceeding the levels of the thirty OECD countries combined.

According to this scenario, the global concentration of CO₂ is expected to reach 530 ppm of CO₂ eq in the middle of the century and 780 ppm of CO₂ eq in 2100. As a result, the average global temperature will rise

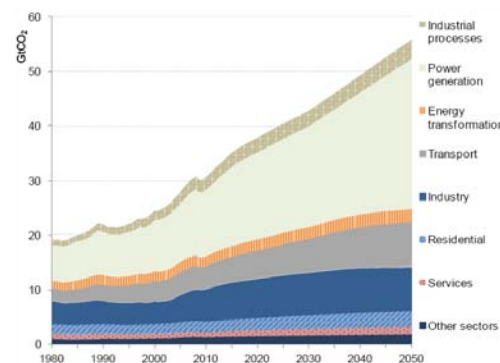
between 2.0°C and 2.8°C in the middle of the century and between 3.7°C and 5.6°C at the end of the century².

The long-term demand for energy continues to grow in an economy currently based on fossil fuels, in which the price of oil is increasing and approaching the maximum levels seen in 2008 and nuclear investment plans have been temporarily or permanently suspended in several countries. According to the International Energy Agency (IEA), primary energy demand will grow by 47% until 2035, driven by consumption in emerging countries.

Within this context, renewable energies are crucial, as they are cleaner, safer, cheaper and more competitive, which would allow for a stable scenario of 450 ppm of CO₂ in 2030. Wind energy has thus become a strategic element which has evolved at a steady rate of growth to reach 238 installed GW in the world in 2011.

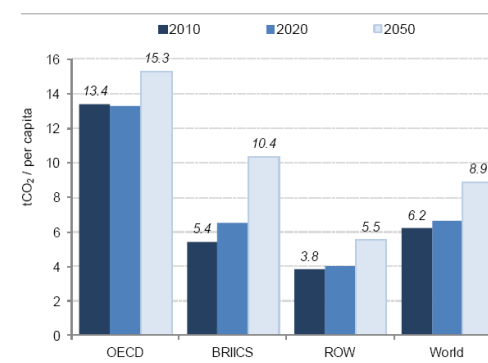
² Climate Change 2007.Synthesis report. Intergovernmental Panel on Climate Change (IPCC)

Global CO₂ emissions by source



Source: OECD Environmental Baseline

Greenhouse Gas Emissions Per Capita (2010-2050)



Source: OECD Environmental Outlook 2030

2. Sustainability trends, challenges and opportunities

Globalization likewise constitutes an important factor behind the growth in the demand for energy

Almost 1.6 billion people today (1/4 of the world's population) lack access to electricity, and those that do have it gain access to an expensive and irregular supply

Economic changes:

The last decade has been characterized by a shift of economic power, along with the scenario of economic crisis and the difficulties of gaining access to financing mainly affecting the western world. New economic powers like China, India, Brazil and Russia are playing an increasingly important role and exerting greater influence on the rules of international trade, finance, innovation and the model of governance, along with the group of nations that became successful over the last few decades.

Globalization likewise constitutes an important factor behind the growth in the demand for energy. As markets are becoming global, demands are growing for access to energy, transport and other services needed to

set up businesses and trade. These factors are translated into a substantial need for global investments over the next few years, to which the public administrations are responding through different stimulus measures.

New investment needs in infrastructures, basic services and energy have thus been identified in recent years, along with a greater concern for the environment. Almost 1.6 billion people today (1/4 of the world's population) lack access to electricity, and those that do have it gain access to an expensive and irregular supply. The rate of growth in global energy demand will determine the investments needed in supply infrastructures. However, reports on demand indicate that the need for total cumulative investment in electricity infrastructures throughout the world will amount to 9.8 trillion USD

until 2030, a figure equivalent to 350 billion USD per year. Developing countries account for more than half of this investment and China in particular accounts for the greatest increase, exceeding 2 trillion USD³.

The International Energy Agency (IEA) estimates that electricity demand in China will rise to reach 9,594 TWh in 2035 at an annual growth rate of 5.3%. The main source of electricity supply today is coal (80%), which accounts for more than 70% of installed capacity. The electricity mix in 2020 will include 150 GW of installed wind energy capacity, from the current figure of 60 GW (2011).

³ Organisation for Economic Co-operation and Development (OECD): Infrastructure to 2030.



2. Sustainability trends, challenges and opportunities

New industry scenarios

The wind energy industry is going through a process of rapid thoroughgoing transformation. The slowdown in the market caused by the world crisis economic has changed the needs of stakeholders. However, the fundamentals for the industry's growth continue to be solid.

The security of energy supplies, on the one hand, needs to be ensured in terms of both the independence of energy supplies (local) as well as in terms of the resource's abundance (renewable) by means of an energy source which allows for the diversification of energy supplies and to mitigate any possible adverse geopolitical situations through a local source of supply. On the other hand, the competitiveness of energy in terms of price per MWh is becoming a key factor.

Within this context, wind energy is one of the local renewable sources of energy which is closest to reaching grid parity with the generating costs of conventional sources. As a matter of fact, it is calculated that the cost of energy attributable to a wind farm with average wind-resources will be fully competitive with carbon, natural gas and nuclear energy in 2016⁴. In fact, the cost of energy per MWh without subsidies at sites with

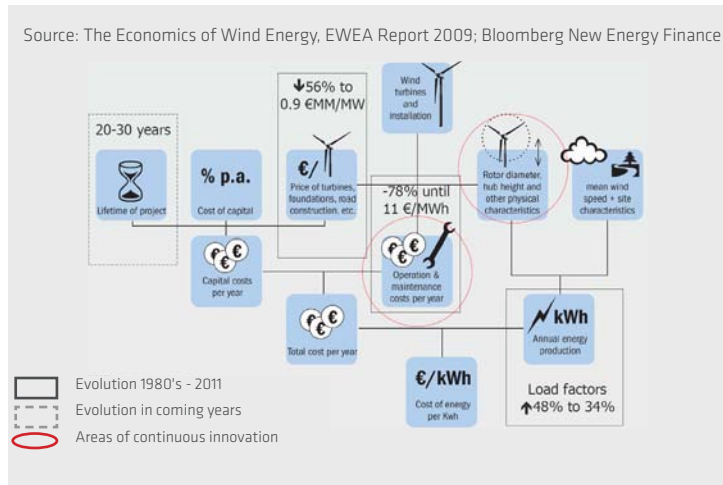
⁴Source: Bloomberg New Energy Finance; Grid parity for Onshore Wind (November 2011)

good wind power resources has fallen from €200/MWh in 1984 to €52/MWh today. This figure is currently just €6 more expensive than the energy produced by gas combustion. In areas with excellent wind power resources, like Brazil, wind energy can already compete on costs with fossil fuel technologies. Forecasts point to a 12% reduction in the cost of wind energy over the next five years, based on the following facts:

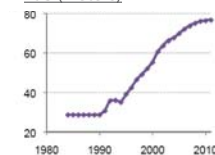
- The costs of an average turbine have fallen from the €2 mill./MW (1980s) to €0.88 mill./MW in 2011;
- Wind turbines are progressively becoming larger and efficiency improvements contribute to increasing wind

farm capacity. The energy from onshore wind farms is becoming progressively cheaper due to the fact that the price of wind turbines is reduced by 7% each time installed capacity is doubled and because of designs which have improved efficiency by 34% (21% in 1984). As means of collecting energy in low-wind conditions are learned through experience and innovation, efficiency improvements under normal wind conditions and the construction of larger wind turbines having higher towers to take advantage of higher-speed winds have come about;

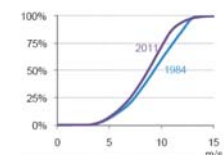
- Operating and maintenance costs have fallen in real terms from €50/MWh in the 1980s to €11/MWh today.



Average height of wind turbine hub (meters)



Average wind turbine power curve 1984-2011 (%)



A consensus exists that wind energy, despite the current economic climate, will play a predominant role in electricity generation in the world, based on long-term growth in demand

2. Sustainability trends, challenges and opportunities

No less importantly, the objective of fighting and putting a stop to climate change has made wind power an essential energy source. Wind energy is clean, hardly consumes any natural resources and is inexhaustible. It does not generate hazardous waste, nor does it emit CO₂, while creating jobs and purchases in local supply chains.

The forecasts made by the Intergovernmental Panel on Climate Change (IPCC) indicate substantial growth in renewable energies by 2030, 2050 and thereafter. The scenarios which include a greater weight of renewables suggest 43% growth by 2030 and 77% by 2050. A consensus therefore exists that wind energy, despite the current economic climate, will play a predominant role in electricity generation in the world. This is based on long-term growth in demand due to:

- a normalized wind energy industry in Eastern Europe;
- growth in Asia and other emerging markets;
- the deployment of offshore wind energy, especially in the United Kingdom, Germany, France and China in the medium to long-term;
- a positive regulatory outlook in most markets, despite the uncertainties surrounding the economic support provided to these energy sources.

The growing competitiveness of wind energy combined with governmental commitments to combat climate change will in the long-term offset the current deficit in demand in mature markets. Nonetheless, it is important to highlight in this regard that lower wind energy demand in mature markets like Europe or the United States will be offset in the short-term by growth in the emerging markets of Asia, Latin America and Africa. These new markets have made a commitment to renewable energies which is not based on the need to combat climate change, but rather on the need to combat structural energy deficits or an excessive dependence on a single source of domestic energy.

Changes have also been detected in relationships with customers. Professional operators – utilities and independent power producers (IPP) – are making progress in the industry's consolidation by accumulating portfolios in local markets to meet their renewable energy commitments and seeking wind turbine manufacturers as reliable long-term partners which offer knowledge across the value chain through an integrated model.

Likewise, the globalization of wind energy needs the global support offered by manufacturers. Competition in the industry is based on offering the best Cost of

Energy (CoE) as a combination of investment, operating and maintenance costs (O&M), performance and availability throughout the useful life of a wind farm.

As regards competition in the industry, an increase in the market share of large industrial groups has come about, displacing pioneering firms. A reduction in the presence of small/local operators has been observed, as has the technological differentiation of western operators. Companies in the industry have chosen two ways to differentiate themselves: western operators have placed a wager on technological differentiation, while at the same time an increasing number of companies are appearing in low-cost regions. In order to deal with this situation, it is essential to place a wager on technological innovation and the continuous search for cost efficiency.

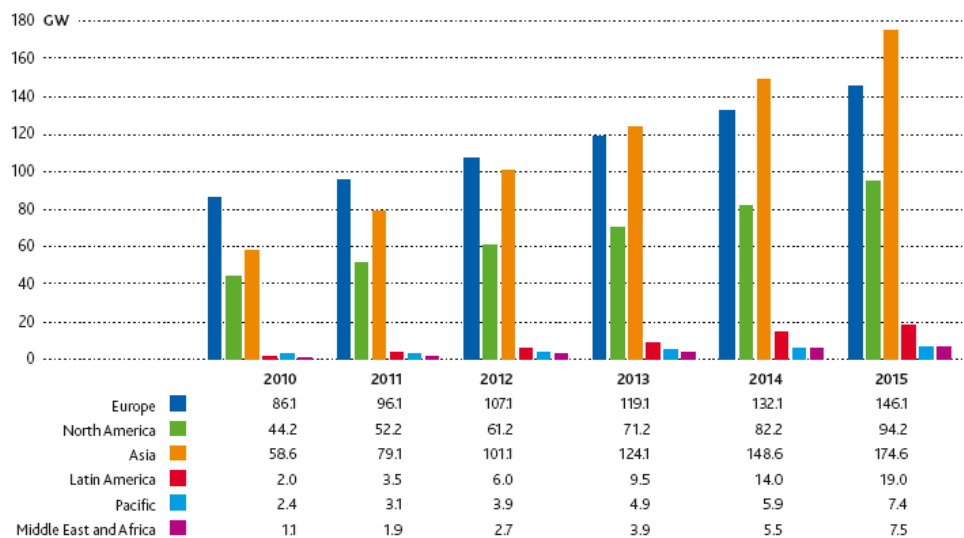
Global installed wind energy capacity⁵

			2011	2010	2009
(megawatts-MW)	Cumulative	% share ⁶	New 2011	Cumulative	Cumulative
China	62,733	26.3	18,000	44,733	25,805
United States	46,919	19.7	6,810	40,298	35,086
Germany	29,060	12.2	2,086	27,191	25,777
Spain	21,674	9.1	1,050	20,623	19,160
India	16,084	6.7	3,019	13,065	10,926
Italy	6,747	2.8	950	5,797	4,849
France	6,800	2.9	830	5,970	4,574
United Kingdom	6,540	2.7	1,293	5,248	4,245
Canada	5,265	2.2	1,267	4,008	3,319
Denmark	3,871	1.6	178	3,749	3,465
Rest of the world	32,658	13.8	5,753	26,955	21,796
Worldwide total	238,351	100	41,236	197,637	158,738

⁵ Source: Global Wind Energy Council (GWEC). "Global Wind Report – Annual Market Update 2010"

⁶ Cumulative market share at 2011 year-end (Source: GWEC)

Cumulative market forecast by region 2010-2015



Source: GWEC, Study on the wind energy market 2010

New scenarios for global companies

Despite the effects the economic slowdown has had on business activity, many organizations are rapidly moving towards sustainability as a business imperative linked to their ability to generate trust. According to the United Nations Global Compact study for 2010 entitled "A New Era of Sustainability", 93% of CEOs stated that sustainability will be critical for the survival and success of their businesses and 72% cited "brand, trust and reputation" as one the top three factors driving them to take action on sustainability issues. It is no less true that fully integrating sustainability into business strategy, the complexity of its implementation and its deployment across the supply chain are the main difficulties faced when developing sustainability issues.

Detailed ongoing assessment of long-term investments by socially responsible investors (SRI) is added to all of the above. It is therefore necessary to ensure that the value of sustainability activities can be evidenced by traditional metrics like cost reductions or increases in revenue.

Thus, business behavior is being subjected to a detailed analysis which takes into account global intergovernmental standards that allow a greater control over the economic activity of companies to be exercised, along with their social and environmental initiatives to strengthen the protection of human rights in all their dimensions.

A good example of this is the "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A renewed EU strategy 2011-2014 for Corporate Social Responsibility (October of 2011)" through which the

effort to promote Corporate Social Responsibility renewed by creating conditions which favor sustainable growth, responsible corporate behavior and lasting job creation in the medium and long-term.

Among the elements deemed as priorities for sustainability, the need to develop business ethics, codes of good governance and practices to combat fraud, corruption and bribery is considered as a key factor to implement an appropriate view of responsibility in organizations.

Employees are demanding processes to manage talent and promote employability, sustainable job opportunities, along with working conditions which exceed market standards in variables like salary, job satisfaction, safety, professional career expectations and assurances on non-discriminatory treatment.

Due to globalization and the complexity of logistics resulting from the localization/manufacturing of components in certain countries, suppliers are raising concerns to companies aimed at improving control over CSR and the security of all the elements making up the supply chain.

Society and communities are calling for the creation of shared value in a scenario in which the company makes a contribution to consolidating societies by respecting the pressure on natural resources and minimizing impacts, along with a contribution to improving the quality of life of citizens by applying standards of transparency and inclusive communication processes.

01 Sustainability strategy and analysis

Gamesa's sustainability approach ("Embedding sustainability")

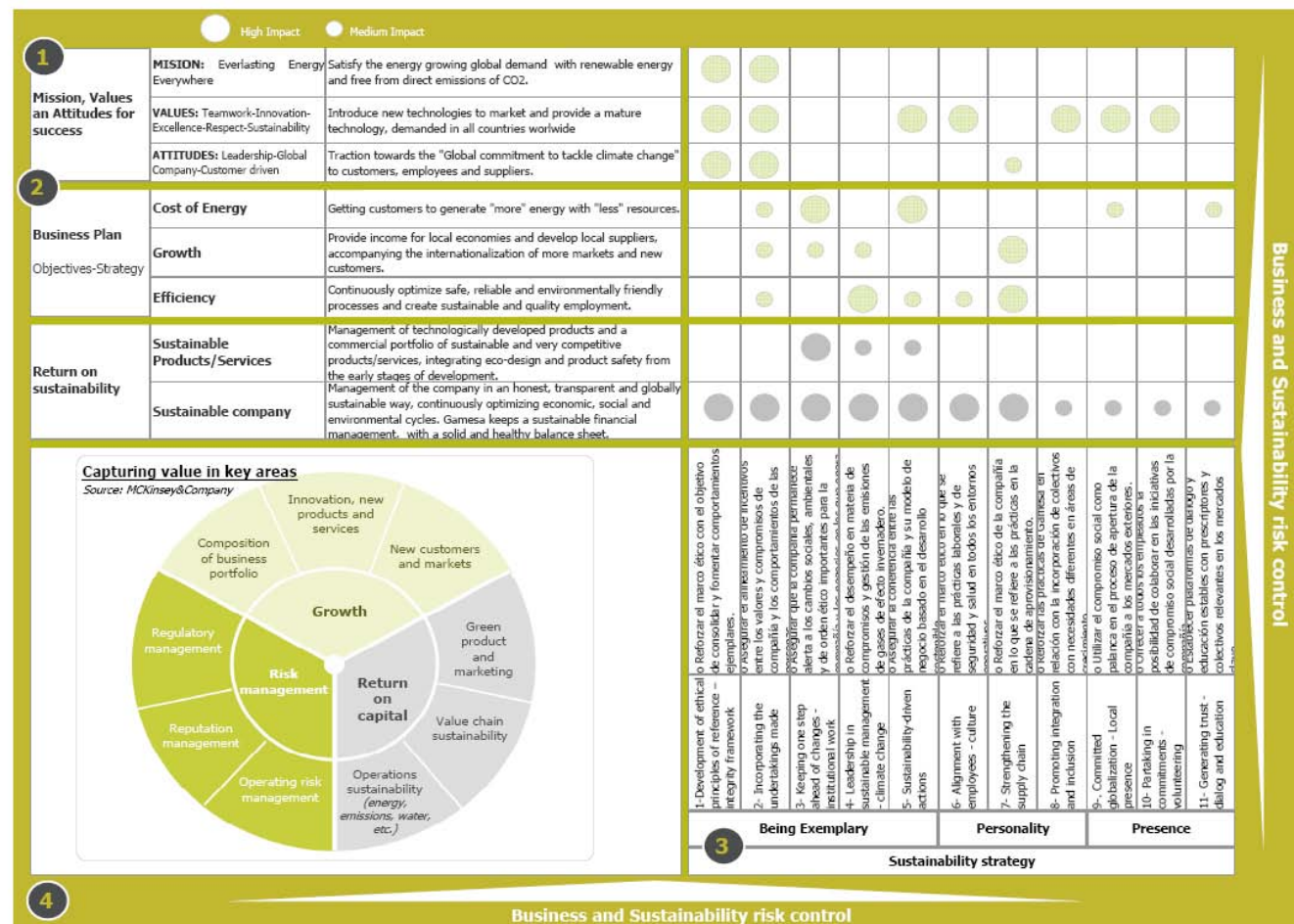
Gamesa's approach to sustainability in the new scenarios described above is expressed in terms of competitive advantages. The "sustainability of management" to reach this objective contemplates the creation of value through a model which takes into consideration:

- Growth: gaining access to new customers and markets through innovation and the momentum provided by new products and services, as well by putting together an integrated business portfolio.
- Return on capital: incorporating sustainability into operations, sustainability in the value chain and creating sustainable products/services.
- Risk management: undertaking programs which allow for the control of regulatory, operating and reputation-related risks.

The levers of sustainability which allow this integrated value proposition to be reached are as follows:

- 1 Mission, values and attitudes
- 2 Business Plan
- 3 Sustainability strategy
- 4 Business risk control

2. Sustainability trends, challenges and opportunities



2. Sustainability trends, challenges and opportunities

1 Mission, values and attitudes

In terms of the deployment of its 2011-2013 Business Plan, 2011 was a key year for Gamesa. It was also important in terms of the mission, values and attitudes for success which Gamesa has defined in the Gamesa Way project to set strategic objectives and involve the entire organization in the corporate culture and in its own way of conducting business.

All Gamesa employees (numbering 7,903 as at May 2011) were invited to take part in one of the more than 300 workshops organized around the world on the basis of sessions led by members of senior management or managers, who were backed by ambassadors chosen for their commitment through their performance and alignment with the spirit of the Gamesa Way program. The sessions were aimed at encouraging participation – one of the aspects most valued by participants – and open to debate. The inputs from the more than 12,000 hours of training given were recorded and assessed in over 1,000 hours of work. These were in turn evaluated to analyze measure and understand the program's impact. By the end of 2011, 84% of Gamesa employees had taken part in this program, which was carried out after a new mission, values and attitudes were defined in 2010.

Mission



GLOBAL TECHNOLOGY
EVERLASTING ENERGY

Values

- o Teamwork
- o Innovation
- o Excellence
- o Respect
- o Sustainability

Attitudes

- o Leadership
- o Global company
- o Passion for the customer

"Gamesa Way" Program 2011

- o >300 workshops
- o Training and global information

Deployment of the "Gamesa Way" program ⁷	Attendants	GMG	Ambassadors	Total employees	Sessions completed
Spain	3,639	96	61	3,796	181
United States	769	17	20	806	77
China	1,306	14	11	1,331	38
Europe	67	4	3	74	7
India	603	10	10	623	18
Brazil	12	1	1	14	2
Totals:	6,396	142	106	6,644	323

⁷ The program's data have been calculated as at January 31, 2012.

2. Sustainability trends, challenges and opportunities

2 Objectives and Business Plan 2011-2013

Gamesa's response to the global and industry challenges it faces focuses on the 2011-2013 Business Plan in order to consolidate its position as a point of reference in the industry through three strategic vectors:

- Cost of Energy (CoE) reduction: so that customers can generate more energy with less resources;
- Growth: providing income to local economies and developing chains of locally-based suppliers on the basis of internationalization and access to new customers;
- Efficiency: continuously optimizing safe, reliable, environmentally friendly processes and generating sustainable quality jobs.

Gamesa reduced the Cost of Energy in 2011 by 10-15%. In 2012, the company will continue working on the availability and reliability of its wind turbines, placing special emphasis on reducing the cost of materials. It will likewise develop two new wind turbines within the G9X-2.0 MW platform: the G97-2.0 MW Class II and the G114-2.0 MW wind turbines. In the O&M services area, the company will continue to focus on the continuous improvement of its fleet's availability, with the aim of improving the current level of availability, which already exceeds 98%, through maintenance programs like the GPA (Gamesa Premium Availability) program.

Within the vector of growth, Gamesa expects to intensify its sales efforts in new geographic areas and customers, such as electricity utilities in northern and central

Europe and markets like South East Asia, Australasia, South Africa and the Middle East.

In these markets Gamesa will leverage its presence in China, India and North Africa. It will also play an increasingly important role in the services area, both in terms of sales growth and sustainability, as well as in margins. In 2012, the O&M services activity will intensify its sales effort outside Spain with regard to its new added value programs and its large component repair and enhancement programs. For its part, the wind farm development and sales activity will carry on with the strategy of realizing the value of its portfolio, with a focus on the American market in 2012.

Vector 1: Cost of Energy		Objectives
Product range and machine performance	Launching new product families in five years, including two new offshore wind energy platforms among them New technologies applied to all product platforms (e.g. permanent magnet generators, average speed gearbox, full converter, segmented blade design, etc.)	20% reduction in the Cost of Energy by 2013 30% reduction in the Cost of Energy by 2015
Optimal availability and performance of the service fleet	Maintenance improvements to reduce costs Innovation to minimize idle periods and losses of energy Programs to extend the useful life of wind turbines	

Vector 2: Growth		Objectives
Wind turbine sales	Access to new product segments (Multi MW, offshore) Expansion of sales to new geographic areas and new customers Tailor-made offering	Presence in 33 target markets
Wind energy project development	Complete wind farm development and sale projects through Gamesa Energía (>5 GW known) - access to new customers, i.e. industrial energy consumers Moving the business model forward from mere development and extending the sales approach to all markets	Delivery of 700 MW/year by 2013
Services	Framework O&M agreements (electricity utilities and IPP) Repair and reconditioning of large components	24 GW of O&M by 2013

2. Sustainability trends, challenges and opportunities


WTG

Manufacturing

Windfarm

Development & Sales

Gamesa



WTG	Guidance 2011	2011		Guidance 2012
MWe sold	2,800-3,100	2,802	✓	2,800-3,200
EBIT Margin	4.0%-5.0%	4.0%	✓	2.0%-4.0%
WC as % of sales	15%-20%	24%	×	20%-25%
Capex	250	229	✓	275 ²
Wind farms				
MW delivered ³	c.400	177	✓ ¹	c.400
EBIT (MMEUR)	c.20	26	✓	c.0
Net debt (EUR m)	c.500	438	✓	c.250
Group				
NFD/EBITDA	<2x	2.0x	✓	<2,5x
FCF	Breakeven			

¹ 2011 guidance included wind farm delivered to Iberdrola (244 MW) ahead of planned scheduled (Q1 2011) at client's request

² 2012 is peak year of capex in BP 2011-2013

³ Excluding Chinese joint promotion agreements

The vector of efficiency has increasingly gained weight in the current market environment. Gamesa will continue to adjust capacity to demand. As the capacity reduction program in Spain was practically completed in 2011, the company will work on consolidating and adapting such capacity to new products, while in Brazil and India the localization of the supply chain for the new G9X-2.0 MW platform will be completed. A centralized logistics department will be set up in the construction and logistics area to make procedures uniform and optimize costs. Progress will also be made in the reduction of construction lead times through the WOSS (Wind Farm Optimization Supply Sequence) and the use of open-

field sites will be optimized. In addition, new procurement tools will be deployed to simplify and speed up supplier certification, while maintaining strict quality criteria, lead times and cost reductions in supplies.

In a complex short-term economic and market environment, Gamesa will give priority to the balance sheet's solidity and profitability by subordinating sales volumes to these objectives and bringing forward its target of reaching a balance in net free cash flow by a year.

Vector 3: Efficiency

Objectives

Supply chain	Localization to reduce manufacturing/logistics costs (China, India, Brazil) Reduce costs of materials by optimizing the supply chain Joint development with manufacturers to optimize cost effectiveness of designs	Increase in production capacity and autonomy in key emerging markets
Industrial base	Adapt industrial capacity to markets Key advantages of combining internal resources with subcontracting	Adjusting industrial capacity
Construction and logistics costs	Global integrated logistics model Optimized construction processes to reduce construction lead times	Objective: reduce structural costs per MW by 15% in 2013
Flexibility linked to demand	Adjustment of structural costs to demand in each region: ensuring allocation of resources to growth areas by readjusting resources in areas of lower growth (employability)	

2. Sustainability trends, challenges and opportunities

3 Sustainability strategy

Gamesa's attention on the new business environment is focused through a sustainability strategy whose objectives include creating value among its stakeholders, attaining business objectives and making a contribution to risk management. Through it and its action plans, recognition is sought for an in-house business and management model which is committed to the creation of value and sustainable development.

Gamesa wishes to play a leading role in the transition to a sustainable world and wants to take advantage of any opportunities the markets will offer as a result of it.

This approach is based on three pillars:

- **Being exemplary:** ensuring the coherence of our commitment to sustainable development
- **Personality:** Materializing the "Gamesa hallmark", the structure of our relationships with third parties, which is geared at generating trust
- **Presence:** Making ourselves seen and heard as we accompany the development of the communities in

Gamesa Sustainability Master Plan

Strategic line of action

Objectives

Start

End

Being exemplary	Development of ethical principles of reference - integrity framework	Strengthening the ethical framework in order to consolidate and encourage exemplary behavior	2011 - 2 nd Quarter	2014 - 2 nd Quarter
	Incorporating undertakings made	Ensuring that incentives are in line with the company's values and undertakings and people's behavior	2011 - 1 st Quarter	2015 - 2 nd Quarter
	Keeping one step ahead of changes - institutional work	Ensuring the company remains aware of social, environmental and ethical changes which are important for the company and the businesses in which it operates	2012 - 2 nd Quarter	2014 - 4 th Quarter
	Leadership in sustainable management - climate change	Strengthening performance in matters connected with commitments on and the management of greenhouse gas emissions	2011 - 1 st Quarter	2015 - 4 th Quarter
	Sustainability-driven actions	Ensuring coherence between the company's practices and its business model based on sustainable development.	2011 - 1 st Quarter	2014 - 2 nd Quarter
Personality	Alignment with employees - culture	Strengthening the ethical framework on labor practices and health and safety in all operating areas	2011 - 1 st Quarter	2014 - 2 nd Quarter
	Strengthening the supply chain	Strengthening the company's ethical framework on practices in the supply chain	2011 - 2 nd Quarter	2015 - 4 th Quarter
	Promoting integration and inclusion	Strengthening Gamesa's practices regarding the incorporation of groups having different needs in growth areas	2011 - 1 st Quarter	2014 - 2 nd Quarter
Presence	Committed globalization - local presence	Using social commitments as a lever in the process of opening the company up to foreign markets	2011 - 3 rd Quarter	2014 - 3 rd Quarter
	Partaking in commitments - volunteering	Offering all employees the possibility of collaborating in social initiatives carried out by the company	2012 - 1 st Quarter	2014 - 2 nd Quarter
	Generating trust - dialog and education	Establishing stable platforms for dialog and education with relevant opinion makers and groups in key markets	2011 - 3 rd Quarter	2014 - 4 th Quarter

2. Sustainability trends, challenges and opportunities

4 Business risk control

Gamesa's Risk and Opportunity Control and Management Policy sets forth the bases and the general context upon which all risk control and management components lay, providing discipline and structure to aspects like the management policy, the risk identification model, the assessment, measurement and control of risks/opportunities, accepted risk levels, communications, reporting and oversight by the Board of Directors, integrity, ethical values, competences and the assignment of responsibilities.

This policy's main aims are: to ensure compliance with applicable laws, regulations and standards and the fulfillment of agreements; to attain the objectives set by the Board of Directors; to provide maximum guarantees to shareholders; to protect profits and equity, as well as preserve the company's assets and reputation; to exercise optimal control over business areas and companies by ensuring the reliability and integrity of reporting systems; to defend the interests of shareholders, customers, employees, suppliers and other stakeholders having an interest in the way Gamesa is run; and to ensure the company's stability and financial strength in a sustainable fashion over time.

Control over the uncertainty surrounding legislative changes, the speed with which they come about and their effect on the business constitute an ongoing challenge which Gamesa handles with an overall approach. Due to this and as a result of the undertaking to comply with all regulations, control was strengthened in 2011 through the implementation of a new procedure and the specific Regulatory Compliance area, whose purpose is to facilitate compliance with legal requirements which apply or may potentially apply in the future.

There are additional specific policies and/or procedures geared at maximizing and protecting economic, social and environmental values within a controlled degree of variability. Changes in the economic climate or reviews of objectives and strategies, among other aspects, may lead to the need to approve new policies/rules/controls or to the amendment of existing ones. In 2011, the review and updating of the Code of Conduct, the approval of Crime Prevention and Anti-Fraud Policy and a preventive program based on several principles of action stood out, as did the progress made in the development of the SCIF⁸. The latter forms an integral part of Internal Control and aims to provide reasonable security on the reliability of the financial reporting Gamesa discloses to the markets as a listed corporation.

⁸ Abbreviation for "Sistema de Control Interno de Información Financiera" (Internal Financial Reporting Control System).



2. Sustainability trends, challenges and opportunities

Governance mechanisms

Gamesa has a Risk and Opportunity Management and Control System in place across the entire organization (divisions, departments and companies). It follows the strategic guideline of globalizing industrial, technological and commercial activities in the different geographic areas where the company operates. The system provides a global integrated overview that contributes to achieving business objectives, in addition to creating value for different 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 organizational structure, a model, several procedures and information systems that enable Gamesa to identify, evaluate, prioritize and manage the opportunities and risks to which it is exposed.

It is equipped with a structured risk management and control organization which includes:

- Board of Directors: oversees the risk identification, control and management policy;
- Executive Committee: to which all of the Board of Directors' powers are delegated, except any legal and bylaw powers which cannot be delegated;
- Audit and Compliance Committee: periodically supervises the internal control and risk management

systems, sets and reviews of the risk levels which the company deems acceptable;

- Management Committee (General, Corporate and Geographic Areas): holds responsibility for identifying, assessing, mitigating/eliminating risks with the support provided by the Risk Controller Network;
- Internal Auditing: conducts independent supervision of the control system and reports to the Audit and Compliance Committee;
- Regulatory Compliance Unit (RCU): supervises and oversees compliance with the Internal Code of Conduct Regarding the Securities Markets and in general terms the company's rules of Governance. Furthermore, it is the collegiate body (General Counsel, Internal Auditing, Regulatory Compliance and Legal Department) entrusted with overseeing and monitoring the regulatory environment affecting the activity and it reports to the Management Committee and the Audit and Compliance Committee;
- Business Risk Control (BRC) Department: sets guidelines and coordinates activities with the Risk Controller Network and BRC managers in the different geographic areas.

The risk management methodology forms an integral part of Gamesa's strategic activities and operations in accordance with the Risk/Opportunity Management and Control Procedure approved in 2008 and included in the certified management system. Gamesa considers and groups together risks into the following categories:

- Situational risks which arise as a consequence of external factors that are beyond the company's management and which could have a significant direct or indirect influence on the attainment of its objectives and strategies;
- Process risks arising from the company's own operations. These are in turn classified into Operational Risks, Management Risks, Technology/Reporting Process Risks, Integrity Risks and Financial Risks;
- Decision-making information risks. These risks arise from the information used for decision-making on operational, financial and strategic matters not being reliable and/or complete

2. Sustainability trends, challenges and opportunities

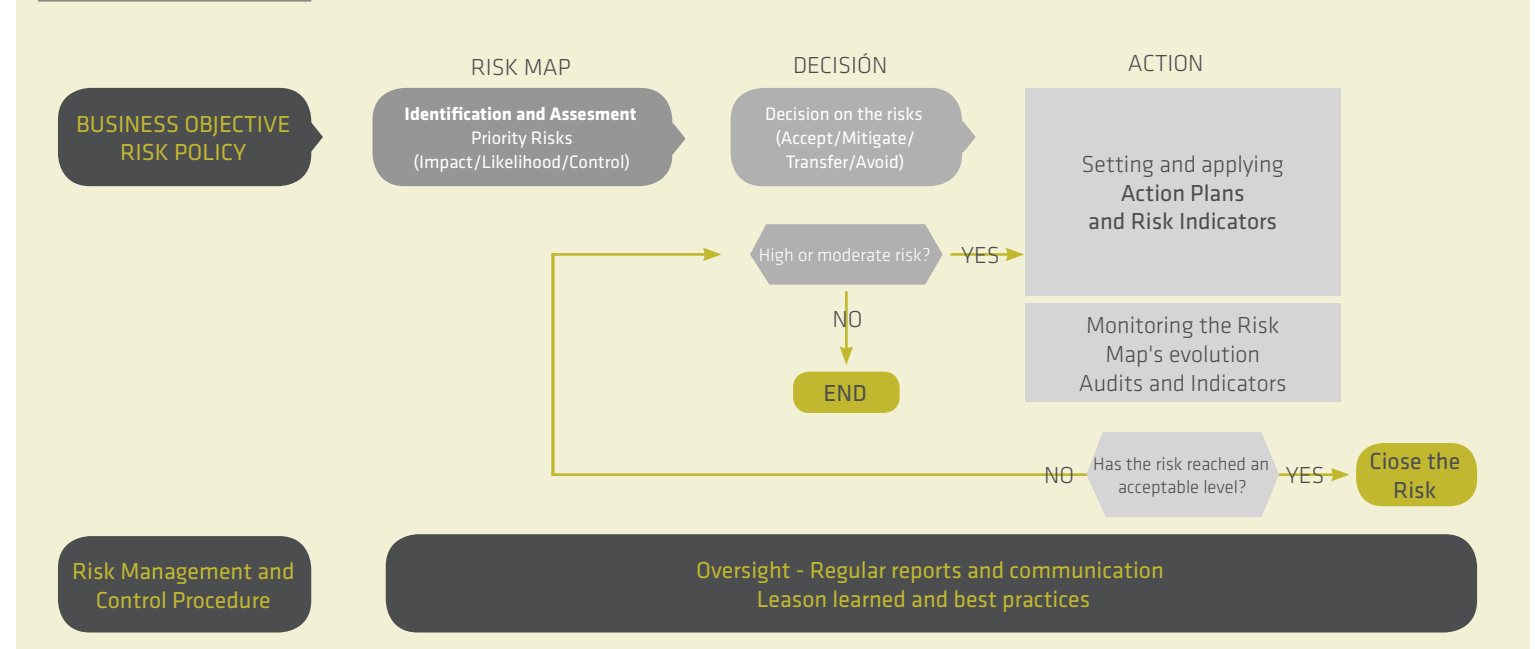
The methodology applied is translated into a corporate risk/opportunities map, which is updated on a quarterly basis. Financial, tax-related, operating, strategic and legal risks/opportunities are monitored, as are risks associated to key processes, projects, products and services to assess whether or not it is appropriate to make changes to the map as a result of changes in

impact trends, likelihood and/or controls, as well as to establish the corresponding action plans.

In addition, a more thoroughgoing annual review is conducted to coincide with the update/change of the objectives for each annual period. Specific maps are likewise drawn up for the main geographic areas

with an industrial/commercial presence. The maps for Europe, the United States, China and India were drawn up throughout 2011 and it was determined whether any risks of a similar nature should be added to the corporate map or whether a geographic risk on the corporate map should be monitored on an individualized basis.

Business Risk control model



2. Sustainability trends, challenges and opportunities

Long-term sustainability trends, risks and opportunities.

Following along the lines of the 2011-2013 Business Plan and the Sustainability Strategy, special attention was placed in 2011 on controlling any risks/opportunities which could have either a negative or positive effect on the attainment of business or sustainability targets. Risks maps were drawn up, not only on a global scale, but also for the main areas in which Gamesa operates and the corresponding action plans (mitigate, cover, prevent and assume) were put into place, as appropriate.

- Regarding the Strategic Plan 2011-2013, any risk factors that could affect the plan's three strategic vectors are monitored, that is to say growth, CoE and efficiency. The development and launch of new platforms (G97/G10X/Offshore) and new services (GPA, lengthening the useful life of wind farms, etc.) are controlled in line with market/customer demands, as well as with austerity, cost optimization and investment programs. The main risks and opportunities controlled in 2011 relating to the three strategic vectors as well as the main actions taken to mitigate them and/or enhance control are set out below:

Vectors Main risks/opportunities monitored

GROWTH	<p>The slowdown in the recovery from the financial crisis and regulatory uncertainty in certain geographic areas stand out as the main situational risks. These affect the evolution of wind energy demand in the short term and, as an opportunity, lower onshore wind energy demand in mature markets is being offset by growth in emerging markets like Asia, Latin America or Africa. Specific risk factors:</p> <ul style="list-style-type: none"> • Evolution of regulations and legislation in areas where Gamesa targets growth: The situation is particularly relevant in the USA and in European countries like Spain, Italy or Portugal, where economic incentives have been or are being reviewed downwards. • Uncertainty about the progressive recovery of demand: On the one hand, lower energy demand arising from economic weakness leads to lower electricity prices and reduces the immediate need to add generating capacity, which is already in surplus in some western markets. On the other hand, budget deficits in southern European countries and the United States are lowering governments' capacity to finance support programs for different renewable energy sources, thereby reducing the profitability of projects. • Customers' financing capacity: In a context in which the lower profitability of wind energy projects is linked to limited access to finance and higher financing costs, wind energy developers and large European and American electricity utilities are reviewing their investment plans for the immediate future. • Price and competition pressures which operators, other wind energy manufacturers, conventional energy sources and other sources of renewable energy exercise on wind energy. • Country risk in new markets: Other factors have also been monitored throughout 2011, such as geopolitical changes, social movements and natural events/disasters, to ascertain their possible influence on the business.
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COST OF ENERGY REDUCTION	<p>In the face of the pressure being exercised by the situation, internal risks are continuously controlled: appropriate selection of markets and suitable product/service characteristics (technology, regulatory requirements, product specifications), adapting them quickly to the necessary demands and requirements to achieve safe, reliable and environmentally friendly products throughout their life cycle and with the lowest CoE.</p>
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EFFICIENCY	<p>The vector of efficiency has gained increasing weight in the current market environment. In this demand scenario, work has continued on making operations flexible. Special emphasis was placed on logistics and the supply chain by controlling the organization's adaptation, planning, manufacturing and/or procurement to meet demand in terms of quantity, quality, costs and deadlines through, among other measures, industrial restructurings, the synergies achieved through the globalization strategy and a presence in different geographic areas. Within this context, the alignment of stocks with customer orders is subject to special monitoring.</p>
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Main actions

<p>Despite this context, in 2011 Gamesa managed to meet the guidelines communicated to the markets for the year by carrying out actions, among which the ones set below stand out:</p> <ul style="list-style-type: none"> • The implementation of its commercial strategy adapted to the most suitable model for each geographic area, breaking into new markets and new customers, taking advantage of attractive opportunities in emerging markets and introducing more efficient products into the market like the G97-2.0 MW wind turbine, which was simultaneously launched in four regions (Europe, China, India and the United States). This new turbine was well received by the market, as is evidenced by the supply agreements for 356 MW reached in 2011. • The commercial launch of new O&M added value services: GPA (Gamesa Premium Availability) to enhance availability (up to 99%), programs to lengthen the useful life of wind farms and maintenance of wind farms owned by third parties. • The revitalization of the wind farm business with strong commercial activity in 2011 through the signing of agreements for 417 MW. • Controls conducted by making ongoing comparisons with the competition of both onshore and offshore wind turbines and the possibility of gaining access to new customers and wind energy development plans being put into place by governments are some of the guarantees for maintaining a position of leadership in the industry.
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<p>Excellence in the development of new products and services launched in keeping with the Business Plan's roadmap, thereby contributing to the progressive improvement in the CoE demanded as a combination of investment, O&M costs, performance and availability throughout the useful life of wind farms. The following are among the developments which should be highlighted:</p> <ul style="list-style-type: none"> • The new G97-2.0 MW turbine launched in 2011 has a swept area which is 16% greater than the current G90 turbine and increases energy production by almost 14%. • The IEC WT01 Type Certification from GL Renewables Certification was obtained for the G128-4.5 MW wind turbine and pre-series production began in 2011. • The GPA program, which is aimed at achieving an average availability rate of 99% and at reducing wind farm operating costs by 10%. • Monitoring the effects of the strategies and cost improvement actions in the results and reaching CoE optimization of between 10% and 15%, depending on the platform and region.
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<p>The following are among the actions geared at improving efficiency:</p> <ul style="list-style-type: none"> • Production capacity and autonomy in key markets: Industrial production of the Gamesa G97-2.0 MW wind turbine has been simultaneously launched in four main regions, Europe, China, India and the United States, thereby accompanying its commercial launch. • Adjusting capacity to demand and supply chain localization: Reduction in blade capacity by 43% when compared to 2009; reconverting capacity at O&M centers and large component repairs; Indian market supplied with 65% of local contents (for the G5X-850 kW turbine). • Reduction programs for fixed costs/MW sold (reaching a 5% reduction) and construction and logistics cost reduction programs (OTD has risen from 95% to reach 97.6%).

2. Sustainability trends, challenges and opportunities

- Concerning the Sustainability strategy which supports the Business Plan, any risk factors which could affect the Sustainability Plan's strategic business lines are monitored, namely Being Exemplary, Personality and Presence. All of this is considered by taking into account the context and new scenarios in the areas of climate change, respect for the environment, business ethics, talent and employability management and considering Gamesa's Sustainability approach (Products/ Services and Sustainable Company), which contributes to improving the global and local footprint
 - » Managing products through technology development, offering sustainable and highly competitive product/services, which include ecodesign and product safety from the early stages of development.
 - » Honest, transparent and globally sustainable company management by continuously optimizing the economic, social and environmental cycle. Gamesa enjoys strict, solid, sustainable financial management and a healthy balance sheet, making future growth opportunities possible.
 - » Some of the risks and opportunities monitored in 2011 in relation to the strategic sustainability guidelines as well as the main actions taken to mitigate them and/or enhance control are set out below:

2. Sustainability trends, challenges and opportunities

CSR Lines	Main risks/opportunities monitored	Main actions
BEING EXEMPLARY	<p>The strengthening of lines of work aimed at excellence is controlled, thereby ensuring that the same levels of control are applied across all business units and geographic areas. Management systems certified in accordance with the OHSAS18001, ISO 14001 and ISO 9001 standards.</p> <ul style="list-style-type: none"> • Risk management in the areas of prevention, the environment and quality is integrated into the management of the different units/ geographic areas and serves as an example for newly set up areas/ processes. • As a result of internationalization, the setting up industrial production and the localization of components to optimize the supply chain, Gamesa performs activities in countries having different cultures and perceptions of the risks related to CSR. It was therefore deemed appropriate to gain further knowledge on such perceptions and to assess them. 	<p>Maintenance of the ISO 14001 and ISO 9001 certifications and progressive implementation of the EMAS as the path to excellence in environmental protection. Excellence in health and safety by maintaining the OSHAS 18001 certification and extending the control culture and levels to all business units and geographic areas through different health and safety management projects. All of this contributed to a reduction in both the Frequency and Severity Rates when compared to 2010 despite the company's greater exposure as a result of internationalization, the growth in activity and the number of employees.</p> <p>A greater contribution to minimizing energy consumption and CO2 emissions after having implemented and certified the energy efficiency system according to the UNE ISO 50001 standard as a pilot scheme at the Gamesa Lerma plant and carrying on with the project to extend the UNE ISO 50001 standard to other of the group's plants.</p> <p>Application of the Life Cycle Analysis (LCA) tool and different standards to integrate safety and the minimization of environmental aspects on the basis of product design. Gamesa's participation in the setting up of the Basque Ecodesign Center eco-innovation pole in 2011 should be highlighted.</p> <p>Gamesa leads the commitment made to the eco-innovation pole and the creation of safe environmentally friendly products from the early stages of development, as was demonstrated in 2011 when it was the first company to obtain the eco-design certification for the G128-4.5 MW wind turbine from the TÜV certification agency in accordance with the ISO14006/2011 standard ("Environmental Management Systems – Guidelines for Incorporating Ecodesign"), a certificate which bears witness to its minimal environmental impact throughout its life cycle. Control is exercised from this moment to ensure its extension to other developments. Gamesa is carrying on with the project to extend eco-design to other developments in accordance with the ISO 10606/2011 standard.</p>
PERSONALITY	<p>Ensuring the company is at the cutting-edge of corporate governance and transparency best practices before third parties</p> <p>Ensuring that the preventive culture regarding CSR best practices is perceived as an added value</p>	<p>In order to strengthen the ethical framework, the Code of Conduct has been reviewed and updated and a Crime Prevention and Anti-Fraud Policy has been approved, the purposes of which are:</p> <ul style="list-style-type: none"> • To convey to all the Group's executives and employees, as well as to third parties who have established a relationships with the company, that Gamesa ensures its activities are based on the principle of respect for the law and on the promotion and defense of Corporate Values and the Principles of Corporate Social Responsibility, which include the fight against corruption in all its forms. • To establish the general framework for the Crime Prevention and Anti-Fraud Program geared at preventing crime and fraud within Gamesa (including administrative infringements and serious irregularities). <p>As a means of strengthening the company's ethical framework regarding practices in the supply chain, the following actions should be highlighted:</p> <ul style="list-style-type: none"> • Enhancement in the control exercised over reputation-related risks by progressing towards greater knowledge about CSR behavior among components and services suppliers through one of the initiatives contained in the CSR Plan, which involves conducting a supplier CSR assessment survey as a starting point to identify risk factors and areas of improvement. • Gamesa encourages its partners to join it in the commitments it has made to respect the environment. In order to do so, it is implementing a supplier environmental traction project aimed at getting them to progress towards environmental management systems certified in accordance with the ISO 14001 standard.
PRESENCE	<p>Ensuring that a contribution is made to improving the global and local footprint as a committed company which generates trust and is capable of educating communities and relevant stakeholders in key markets about:</p> <ul style="list-style-type: none"> • Health and safety • Respect for the environment • Preventing the effects of climate change • Safety of people and assets • Quality • Business ethics • Value of reputation • Respect for human and labor rights • Talent and employability management • Strengthening the supply chain 	<p>Management transparency and strengthening performance on greenhouse gas (GHG) emission management: Gamesa improves the GHG inventory in accordance with ISO 14064-1 standard, as it has drawn up a GHG report in order to facilitate the GHG inventory's verification and transparently report on Gamesa's emissions to all customers and stakeholders in keeping with the environmental commitments set out in its Environmental Policy. This report was verified by the TÜV certification agency.</p> <p>Preventing/resolving social conflicts and impacts on image and reputation through dialog.</p> <p>Employability and talent management are promoted by optimizing the creation of value through improvement programs which allow the company to perform its activities under the notions of austerity and efficiency in order to deal with the economic situation and grow profitably.</p> <p>Gamesa continues investing in the main wind energy markets and ended the year with a level of investment amounting to €229 million and the job creation associated to it.</p>

02

Organizational
profile

Name of the organization [2.1]

Gamesa Corporación Tecnológica S.A.

Primary brands, products and/or services [2.2]

Gamesa is a global technology group specializing in the design, manufacture, installation, operation and maintenance of wind turbines, as well as in the development, construction and sale of wind farms. The company 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, converters and towers (outsourced in some countries), along with the assembly of wind turbines.

In addition, Gamesa provides an integrated solution complemented by a broad offering of operations and maintenance (O&M) services and long-term warranties. It offers a full range of services and an integrated team of professionals devoted to the maintenance of 16,300 MW at the end of 2011.

The company is immersed in the design and development of new offshore turbine families based on the tried and tested technologies of the Gamesa G10X -4.5 MW platform.

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

See indicator EC9 for further information on the outsourcing of different wind turbine components (page 73).

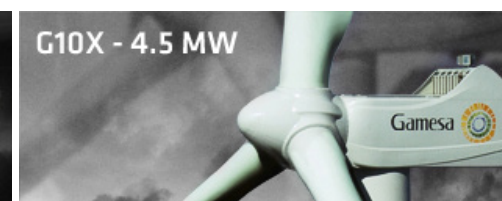
Product	Rotor diameter	Swept area	Blade length	Hub height	Rated power	Class
Gamesa G136-4.5 MW	136 m	14,527 m ²	66.5 m	120 m	4,500 kW	IIIB ⁽⁴⁾
Gamesa G128-4.5 MW	128 m	12,868 m ²	62.5 m	120 m	4,500 kW	IIA
Gamesa G97-2.0 MW	97 m	7,390 m ²	47.5 m	78-90-120 ⁽³⁾ m	2,000 kW	IIIA
Gamesa G90-2.0 MW	90 m	6,362 m ²	44 m	67-78-100 m	2,000 kW	IIA/IIIA
Gamesa G87-2.0 MW	87 m	5,945 m ²	42.5 m	67-78-90-100 m	2,000 kW	IA ⁽²⁾ /IIA
Gamesa G80-2.0 MW	80 m	5,027 m ²	39 m	60-67-78-100 ⁽¹⁾ m	2,000 kW	IA
Gamesa G58-850 kW	58 m	2,642 m ²	28.3 m	44-55-65-74 m	850 kW	IIA/IIIB
Gamesa G52-850 kW	52 m	2,124 m ²	25.3 m	44-55-65 m	850 kW	IA
Made AE-59-800 kW	59 m	2,734 m ²	28.6 m	60 m	800 kW	IIIA
Made AE-61-1320 kW	61 m	2,922 m ²	29.15 m	55 m	1,320 kW	IA

¹ 100 m IEC IIA tower

² Will be certified as class S

³ Under development

⁴ Will be certified as class S



The organization's operating structure [2.3]

The Board of Directors is the company's highest decision making and oversight body. Its mission is to promote the company's interests, represent the company and its shareholders in the management of its assets, manage the businesses and direct the administration of its business. Gamesa's organizational model is structured into operating units, corporate units and geographic areas⁹:

Chairman and CEO	Jorge Calvet Spinatsch
Corporate Units	
Chief Counsel and General Manager Legal	Jose Antonio Cortajarena
Manager Internal Auditing and Business Risks Control	Félix Zarza
Chief Financial Officer	Juan Ramón Iñárritu
General Manager Human Capital Management	Juana María Fernández
Communications and Sustainability Manager	Susana Sanjuán
Business Development Manager	David Mesonero
General Manager Institutional Relations	Jerónimo Camacho
Operating Units	
General Manager Operations	Ricardo Chocarro
Planning Manager	Martín Barandela
General Manager Technology	Jose Antonio Malumbres
General Manager Business Excellence	Jose Ignacio Larretxi
General Manager Commercial and Projects and Offshore	Javier Perea
General Manager Wind Farm Development and Sales	Teodoro Monzón
General Manager Services	Pedro López
Geographic Units	
Chairman and Chief Executive, China	Jose Antonio Miranda
Chairman and Chief Executive, India	Ramesh Kymal
Chairman, Northern Europe	Dirk Matthys

⁹ Gamesa strengthened its organizational structure in the United States on March 1, 2012 with the recruitment of David Flitterman as Chairman for North America. Likewise, Gamesa completed its organizational structure in the United States on March 27, 2012 with the recruitment of Borja Negro as CEO for North America, who reports directly to the region's Chairman, David Flitterman.

As regards its corporate structure, a consolidated list of the companies comprising the Gamesa group can be found in the 2011 Annual Report. No major changes took place during the reporting period regarding its size, structure and ownership.

To sum up, the company can be divided as follows:

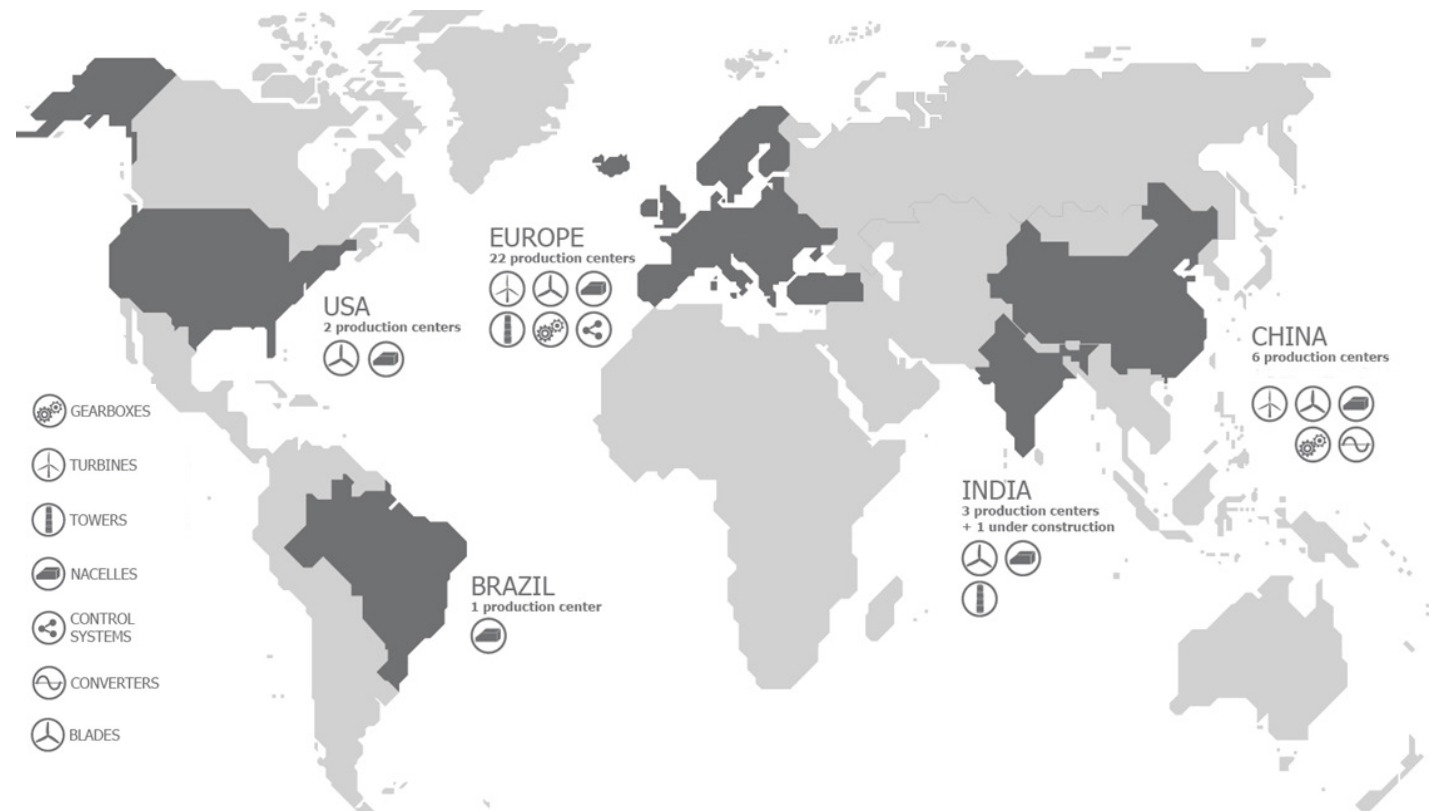
- Grupo Gamesa Energía, S.A. Unipersonal is comprised of companies that develop and operate wind farms in Spain, Italy, Greece, Portugal, France, the Dominican Republic, the United States, Romania, Poland, Germany, Mexico, Japan, Hungary and the United Kingdom. Other companies dedicated to manufacturing wind turbines, among which the following should be highlighted: Gamesa Eólica, S.L. Unipersonal; Gamesa Innovation and Technology, S.L.; Estructuras Metálicas Singulares, S.A.; Gamesa Wind Engineering, APS; Gamesa Wind GMBH; Gamesa Eólica Italia SpA.; 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.; Valencia Power Converters, S.A.U.; Gamesa Energy Transmission S.A.; and Gamesa Energy Transmission, S.A. among others.
- Grupo Gamesa Technology Corporation Inc., which includes: Fiberblade LLC; Gamesa Wind US LLC; Gamesa Wind, PA; Gamesa Energy USA LLC; Fiberblade East LLC; and Towers & Metallic Structures Inc., which are the most significant. All these companies have their registered address in the United States.
- Other significant interests include: Cametor S.L., a company which is dedicated to holding fixed assets (100% stake); Qgrid Technologies S.L. (60%); Compass Transworld Logistics, S.A. (51%); Skybuilt, Inc. (28.75%); WorldWater, Inc. (25%); New Broadband Network Solutions, S.L. (18.81%); and Windar Renovables S.L. (32%).

Location of the organization's headquarters [2.4]

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

Number of countries where the organization operates [2.5]

Gamesa operates globally and has 34 production centers in Europe, the United States, China and India, and a presence in 50 countries.



Nature of ownership and legal form [2.6]

Gamesa's share capital amounted to €42,039,297 as at December 31, 2011, consisting of 247,289,984 common shares with a par value of €0.17 each, represented by book entries.

All the 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 are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges. They have also been listed on the Spanish computerized trading system (continuous market) since October 31, 2000.

<i>Stock Market Data</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Share capital (€)	42,039,297	41,770,668	41,360,984
No. of shares	247,289,984	245,709,817	243,299,904
Stock market capitalization (€)	571,239,863	1,403,494,475	2,867,290,500
Free float (%)	75.42	80.42	77.53
Maximum share price (€)	7.46	12.50	16.96
Minimum share price (€)	2.96	4.49	8.04
Average share price (€)	5.00	7.52	13.34
Share price at year-end, December 31 (€)	3.21	5.71	11.78
Total volume of shares traded	1,176,855,185	1,037,128,350	676,453,181
Daily average volume of shares traded	4,579,203	4,067,170	2,591,775
Earnings per share (€)	0.209	0.206	0.48

The share ownership structure as at December 31, 2011 was as follows:

<i>Significant shareholders and % stake¹⁰</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Iberdrola, S.A.	19.62%	19.58%	14.10%
Blackrock Investment Management Ltd.	4.96%	-	9.01%
Lolland, S.A.	-	-	5.00%
Norges Bank	-	3.09%	-
Others (*)	75.42%	77.33%	71.89%

(*) Each holding interests of less than 10%

¹⁰ As at December 31, 2011

02 Organizational profile

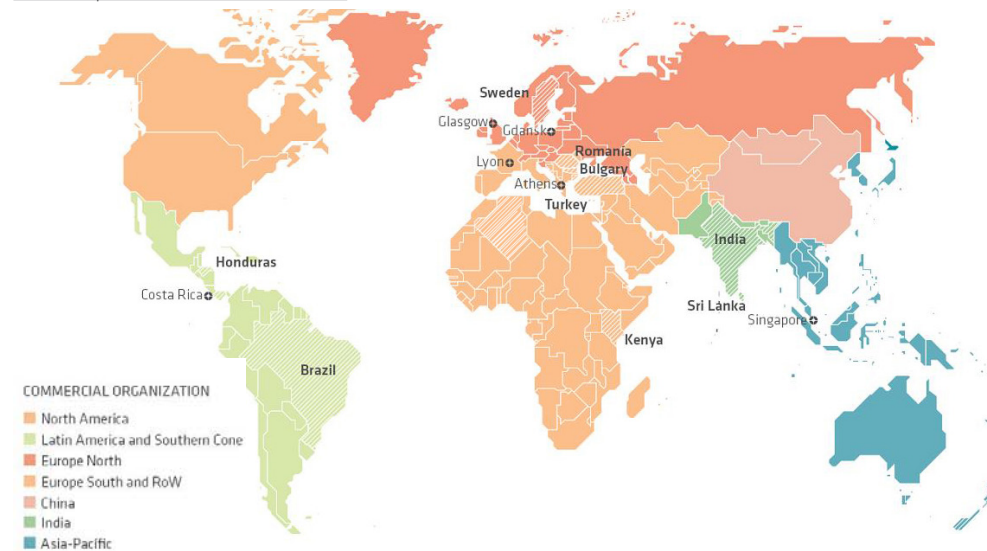
30

Markets served [2.7]

Gamesa sells and maintains its products around the world. The wind turbine manufacturing and sales unit has supplied wind turbines to Germany, Algeria, Argentina, Azerbaijan, Bulgaria, China, Cyprus, Korea, Costa Rica, Cuba, Ecuador, Egypt, Spain, Estonia, France, Greece, Honduras, Hungary, India, Ireland, Italy, Japan, Morocco, Mexico, New Zealand, Poland, Portugal, Puer-

to Rico, Romania, Sri Lanka, Sweden, Taiwan, Tunisia, the United Kingdom, the United States, Venezuela and Vietnam and has an extensive sales network, which includes up to 24 sales offices in Germany, China, Italy, Denmark, the United States, Greece, Portugal, France, the United Kingdom and Poland, along with branches in Mexico, Morocco, Egypt and Tunisia.

Nuevo impulso a la actividad comercial



Mix de ventas de producto por región/país (MWe)	2011	2010	2009
España	232	168	857
Resto de Europa	564	524	994
Alemania	-	-	5
Azerbaiyán	8	-	-
Bulgaria	-	30	60
Chipre	30	20	-
Estonia	10	40	-
Francia	21	22	148
Grecia	47	38	3
Hungría	-	34	74
Italia	19	75	344
Irlanda	-	10	10
Polonia	245	60	196
Rumanía	109	91	34
Suecia	31	5	-
Turquía	-	50	-
UK	44	49	120
Estados Unidos	382	673	469
China	650	664	479
India	519	192	-
Brasil	103	-	-
Resto del mundo	352	184	344
Argelia	10	-	-
Costa Rica	-	13	-
Egipto	-	-	122
Honduras	98	4	-
Marruecos	1	4	18
México	204	54	59
Nueva Zelanda	8	-	-
Puerto Rico	3	-	-
Sri Lanka	-	-	20
Túnez	8	61	97
Venezuela	21	48	32
Total	2.802 MWe	2.405 MWe	3.145 MWe

Scale of the reporting organization [2.8]

<i>Number of employees</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
	8,357	7,262	6,360

<i>Sales (net turnover Mill. €)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
	3,033	2,764	3,229

<i>Total capitalization (Mill. €) Broken down by debt and net equity</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
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<i>Broken down by debt and net equity</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Subscribed share capital	42	42	41
Parent company's equity	1,685	1,624	1,571
Net financial debt	710	-210	259
Tangible fixed assets	877	817	725
Cumulative depreciation	-420	-371	-306

<i>Products and services provided (MWe)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
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MWe of wind energy sold	2,802	2,405	3,145
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<i>Sales/revenue by countries/regions representing 5% or more of total revenue (#) (net turnover in Mill. €)</i>	<i>2011</i>		<i>2010</i>		<i>2009</i>	
	<i>(#)</i>	<i>%</i>	<i>(#)</i>	<i>%</i>	<i>(#)</i>	<i>%</i>
Spain	262	8.6	310	11.4	990	31.1
Rest of Europe	662	21.8	902	32.9	1,045	32.8
United States	411	13.5	723	26.4	567	17.8
China	670	22.1	358	13.1	235	7.4
India	530	17.5	189	6.9	-	-
Rest of the World	493	16.2	253	9.3	347	10.9
Net turnover ¹⁾	3,028	100	2,735	100	3,187	100

¹⁾ Does not include other revenue amounting to €5 million and €29 million in 2011 and 2010 respectively

<i>Costs included in the operating result by category (Mill.€)</i>	<i>2011</i>		<i>2010</i>		<i>2009</i>	
	<i>(#)</i>	<i>%</i>	<i>(#)</i>	<i>%</i>	<i>(#)</i>	<i>%</i>
Supply costs	2,315	70.9	2,002	69.8	2,072	72.2
Personnel expenses	355	10.8	295	10.3	292	10.2
Depreciation and provisions	233	7.1	209	7.4	217	7.6
Other operating expenses	361	11.0	359	12.5	287	10.0
Total costs	3,264	100	2,865	100	2,869	100

<i>Employees by geographic areas</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	5,351 (64%)	4,935 (68%)	4,714 (74%)
United States	930 (11%)	912 (12%)	770 (12%)
China	1,156 (14%)	1,083 (15%)	876 (13%)
India	920 (11%)	332 (5%)	67 (1%)
Total employees	8,357	7,262	6,360

Significant changes regarding size, structure and ownership [2.9]

As a consequence of the new shareholder compensation system called "Gamesa Flexible Dividend" approved on May 25, 2011 by the General Shareholder's Meeting, Gamesa issued a total of 1,580,167 shares in 2011, amounting to an increase of €268,628 in share capital.

(See indicator 2.6 for further information)

<i>Awards and Recognition</i>	<i>Granted by</i>
Annual Golden Award to Spanish Companies 2010	An award granted by the Official Spanish Chamber of Commerce in Great Britain, which recognizes a company's history and its contribution to business relationships between the Spanish and British markets.
Reporta 2011	This award measures the quality of the reporting filed by the main Spanish listed corporations, taking into account the principles of transparency, suitability and accessibility. According to the Reporta 2011 Report, Gamesa stood out among the Spanish companies which best report information to their stakeholders regarding both information on their activities as well as information on their strategy, operations, business expansion, corporate social responsibility, etc.
Randstad Awards (two awards)	Gamesa was granted the Randstad Awards 2011, which each year choose the most attractive companies for which to work. Gamesa was awarded in two categories, the professional development category and the social and environmental commitment category: company with a "future outlook" and company "concerned about the environment and society".
Cegos Award and Teams & Talent 2010 (three awards)	The Cegos Award and the Teams & Talent 2010 award were granted to the Human Capital Management area's "Skills Development Program", part of Gamesa's strategic skills development programs 2009-2011, in the Best Practices and in the Training and Development categories. Award for the best Energy Industry project in any of the three categories (Training and Development, Organizational Management and Recruitment and Integration) and Professional Recognition Award: Best Practices The panel valued the Gamesa University's School of Leadership as an innovative institution having a strong vocation of service, which is in line with Gamesa's strategy and values and its globalization and growth process.
Award for the best fire simulation video at the Aoiz plant (Spain)	Best video at the Medicine and Health and Safety (H&S) Congress organized by the Spanish Society of Occupational Medicine and Safety (SEMST) in Bilbao in November 2011.

Sustainability and other indexes

Dow Jones Sustainability Indexes 2011/2012, Bronze class and Sector Leader	Dow Jones Sustainability Indexes. Sustainable Assets Management (SAM)
FTSE4Good and FTSE4Good IBEX	FTSE Group
Ethibel Excellence (ESI Europe)	Vigeo-Ethibel
CleanTech Index (CTIUS)	Cleantech Group, LLC
S&P Global Clean Energy Index	Standard & Poor's
Global Challenges Index	BÖAG Börsen AG Oekom Research AG

Awards received in the reporting period [2.10]

Other initiatives led by Gamesa in 2011 or in which the company has played an active part include:

- Joining the Basque Government's Eco-Efficiency Program 2010-2014.
- For the second year in a row, Gamesa recognized at the 2nd Patents and Inventors Conference the work and effort of its professionals in the invention and patenting process, two key aspects for the development and protection of the company's technological inventions, by awarding two patents on the winching of blades and on wind turbine power control. The selection process assessed a total of 26 patents under the following criteria: creation of value for the company in terms of cost of energy, potential defense against competitors, coherence with the company's technology strategy, ground-breaking ideas and simplicity of the idea and/or technology.
- For the fifth consecutive year, Gamesa celebrated World Excellence Day with the motto "Our commitment, an advantage for all", thereby underlining its strong commitment and rigorous integrated excellence policy on issues connected to health and safety, quality and the environment.

03

Sustainability Report Parameters



Report profile

Reporting period for information provided [3.1]

This Sustainability Report is the eighth of its kind, which Gamesa publishes 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 Gamesa's activities in 2011 and provides information on some significant events in the first quarter of 2012. The previous Sustainability Report was published in April 2011 [3.2].

We likewise point out that this report – which is published on an annual basis [3.3] – can be completed with other publications Gamesa publishes and distributes annually, as it makes reference to them, particularly the Annual Consolidated Report 2011 and the Annual Corporate Governance Report (ACGR) 2011, which are available on the corporate website: www.gamesacorp.com

For any general question regarding the report, please contact [3.4]:

Gamesa Corporación Tecnológica, S.A.
Corporate Social Responsibility Department
Parque Tecnológico de Bizkaia, Edificio 222
48170 Zamudio, Vizcaya
Spain

Tel. No.: 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 boundaries

Report content [3.5]

Gamesa's Sustainability Report 2011 contains information intended for shareholders, customers, employees, suppliers, governments, analysts, local communities and finally to the society as a whole, in the broadest sense. Nevertheless, it attempts to specifically cover those areas related to sustainability that are relevant for the organization.

Requests made by stakeholders are dealt with and considered as a key factor for defining the report's contents. These requests are combined with society's broadest expectations, any risks identified and Gamesa's strategic priorities, which are then represented in the materiality matrix, taking into consideration:

- Topics which are of major interest for Gamesa's different stakeholders;
- Topics which have a current or potential impact on the company;
- Topics over which Gamesa is able to exercise a reasonable degree of control.

Gamesa has followed the Global Reporting Initiative guidelines for defining the report content, to ensure a balanced and reasonable presentation of the performance of the company. The principles of materiality, stakeholder inclusiveness, sustainability context and completeness have been applied for the identification of contents. This approach concludes with a selection of more than 150 potentially material issues, which were later consolidated into sets of topics (see matrix of materiality), a consolidation aimed at simplifying the process of data processing and exposition of final conclusions.

Priority setting has been made in a second phase, by evaluating each of the sustainability issues identified and taking into account the following factors:

- External Relevance: the degree of interest shown on specific sustainability aspects of by the group of stakeholders
- Internal Relevance: potential impact of a certain aspect about the company, and degree of control over it.

On the basis of this assessment, a materiality matrix was developed, whose vertical axis is composed of external criteria, and the horizontal axis internal criteria. Based on these criteria, the location of each item in the array determines its materiality, and therefore its relevance. Depending on the final positioning of each case within the matrix, it will be considered: High Material / Relevant / non-material.

Tools to define report content

Sources of information

Tools used

Topics that directly impact stakeholders	Analysis of the competitive environment: benchmarking of the sector's leading companies. International organizations which are especially relevant to sustainability: WBCSD, Global Compact, CERES, Transparency, Institute for Human Rights and Business, Carbon Disclosure Project, European Commission documents on Corporate Social Responsibility, etc. Internal tools to maintain dialog with shareholders: Investor Relations and Shareholder Information Office. ESG resolution proposals at General Shareholders' Meetings of leading companies. Internal tools to maintain dialog with customers. Internal tools to maintain dialog with suppliers. Press and media analyses. Spanish organizations: Spanish Global Compact Network, CSR Observatory, RSE Observatory, Spanish Corporate Reputation Monitor, Entorno Foundation, etc.
Socially responsible investors and analysts	Policies of relevant institutional investors which are Gamesa shareholders, as well as those which are not. Requirements and reports by non-financial analysts: Dow Jones Sustainability Indexes, FTSE4Good, Ethibel Sustainability Index Excellence Europe, Sustainalytics, etc. Roadshows with socially responsible investors. SRI observatories: Eurosif, Institute for Social Innovation-ESADE, etc.
Gamesa's internal regulations	Mission, Vision and Values. Gamesa's CSR Policy and Principles. Code of Conduct. Gamesa 2011-2013 Business Plan. Corporate Risk Control. Internal environmental management, occupational health & safety and quality systems and indicators.
Marco regulatorio	Arising from legislation on renewable energies. Arising from voluntary undertakings.
Topics of interest to the renewable energies sector	Public reporting of the renewable energy industry: Global Wind Energy Council, European Wind Energy Association, Wind Energy Business Association. Institutional and situational information from the International Institutional Relations Area. Topics of interest to industry associations.
Reporting requirements	Global Reporting Initiative Sustainability (GRI-G3) Sustainability Reporting Guidelines: 79 performance indicators, including financial (9), environmental (30), labor (14), human rights (9), social (8) and product responsibility (9) indicators. GHG Protocol Guidelines.

03 Sustainability Report Parameters

Boundary of the report [3.6] and limitations on scope [3.7]

The Sustainability Report 2011 covers Gamesa and the subsidiaries which comprise its group (for more detailed information, see section 2.3 herein, the relevant section of the 2011 Consolidated Annual Accounts on the corporate website www.gamesacorp.com, as well as note 2.g) containing the most significant changes in the consolidation boundary in 2011).

This report therefore does not include any qualitative or quantitative information on joint ventures or associated companies in which Gamesa is not the majority shareholder, information on subcontracted activities or data on leased facilities in order to ensure clear year-on-year comparability. [3.8]

The boundary of the Gamesa Sustainability Report 2011 includes all the companies identified in section 2.3, except any which are deemed as associated companies.

Técnicas de medición de datos y recopilación de indicadores [3.9]

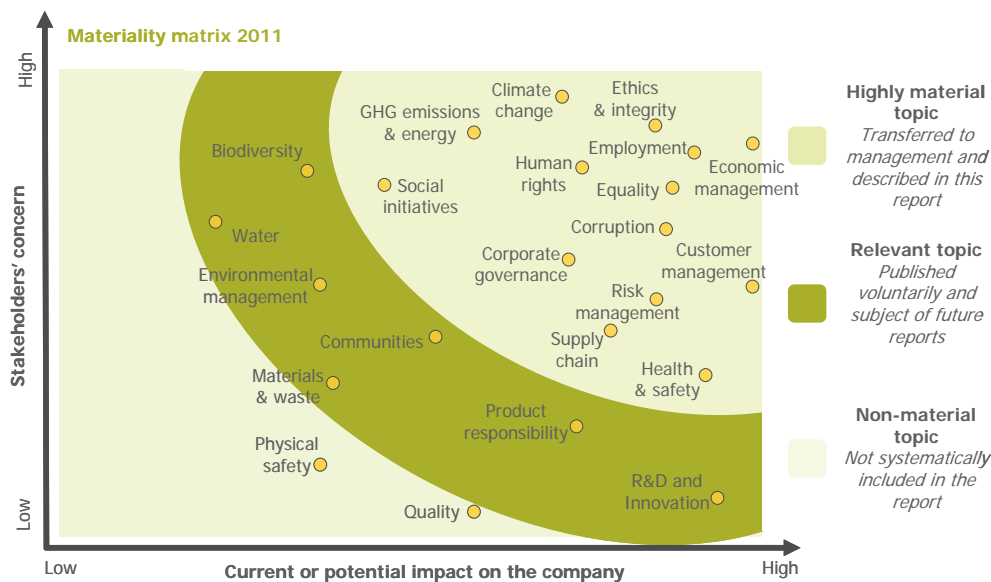
As regards the means employed to account for practically all the performance indicators described in the GRI's G3 Guidelines, Gamesa is equipped with management applications that consolidate the data from branches, production centers and wind farms. These applications ensure the accuracy, truthfulness and exhaustive nature of the information presented in this Sustainability Report 2011.

Gamesa therefore considers that this report presents a reasonable and balanced view of the group's economic, environmental and social performance. Should there be any limitations on the information reflected in this report due to not completely entering quantitative data into the management systems, they are considered to have little influence on the overall data on the group and, in Gamesa's judgment, do not affect in any relevant way the assessment the reader may make about the company's performance. Nonetheless, the company is working continuously to develop controls which would enable complete coverage and scope to be achieved.

Additionally, the environmental indicators on energy consumption and their associated emission factors, scope, limitations and conclusions have been verified by third parties, as reflected in section 6.5 "Emission Verification Report 2011".

Gamesa does not consider it necessary to re-state any information from prior reports owing to corporate restructurings [3.10]. However, there could be minor deviations with respect to the quantitative data disclosed in 2009 and 2010 as a consequence of updates and adjustments.

Likewise, there were no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report. [3.11]



GRI content index

The table containing the location of the standard disclosures of the report can be found in section 6.3 of this Sustainability Report 2011 (annexes). [3.12]

Assurance

Gamesa Corporación Tecnológica is working on internal policies and measures that enable it to guarantee the accuracy, exhaustive nature and veracity of the information disclosed in the Sustainability Report. The individual and consolidated annual accounts were audited by PricewaterhouseCoopers in accordance with the accounting standards which apply to each case. For the fifth consecutive year, an independent external organization was asked to verify the information on social and environmental practices contained in the Sustainability Report 2011 and its compliance with the Global Reporting Initiative (GRI) G3 Guidelines of 2006, along with the suitable traceability of all the information and data on the main and additional indicators contained in the aforementioned guidelines. This task was entrusted to the Spanish Standards and Certification Association (AENOR - Asociación Española de Normalización y Certificación) in 2011 and its assurance report is included in section 6.1 of this report. [3.13]

The methodology used to perform the verification is based on AENOR's General Sustainability Report Assurance Regulations. The purpose of the assurance process is to analyze and verify that the report has been drawn up in accordance with GRI guidelines and that its content is true and complete.

Following the guidelines set forth in the G3 Guidelines, Gamesa self-assessed this report with an A+, which corresponds to the scores given by expert organizations that also verified its Sustainability Report externally. For its part, the auditing firm also confirmed the A+ application level. Lastly, the review conducted by the GRI likewise gave the report this same application level, as is reflected in section 6 herein.

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 Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	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 Reponsibility.		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

04

Governance, commitments and stakeholders engagement



Governance

Gamesa's governance structure is based on two main bodies, namely the General Shareholders' Meeting and the Board of Directors. [4.1]

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

The General Meeting takes resolutions on all issues that lie within its competence in accordance with the Law, the Bylaws and the General Meeting Regulations, particularly:

- a. Appointment, re-election and removal of directors and liquidators, as well as the ratification of any directors appointed by cooption and setting the number of directors within the limits set forth in the Bylaws;
- b. Approval, if appropriate, of company remuneration schemes consisting of the delivery of shares or stock options which are benchmarked to the share price;
- c. Appointment, reappointment and removal of the auditor of accounts;
- d. Censure the company's management and approval, as appropriate, of the prior year's annual accounts and

the proposal for distributing the result;

- e. Increase and reduce share capital, as well as delegating the power to increase share capital to the Board of Directors, including the power to do away with or limit preferential subscription rights;
- f. Issue bonds and other tradable securities and delegate the power to issue them to the Board of Directors;
- g. Authorize the derivative acquisition of treasury stock;
- h. Approval and amendment of the General Shareholders' Meeting Regulations;
- i. Amendments to the Bylaws;
- j. Structural changes: mergers, spin-offs, transformations, winding up, global assignment of assets and liabilities, moving the registered address abroad, subsidiarization and segregation of the company;
- k. Wind up the company;
- l. Transactions whose effect would be equivalent to winding up the company;
- m. Approval of the final liquidation balance sheet;
- n. Acquisition or divestment transactions involving essential operating assets, whenever they involve an effective modification of the corporate purpose.

The Board of Directors' mission is to promote the company's interests, represent the company and its shareholders in the management of its assets, manage the business and direct the business's administration. Apart from the matters reserved for the competence of

the General Shareholders' Meeting, the Board of Directors is Gamesa's highest representative and decision-making body. It has no substantial constraints apart from those laid down in legislation and the Bylaws, particularly in the corporate purpose.

The Board of Directors carries out general oversight and sets general strategies and policies. It likewise deals with the company's relevant issues and its responsibilities (Art. 5 of the Board Regulations).

The criterion which must at all times govern the Board of Directors' actions is Gamesa's corporate interest, which is materialized in maximizing the company's value in a sustainable fashion (Article 6 of the Regulations). Regarding such issues, it is particularly important that the Board of Directors adopts all the necessary measures to ensure that corporate management and the Chief Executive Officer are under the effective oversight of the Board of Directors and that no single individual or a small group of people hold decision-making powers not subject to checks and balances.

Table on the Board of Directors' composition (2011):

Information on 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 and on the company's website.

The Board of Directors of Gamesa has an Executive committee endowed with general decision-making powers and two specialized committees to deal with specific areas of activity entrusted with powers to report, advice, put forward proposals and exercise oversight and control, the Audit and Compliance Committee and the Appointment and Remuneration Committee. Information on the Committees can be found in the Annual Corporate Governance Report.

<i>Name or company name of director</i>	<i>Representative</i>	<i>Office held in the Board</i>	<i>Date first appointed</i>	<i>Date last appointed</i>	<i>Appointment procedure</i>
Calvet Spinatsch, Jorge		Chairman and CEO	07-10-2005	25-05-2007	General Meeting
Arregui Ciarsolo, Juan Luis		Deputy Chairman	28-01-1976	25-05-2007	General Meeting
Fernández-Lerga Garralda, Carlos		Lead Independent Director	07-10-2008	07-10-2008	General Meeting
Rodríguez-Quiroga Menéndez, Carlos		Director and Secretary to the Board	27-09-2001	25-05-2007	General Meeting
Vázquez Egusquiza, José María		Director	25-05-2007	25-05-2007	General Meeting
Iberdrola, S.A.	Delgado Martín, Agustín	Director	26-06-2008	26-06-2008	General Meeting
Lada Díaz, Luis		Director	23-10-2009	23-10-2009	General Meeting
Ferrero-Waldner, Benita		Director	24-02-2010	24-02-2010	General Meeting
Aracama Yoldi, José María		Director	08-03-2011	08-03-2011	General Meeting
Rubio Reinoso, Sonsoles		Director	14-12-2011	14-12-2011	Board of Directors Cooption

Executive committee

At its meeting held on January 10, 2012, the Board of Directors resolved, after having received a favorable report from the Appointments and Remuneration Committee, to set up an Executive Committee comprised of five (5) members to which all powers are to be delegated, except those which cannot be delegated under the Law and the Bylaws. The details on its regulations and functioning are set forth in Article 17 of the Board Regulations.

<i>Name</i>	<i>Office</i>	<i>Type</i>	<i>Representing</i>
Calvet Spinatsch, Jorge	Chairman	Executive	N/A
Arregui Ciarsolo, Juan Luis	Member	Independent Non-Executive Director	N/A
IBERDROLA, S.A. (represented by Delgado Martín, Agustín)	Member	Non-Executive Proprietary Director	N/A
Lada Díaz, Luis	Member	Independent Non-Executive Director	N/A
Rubio Reinoso, Sonsoles	Member	Non-Executive Proprietary Director	Iberdrola, S.A.
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	N/A	N/A

Audit and Compliance Committee

The Audit and Compliance Committee shall have a minimum of three (3) and a maximum of five (5) non-executive directors, at least one of whom must be an independent director. The Board of Directors shall endeavor to ensure that the members of the Audit and Compliance Committee, and particularly the independent director appointed to it, have knowledge and experience of accounting, auditing or risk management matters.

The Audit and Compliance Committee's basic responsibilities are set forth in Article 18.4 of the Board Regulations and Articles 6 to 11 of the Audit and Compliance

Committee Regulations. The new revised text of the Board of Directors Regulations and the new revised text of the Audit and Compliance Committee Regulations have both reinforced the competences of the Audit and Compliance Committee in accordance with the new responsibilities set forth in Act 19/1988 of 12 July on the Auditing of Accounts as a result of the amendment made by Act 12/2010 of 30 June. Thus, new competences are required of the Audit and Compliance Committee, such as reviewing the weaknesses of the internal control system together with the auditors, overseeing its effectiveness and the obligation to issue an annual report prior to issuing the audit report expressing an opinion on the auditors' independence.

The Audit and Compliance Committee may seek external professional advice to better fulfill its functions. The Audit and Compliance Committee issues its own annual activity report, which is made publicly available on the company's website¹².

In keeping with international best practices that require a majority of independent members, this committee is currently comprised as follows:

<i>Name</i>	<i>Office</i>	<i>Type</i>	<i>Representing</i>
Vázquez Egusquiza, José María	Chairman	Independent Non-Executive Director	N/A
Rubio Reinoso, Sonsoles	Member	Non-Executive Proprietary Director	Iberdrola, S.A.
Lada Díaz, Luis	Member	Independent Non-Executive Director	N/A
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	N/A	N/A

¹² See <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/consejo-administracion/comision-auditoria-cumplimiento.html>

Appointments and Remuneration Committee

The Appointment and Remuneration Committee shall have a minimum of three (3) and a maximum of five (5) non-executive 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. The basic responsibilities of this committee are set forth in Article 19 of the Board Regulations.

In keeping with international best practices that require a majority of independent members, it is currently comprised as follows:

<i>Name</i>	<i>Office</i>	<i>Type</i>	<i>Representing</i>
Fernández-Lerga Garraida, Carlos	Chairman	Independent Non-Executive Director	N/A
Arregui Ciarsolo, Juan Luis	Member	Independent Non-Executive Director	N/A
Aracama Yoldi, Jose María	Member	Independent Non-Executive Director	N/A
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	N/A	N/A

Chairman of the company

The Chairman of Gamesa is likewise the company's CEO and is therefore its highest ranking executive officer.
[4.2]

After receiving a favorable report from the Appointments and Remunerations Committee, Gamesa's Board of Directors unanimously resolved to appoint Mr. Jorge Calvet as Chairman of the Board of Directors and as the company's CEO at its meeting held October 8, 2009. 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 at the same meeting.

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

- 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 the lead independent director or at least three directors;
- To direct the Board of Directors' deliberations;
- To organize and coordinate with the Chairmen of the relevant committees the Board of Directors' periodic assessment, as well as of the CEO or highest ranking executive;

- To bring proposals before the Board which he may deem appropriate to ensure the company is properly run, especially concerning how the Board itself and other corporate bodies are run, and to propose people to hold the offices of Deputy Chairman, Secretary and Deputy Secretary of the Board.

In his office as the company's highest ranking officer, he holds responsibility for the effective management of the company's business in accordance with the resolutions and criteria adopted by the General Shareholders' Meeting and the Board of Directors within their respective spheres of competence. The aforementioned operations shall be brought before the Board of Directors or the Executive Committee, as appropriate.

Regarding the reasons justifying an Executive Chairman, the following considerations should be taken into account:

1.- When assessing the advantages and disadvantages of joining or separating the offices of CEO and Chairman of the Board of Directors, the Unified Code of Good Governance does not oppose joining both powers. It only indicates that it should be accompanied by the necessary checks and balances (Recommendation 17¹³). Gamesa has taken various measures along these lines to reduce any risks arising from concentrating power in a single person, which are as follows:

- Appointing one of the company's independent directors as a specially empowered director (lead independent director);
- Absence of the Chairman and CEO at the meetings held by the Board's consultative and supervisory committees (Audit and Compliance Committee and Appointments and Remuneration Committee);
- Competences of the Board of Directors and reserving certain competences for the Executive Committee as a collegiate body;
- Assessment conducted on the Chairman and Chief Executive Officer by the Board of Directors, a process which is led by the Appointments and Remuneration Committee.

2.- It reflects Spanish tradition, as only 20% of Ibex-35 companies have chosen to separate these offices.

This originates from the high percentage of business, financial or family groups that are major or controlling shareholders in Spanish companies. This situation is not unknown to Gamesa, where there is an important shareholder which exerts a controlling interest and limits the risk of excessive power being vested in an executive chairman.

¹³ Recommendation No. 17 of the National Securities Market Commission's (CNMV) Unified Code of Good Governance of Listed Companies sets forth that where the Chairman of the Board is also the CEO of the company, one of the independent directors is to be empowered to request the calling of a Board meeting or the inclusion of new items on the agenda, to coordinate and take note of the concerns of non-executive directors, and to direct the evaluation of the Chairman by the Board.

3.- In some countries highly developed in the area of corporate governance, the reality of this issue does not in all cases suggest the separation of offices. In United States, 59% of companies listed on the S&P500 have an executive chairman. In addition, Section 972 of the Dodd-Frank Act (July 2010), like the Spanish Unified Code of Good Governance, requires an explanation for joining the offices and the reasons behind it. In France, the two main codes or principles of good governance which can be taken as a reference (Code of Gouvernement D'entreprise des Sociétés Cotées and Recommandations sur le Gouvernement d'Enterprise) have taken different stances regarding the recommendation to separate or join the offices. They either do not take a stance in favor of either option or recommend the separation of offices. However, the accumulation of these offices is allowed, as long as it is duly justified, explained and accompanied with the appointment of a lead independent director.

4.- Lastly, regarding the reasons for having an Executive Chairman, if adequate control and oversight of the risk, as well as the best management of any possible conflicts of interest are among the main arguments used to promote the separation of offices, there are equally valid and more efficient alternatives. Gamesa has such solutions:

a. A risk control system: Gamesa is equipped with a well-honed organizational structure that provides value by working on risk control and management (for further details, see Business Risk Control/Governance Mechanisms on page 16).

b. Appropriate regulations and oversight of potential conflicts of interest and transactions with significant shareholders that require, on the one hand, an obligation of internal communication, abstention of the affected parties from all deliberations and decisions and lastly a prior report issued by the Audit and Compliance Committee, along with a justified decision by the Board of Directors (Article 35 of the Board of Directors Regulations)

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

Independent or non-executive directors [4.3]

The information requested is included in the section 4.1. In accordance with its internal rules, Gamesa's Board of Directors shall be comprised in such a way so that non-executive directors, with the presence of independent directors, represent a majority over executive directors. The Board of Directors shall likewise attempt to ensure that the majority group of non-executive directors includes proprietary and independent directors.

In keeping with the definitions set forth in the Unified Code of Good Governance, the Board of Directors Regulations (Article 8.1.b) considers the following as non-executive directors:

- Proprietary directors: directors who hold a stake which is equivalent to or exceeds the figure legally deemed as significant or appointed due to their status as a shareholder despite the fact that their shareholding does not reach such figure; or whose appointment has been proposed by shareholders set forth in the preceding case. In this case, it shall be assumed that a director has been proposed to the company by a shareholder whenever he/she: has been appointed through the right of representation being exercised; is a director, senior executive, employee or non-occasional service provider of such shareholder or companies belonging to its same group; it can be deduced

from corporate documents that the shareholder assumes that the director represents or has been appointed by such shareholder; is the spouse or a related party of the shareholder through an analogous personal relationship, or a relative up to the second degree of kinship.

- Independent directors: any directors appointed due to their personal or professional qualities and ability to perform their functions without being conditioned by relationships with the company, its significant shareholders or its senior management;
- Other non-executive directors: any directors not deemed as proprietary or independent directors.

Likewise, Article 8.2 of the Board of Directors Regulations sets forth that the following shall under no circumstances be appointed as independent directors:

- Anyone who has been an employee or executive director of group companies, except when three (3) or five (5) years have respectively elapsed since they stood down from such offices.
- Anyone who receives from the company or its group any amount or benefits for an item other than remuneration as a director, except where such amount or benefits are insignificant. For the purposes set forth in this paragraph, neither dividends nor pension scheme complements received by the director arising from his/her previous professional or employment relationship shall be taken into consideration, as long as such complements are uncon-

ditional and consequently the company paying them out may not do so discretionally without breaching obligations or suspending, amending or revoking entitlements.

- Anyone who is or has been a partner of the external auditor or those holding responsibility for the audit report during the last three (3) years, whether it be of the company's audit or that of any other group company during the aforementioned period.
- Anyone who is an executive director or senior executive of another company in which some executive director or member of senior management of the company is a non-executive director.
- Anyone who maintains or has maintained during the past year a significant business relationship with the company or with any of the companies of its group, be it on their own behalf or as a significant shareholder, director or senior executive of an organization that maintains or has maintained such a relationship. The provision of goods or services, including financial and advisory or consulting services, shall be construed as business relationships.
- Anyone who is a significant shareholder, an executive director or a senior executive of an organization that receives or has received during the last three (3) years significant donations from the company or its group. Anyone who is merely a governing board member of a foundation which receives donations shall not be included among those set forth in this paragraph.
- Spouses or related parties through an analogous relationship of an executive director or member of senior

management of the company, as well as their family members up to the second degree of kinship.

- Anyone whose appointment or renewal has not been put forward by the Appointments and Remuneration Committee.
- Anyone finding themselves in any of the circumstances set forth in items a), e), f) or g), as regards a significant shareholder or a shareholder represented on the Board of Directors. In the case of the family relationships set forth in item g), the limitation shall not only apply as regards the shareholder but also to proprietary directors appointed at the proposal of such shareholder.

Proprietary directors whose status as such ceases to be the case as a result of the shareholder who put forward his/her appointment selling their stake may only be reappointed as independent non-executive directors when the shareholder that has put forward his/her appointment has sold their entire interest in the company.

Directors who own a stake in the company may be considered as independent directors, as long as they meet all the conditions set forth in this paragraph and when their stakes do not constitute a significant shareholding. Information on the composition of the governing body can be found in the Annual Corporate Governance Report in sections B.1.2 and B.1.3 and on the company's website.

Mechanisms of dialog with shareholders and employees [4.4]

The company has a Shareholder Information Office that responds daily to questions from shareholders. It serves as a mechanism for shareholders to pass on recommendations or suggestions to the highest body of governance.

The aforementioned Shareholder Information Office is coordinated by the Investor Relations Department, which reports directly to the Chairman. Shareholder can ask questions by telephone, traditional mail or e-mail. The various addresses and numbers are posted on the company's website.

In accordance with Article 22 of the General Shareholders' Meeting Regulations, on the day the General Shareholders' Meeting is held, the Shareholder Information Office responds to any questions raised by shareholders or their proxies regarding the meeting's proceedings prior to the meeting itself without prejudice to their right to speak, table proposals and vote granted to them by the Bylaws. It also informs them about their right to intervene and compiles the texts of their interventions, if they are available in writing.

In accordance with prevailing legislation, any shareholders representing at least five (5) per cent of the company's share capital may request the publication of an addition to the General Shareholders' Meeting announcement that includes one or more points on the agenda. This right shall be exercised by means of giving irrefutable notice thereof, which must be received at the company's registered address within five (5) days from the date the announcement of the General Shareholders' Meeting is published.

The Board of Directors shall do everything that may be required to verify, justify and publish the addition to the announcement and shall resolve as many questions or issues as may arise in relation to the addition and the publication thereof.

Likewise any shareholders representing at least five (5) per cent of share capital may table grounded proposals for resolutions on any issues already included or which are to be included in the agenda of the General Shareholders' Meeting within the same time limit set forth in the preceding paragraph.

In accordance with Article 528.2 of Capital Companies Act, the company set up an electronic shareholders' forum when the 2011 General Shareholders' Meeting was called

in order to facilitate communications among Gamesa shareholders between the date of the call and the date of the General Meeting. Registered users will be able to send communications, which will be posted on the forum solely for the following purposes:

- Proposals they would like to put forward as additions to the agenda published in the General Meeting announcement.
- Requests for support to such proposals.
- Initiatives aimed at reaching the necessary percentage to exercise minority rights provided for by Law or in the internal regulations of Gamesa Corporación Tecnológica, S.A.
- Voluntary proxy offers or solicitations.

It should likewise be highlighted that any contents which must be published are accessible from the website's home page, as well as in the "Shareholders and Investors" section in accordance with Act 26/2003 of 17 July on the Transparency of Listed Corporations and Circular 1/2004 of 17 March of the National Securities Exchange Commission (CNMV).

Compensation for the Board of Directors, senior management and executives [4.5]

The company rules which govern the remuneration of members of the Board of Directors are set forth in Article 46 of the Corporate Bylaws and in Article 31 of the Board of Directors Regulations.

The remuneration of members of the Board of Directors for their work as directors consists of a fixed annual remuneration item for sitting on the Board and on the Audit and Compliance and Appointments and Remuneration Committees, along with an attendance allowance for attending Board of Directors' meetings and the meetings of the above-mentioned committees.

As a general rule, directors do not receive compensation benchmarked to the organization's performance. The Chairman does not receive this fixed remuneration item or attendance allowances and has an executive compensation plan instead.

In this regard, the remuneration of directors for merely performing their duties is independent of any remuneration, whether general or individual, which members of the Board of Directors may receive for performing executive functions or professional tasks.

The remuneration received by the Chairman and CEO for performing his executive duties therefore includes the following items: fixed remuneration and variable remuneration items: annual and/or long-term and/or Bylaw allowances and coverage for risks.

The fixed remuneration item is in keeping with market rates and is based on the principle of moderation.

Key indicators and targets to meet the company's strategic objectives on growth, the cost of energy and efficiency, which are defined in the 2011-2013 Business Plan, are set as a point of reference when setting the variable remuneration item.

Indicators on consolidated EBIT and financial strength (NFD / EBITDA) were adopted for 2011 in line with guidelines released to the markets in February 2011, along with non-financial indicators like Corporate Social Responsibility and Health and Safety indicators, which took the results of the Dow Global Sustainability Index and OSHAS and ISO certifications as a benchmark.

The Gamesa General Shareholders' Meeting held on May 25, 2011 resolved to approve the establishment of a Long-Term Incentive Program through the delivery of company shares to the company's Chairman, senior executives, managers and employees. This scheme is benchmarked to the attainment of the strategic objectives

set out in the 2011-2013 Business Plan. Consequently, the Appointments and Remuneration Committee of Gamesa's Board of Directors resolved to settle in advance the Long-Term Incentive Program 2009-2011, which was duly authorized by the General Shareholders' Meeting on May 29, 2009.

The new plan includes approximately 175 employees as beneficiaries and is benchmarked to the strategic objectives set out in the 2011-2013 Business Plan, which include: Total Shareholder Return (TSR) in relation to a comparison group, growth, Cost of Energy (CoE) and efficiency.

Regarding compensation for senior management, other managers and employees not subject to a collective agreement, they have a variable remuneration item the amount of which is likewise benchmarked to personal performance and that of the organization. According to the scheme, this includes financial indicators and group targets approved for the Chairmen, along with specific indicators for the area of which they form part.

The Gamesa's internal regulations on remuneration should be viewed in the context of Act 2/2011 of 4 March on the Sustainable Economy. Article 27 of this Act sets forth that listed corporations shall improve transparency regarding the remuneration of their directors and senior executives, as well as on their

remuneration policies in accordance with the provisions set forth in Article 61 bis of Act 24/1988 of 28 July on the Securities Market.

Consequently, in 2011 Gamesa drew up a “Report on the Remuneration Policy for the Board of Directors for 2011 and its Application in 2010”. This report was approved by the Board of Directors and submitted to a consultative vote at the 2011 General Shareholders’ Meeting. The company voluntarily submitted it to a consultative vote at the last General Meeting, as such submission will not be mandatory until 2012 according to the Act. The report was approved by the Shareholders’ Meeting with the 94.09% votes in favor. Both the report, which reflects the individualized remuneration of the members of the Board of Directors, as well as the detailed outcome of the consultative vote are available on the Gamesa website in the section entitled “Documents of the 2011 General Shareholders’ Meeting”.

Conflicts of interests [4.6]

Section C.5 of the 2011 Annual Corporate Governance report includes details on the conflicts of interest which affected directors in 2011. Section C.6, for its part, describes the mechanisms implemented to detect and resolve any possible conflicts of interest between Gamesa and its directors, executives and significant shareholders.

The company has had specific rule entitled “Rule on the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery” to complement this information since 2009, which was reviewed in 2011, and is set forth in sections 3.7 (Fight against fraud. Rejecting corruption and bribery) and 3.8 (Avoiding of the conflicts of interest) of the Code of Conduct. The rule is comprised of a set of guidelines addressing honesty, impartiality and professionalism. They serve as a guideline for the behavior of Gamesa’s entities and people, placing special attention on third parties. The rule enables the company to take a firm stance in the relevant markets based on respect and consideration for shareholders, employees, customers, suppliers, contractors and collaborators of the company, along with public authorities and the community as a whole through the Gamesa’s actions.

In general, the mechanisms used to detect, identify and resolve possible conflicts of interest between the company and/or its group and its directors, executives and significant shareholders are based on the following rules of competence:

- a. The basic responsibilities the Board of Directors include: authorizing operations or transactions that may involve conflicts of interest (i) with the company or group companies; (ii) with directors or their related parties; (iii) with shareholders holding significant stakes or represented on the Board of Directors and their related parties; (iv) with senior management and executives; as well as (v) regarding any other relevant transaction concerning the same, except where it is not necessary pursuant to the provisions set forth in Article 41.5 of the Board of Directors Regulations.
- b. The basic responsibilities of the Audit and Compliance Committee include providing information about transactions that entail or could entail conflicts of interest or about transactions with shareholders owning a significant stake and, in general terms, concerning the matters set forth in Chapter IX of the Board of Directors Regulations.

Likewise, the Audit and Compliance Committee is assigned with the basic responsibility of approving transactions entailing a conflict of interest or transactions with a shareholder holding a significant stake under the

terms set forth in Articles 35.6 and 41.4 of the Board of Directors Regulations and in compliance with them, when it is so charged by the Board's Chairman.

Gamesa provides information about any transactions it may effectuate with directors, major shareholders and related parties in the periodic financial reporting process and within the scope laid down by the Law. This likewise includes information about the transactions of the company or group companies with administrators and related parties, as well as with whoever may act on their behalf, where such transactions are not within the normal course of business or are not carried out under normal market conditions. This information is also available in section C.2 of the Annual Corporate Governance Report.

The information on the mechanisms to deal with possible conflicts of interest can be found in section C.6 of the ACGR, where considerations on the following are set out in detail:

- Possible conflicts of interest between the company and/or its group and its directors;
- Possible conflicts of interest between the company and/or its group and its executives;
- Possible conflicts of interest between the company and/or its group and its significant shareholders;
- Relationships of directors and/or significant shareholders with group companies.

Qualifications and expertise of directors [4.7]

Article 24 of the Board of Directors Regulations governs 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 competences 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 office of independent director."

"In the case of directors who are legal persons the individual who represents them to exercise the functions of the office shall be subject to the conditions of honorability, solvency, competence and experience set forth in the preceding paragraph and shall be held personally accountable for the directors' duties set forth in these Regulations."

The Board of Directors of Gamesa complies with the principle of diversity, as it is comprised of both men and women. There was an increase in the number of women which form part of the Board in 2011 to reach a total of two (2), which accounts for 20% of the Board's composition.

As is set out in the "Spencer Stuart Spain Board Index 2011", the number of women sitting on the Boards of Directors of Ibex-35 companies only accounts for 10% of the total number of directors, a percentage which Gamesa doubled in 2011.

The Board of Directors is comprised of renowned specialized professionals, as can be seen in further detail in their curricula, which are available on the corporate website. Furthermore, the members of Gamesa's Board of Directors have experience and knowledge in the area of corporate social responsibility garnered from their experience in companies recognized as leading firms by the main international sustainability indexes.

Gamesa Way: a total of 6,644 employees (84%) took part in the program and 323 work sessions were concluded

Employees stated a high level of satisfaction with the program (4.18 out of 5) and a high level of commitment to the company's mission

Mission, values, codes of conduct and relevant principles [4.8]

Gamesa proceeded to review and update its values in 2010, which were established on the basis of Teamwork, Innovation, Excellence, Respect and Sustainability.

The following attitudes for success were likewise defined: leadership, a global company and being customer-driven. Gamesa's corporate principles and values apply across the entire company in all its different regions and to all the businesses which comprise it.

Gamesa carried out three processes on these matters in 2011:

- **Gamesa Way:** Gamesa's corporate culture program has disseminated the business plan and its mission, corporate values and attitudes for leadership, which define both the organization's objectives and its style and way of doing things that characterize it, across the entire organization. All employees have been given the chance to take part in this initiative, which is aimed at ensuring the organization's alignment, dialog and a better understanding of Gamesa through management teams and key groups within the company. A total of

6,644 employees (84%) took part in the program and 323 work sessions were concluded. Employees stated a high level of satisfaction with the program (4.18 out of 5) and a high level of commitment to the company's mission, which reached 58.2% (an increase of 12% compared with the data for 2008).

- **Review of the Code of Conduct:** Gamesa proceeded to review of the Code of Conduct's text in 2011, which was approved on November 10, 2011 by the Board of Directors. The code was placed at the disposal of employees through the Internet and the intranet, along with a presentation explaining the main changes and scope of some of the rules. It was also posted on bulletin boards and specific explanatory chats were given to employees lacking connections to the corporate intranet. In order to facilitate comprehension of the code's text and taking into consideration the multicultural nature of the company, it was published in five languages (Spanish, English, Chinese, Tamil and Portuguese). An improvement in general knowledge about the Code of Conduct has come about, as is demonstrated by the fact that 74% of employees believe they are well informed about this issue (compared to 49% in 2008) according to the results of the latest opinion survey conducted in 2011.

- **Gamesa Opinion Survey:** An opinion survey conducted every two years on employees which measures indicators on satisfaction with the organization and on many

labor-related topics. It also identifies areas needing improvement and analyzes the knowledge employees have about the company. Quantitative participation indicators are analyzed along with qualitative aspects on satisfaction, relationships and commitment, thus offering a better understanding of the topics assessed or considered susceptible to improvement. The action plans defined after the information is analyzed allow the personnel management strategy to be focused through programs or initiatives centered on the topics assessed by employees. Additionally, some of the questions broached in the survey allow perceptions on Gamesa to be analyzed in relation to international benchmarks, which facilitates the task of the external consultancy firm with expertise in these matters.

¹⁴ See the heading "Gamesa Way;" in section 1.2 for further details.

¹⁵ See link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/reglamentos-estatutos/codigo-conducta.pdf>

Procedures for overseeing the identification and management of economic, environmental and social performance [4.9]

Gamesa's governance model is structured on the following bases:

- The Board of Directors: the highest body of governance which sets and approves the company's strategies and general policies, the business plan and annual budgets, and oversees their attainment. The general policies approved by this body are the connected with the Crime Prevention and Anti-Fraud Policy, Risk and Opportunity Control Management, the Dividend Policy, the Corporate Social Responsibility Policy, the Treasury Stock Policy, the Financing and Investment Policy and Corporate Governance.
- The Executive Committee: a collegiate body set up within the Board of Directors to facilitate the effective administration of the company's business. This body provides support to the Board of Directors' decision-making in a context marked by the company's increasing globalization and has the power to adopt decisions, allowing them to be taken more quickly, rapidly and directly.

- Chairman and Management Team (Management Committee and Steering Committee): with the support provided by the Management Committee and the company's senior executives, the Chairman and CEO holds responsibility for the group's strategic organization and coordination by disseminating, implementing and monitoring the basic management strategy and guidelines set by the Board of Directors. The Management Committee is comprised of senior executives and provides technical, information, management and decision-making support on the setting, oversight, organization and monitoring of general management guidelines, as well as on the strategic planning of the business.

- The Audit and Compliance Committee and Internal Auditing (Business Risk Control): oversees the internal control and risk management systems on a monthly basis, among other matters. The Internal Auditing Area provides independent supervision of the internal control system and reports to the Audit and Compliance Committee. The Corporate Business Risk Control (BRC) Department sets guidelines and coordinates activities with the Risk Controller Network and BRC managers in the different geographic areas. It also appears before the Audit and Compliance Committee.
- The Appointments and Remuneration Committee: this committee handles the recruitment process for members of the Board of Directors and assesses the appointment of senior executives. It likewise proposes the director and senior executive remuneration policy to the Board of Directors and is in charge of its oversight.

The appearance of the team responsible for Human Capital Management before the Appointments and Remuneration Committee in 2011 should be highlighted within the context of overseeing social performance.

Governance

The following should be highlighted regarding compliance with the Code of Conduct and the principles of Corporate Social Responsibility:

- The specific Global Compliance function, which lies within the responsibility of the Regulatory Compliance Unit (RCU). Its purpose is to ensure compliance with different kinds of regulation, including regulations on the following areas: corporate-civil, wind energy business, customs, competition, intellectual and industrial property, labor, health and safety, the environment, transport, products and materials, securities market, data protection, and asset, taxation and accounting security. Indicators have been established to adequately report the degree of compliance and knowledge of each regulatory area, as well as real or potential non-compliances new regulations may give rise to and any possible penalties arising thereof. This function coordinates with the Risk Control Department's network in an ongoing fashion.
- The Regulatory Compliance Unit appears before the Audit and Compliance Committee twice a year to report on the degree of compliance and the actions performed in connection with the Code of Conduct and the Internal Rules of Conduct Regarding the Securities Markets during the relevant period.

Evaluation of the Board of Directors [4.10]

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 of the Board of Directors 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 before the Board of Directors a report on the individualized evaluation of the Chairman, the Chief Executive Officer, the Board of Directors and the Appointments and Remuneration Committee itself. This report was examined and approved by the Board of Directors at its meeting held on April 15, 2011. The Audit and Compliance Committee also brought before the Board of Directors a report on how it functions, which was analyzed and approved by the Board at its meeting held on May 25, 2011, as is set out section B.1.19 of the Annual Corporate Governance Report.

It should be mentioned that the Appointment and Remuneration Committee had recourse to counseling provided by external consultants in 2011, as is explained in section B.1.16 of the Annual Corporate Governance Report.

04 Governance, commitments and stakeholders engagement

Commitments to external initiatives

Gamesa has incorporated the precautionary principle [4.11] with regard to environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment. The Gamesa Code of Conduct includes health and safety and the environment among its fundamental principles and sets forth that Gamesa is fully committed to continuous improvement and collaboration to achieve sustainable development by developing and applying best practices aimed at environmental protection from the standpoint of prevention and by providing information and training on this culture.

Conservation of the environment is ensured through the approval of the appropriate environmental policy (integrated into health and safety, quality and the environment) and the implementation of an environmental management system. It likewise requires that the people thus affected must know and assume said policy in the area they operate and always act in accordance with the criteria of respect and sustainability inspired by it, adopt environmental best practice habits and behavior, and contribute positively and effectively to achieving the objectives which have been set. They must make every effort to minimize the environmental impact arising from their activities and the facilities, equipment and work resources placed at their disposal, endeavoring to make efficient use thereof.

Engagement in external principles and programs [4.12]

Gamesa fully assumes voluntary commitments in the areas of sustainability, climate change and the defense of fundamental human rights and freedoms. The following should be highlighted:

Entity	Date	Nature	Purpose and stakeholders involved
United Nations Global Compact	Since 2005	Voluntary	Commitment and support to the promotion of the ten principles of labor rights, human 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 publicly available on the Spanish United Nations Global Compact Association's website.
Global Reporting Initiative (GRI)	Since 2006	Voluntary	A non-governmental organization whose purpose is to create a way of exchanging reliable transparent reporting on sustainability by developing a common application framework for all types of organizations.
Caring for Climate: The business leadership platform	Since 2007	Voluntary	A United Nations Global Compact initiative which encourages the involvement of companies and governments in taking measures against climate change. The corporation has remained faithful to its commitments to increase energy efficiency, reduce GHG emissions and collaborate with other public and private institutions in a positive way.
Carbon Disclosure Project (CDP)	Since 2008	Voluntary	Public disclosure of the information provided to investors and the supply chain. An independent non-profit organization which groups together more than 475 investors, who jointly manage assets worth €36 billion. The CDP compiles information on the risks and opportunities which have been identified in connection with climate change, emission reduction plans and the transparency of corporate actions to mitigate climate change.
Prince of Wales's Corporate Leaders Group on Climate Change	2008, 2009, 2010	Voluntary	Gamesa has successively signed the Cancun, Copenhagen and Poznan Communiqués on Climate Change within the framework of the United Nations Framework Convention on Climate Change (UNFCCC).
Entorno Foundation	Since 2009	Voluntary	The Spanish Business Council for Sustainable Development is an organization whose mission is to work with business leaders to tackle the challenges posed by sustainable development as business opportunities. Gamesa actively participates in the Energy and Climate Change working group, a multi-industry platform where the framework for action to achieve a low-carbon economy is analyzed.
Women's Empowerment Principles	Since 2010	Voluntary	Gamesa also formalized its adherence to and expressed its support for the UNIFEM "Women's Empowerment Principles" and the United Nations Global Compact.
FSC Foundation-Inserta ONCE	Since March 2011	Voluntary	Gamesa entered into an agreement which defines the framework, scheme and terms for collaborating with the ONCE Foundation to coordinate both parties' resources, knowledge and experience, so as to drive forward projects aimed at achieving the social and labor integration of the disabled.



Membership in Spanish and international associations [4.13]

Main international associations of which Gamesa is a member

American Wind Energy Association (AWEA)	Global Wind Energy Council (GWEC)
Asociación Chilena De Energías Renovables (ACERA)	Greek Association Of Res Electricity Producers
Asociación Mexicana De Energía Eólica (AMDEE)	Hellenic Wind Energy Association (HWEA)
Asociación Uruguaya De Energía Eólica (AUDEE)	Hungary Wind Energy Association (HWEA)
Association Of Producers Of Ecological Energy Bulgaria (APEE)	Indian Wind Energy Association (INWEA)
Associação Brasileira De Energia Eólica (Abeeólica)	Irish Wind Energy Association (IWEA)
Associação Portuguesa De Produtores Independentes De Energia Eléctrica De Fontes Renováveis (APREN)	New Zealand Wind Energy Association (NZWEA)
Austrian Wind Energy Association (Ig Winkraft)	Norwegian Wind Energy Association (Norwea - Norsk Vindkraftforening)
Associazione Nazionale Energia Del Vento (ANEV)	Polish Wind Energy Association / Polskie Stowarzyszenie Energetyki Wiatrowej (Pwea/Psew)
Associazione Produttori Energia Da Fonti Rinnovabili (APER)	Renewable Uk
Bulgarian Wind Energy Association (BGWEA)	Romanian Wind Energy Association (RWEA)
Bundesverband Windenergie (BWE)	Russian Association Of Wind Power Industry (RAWI)
Canadian Wind Energy Association (CANWEA)	South African Wind Energy Association (SAWEA)
Czech Wind Energy Association (CZWEA)	Svensk Vindenergi (Swedish Wind Energy)
European Union Chamber Of Commerce In China (EUCCC)	Syndicat Des Energies Renouvelables/France Energie Eolienne (SER/FEE)
European Wind Energy Association (EWEA)	Turkish Wind Energy Association (TUREB)
Finnish Wind Power Association (FWPA)	Ukrainian Wind Energy Association (UWEA)

Main associations in Spain of which Gamesa is a member

Agencia de gestión de la energía de Castilla-La Mancha	Fundación Navarra para la excelencia
Agencia provincial de la energía de Toledo	Fundación para el desarrollo de las nuevas tecnologías del hidrógeno en Aragón
Asociación de empresarios de Guipúzcoa Adegí	Fundación para la formación en energías renovables
Asociación de empresas siderometalúrgicas de La Coruña = CEC	Fundación vasca para la calidad
Asociación de promotores y productores de energía eólica de Andalucía	Instituto de auditores internos
Asociación empresarial eólica	Instituto vasco de competitividad fundación Deusto
Asociación empresarial eólica	Nueva economía forum
Asociación eólica de Cataluña	Reoltec (plataforma tecnológica de energía eólica)
Asociación eólica de Galicia	Innobasque
Asociación eólica del principado de Asturias (AEPA)	Bizkaia xede
Asociación de promotores de energía eólica de Aragón	Fundación entorno
Asociación de promotores eólicos de Castilla y León	Asociación eólica canaria
Asociación de promotores de energía eólica en Castilla La Mancha	Asociación eólica de Cantabria
Cluster de energía de Extremadura	Asociación de energías revovaveis
Asociación española del pacto mundial de las naciones unidas	Círculo de empresarios
Asociación Navarra de empresarios del metal	Club español de la energía
Asociación progreso dirección	Cebek
Círculo de empresarios vascos	Instituto de empresa
Cluster de energía	Izate Asociación empresa vasca
Elkargi s.g.r	Cámara de comercio Brasil-España
Fundación CIC Energigune Centro de investigación cooperativa de energías alternativas	Cámara de comercio británica en España
Fundación corporación tecnológica de Andalucía	Cámara de comercio de EE.UU. en España
Fundación escuela de ingenieros	Fundación consejo España india
Fundación instituto madrileño de estudios avanzados energía (IMDEA energía)	Fundación consejo España-EE.UU.
Fundación instituto madrileño de estudios avanzados materiales (IMDEA materiales)	

04 Governance, commitments and stakeholders engagement

Commitment to stakeholders

Gamesa considers important and regulates the company's relationship with different groups which may be affected by its activities, which are known as stakeholders. On the one hand, it manages the perception such groups may have of the company and which could be especially relevant from the standpoint of reputation and, on the other, it provides a response to their expectations and needs. [4.14]

The stakeholders set out below are considered relevant in an international business environment and to maintain relationships that cannot ethically be given up:

- Shareholders, investors and analysts
- Customers
- Employees
- Suppliers, contractors and collaborators
- The competition
- Community, Government and Public Authorities

The identification of Gamesa's stakeholders and the models of relationship [4.15], are described in the Gamesa Code of Conduct, which sets forth the following commitments:

Stakeholder	Commitments
Relationship with shareholders, investors and analysts	Gamesa states its purpose as continuous value creation for its shareholders and will therefore conserve, protect and increase the assets, rights and legitimate interests of shareholders by respecting the commitments taken on and combining social integration and respect for the environment at all times. The information conveyed to shareholders shall be true, complete and appropriately reflect the company's situation.
Relationship with customers	One of the aims of Gamesa and the companies which comprise Grupo Gamesa is to meet the needs and expectations of customers in an optimal, reliable and competitive fashion. It promotes the establishment of long-lasting business relationships with its customers. Such relationships are based on a consistent attitude of service, trust and value creation by developing solutions which exceed their expectations and do not involve risks to their health or safety, respecting commitments, duly announcing in advance any changes made to agreements and maintaining a commitment of honesty, professional responsibility and transparency with customers which goes beyond any legal requirements. Gamesa and the companies which comprise Grupo Gamesa shall likewise ensure the confidentiality of their customers' data and make a commitment not to disclose such data to third parties, unless authorized to do by the customer, or as a result of a legal obligation or to fulfill court rulings and administrative resolutions.
Relationship with employees	Gamesa shares the goal of improving the quality of life, as it believes in social and professional development as an implicit component for its employees' future and professional success. It shall encourage employee training, particularly through the creation of job opportunities, as well as by avoiding any kind of discrimination, showing respect for diversity, promoting a safe healthy environment and facilitating communications with the workforce.
Relationship with suppliers, contractors and collaborators	One of the objectives of Gamesa and the companies which comprise Grupo Gamesa is to create relationships with suppliers, contractors and collaborators which are based on trust, reporting transparency and the sharing of knowledge, experience and capabilities. From the perspective of selecting suppliers, it has made an undertaking to an impartial and objective supplier, contractor and external collaborator selection process. From the standpoint of behavior, Gamesa undertakes to establish the appropriate channels to gather information about the ethical behavior of its suppliers, contractors and collaborators and undertakes to adopt the necessary measures should such behavior contravene the values and principles enshrined in the Code of Conduct.
Relationship with the competition	Gamesa undertakes to compete in the markets in a loyal manner, driving forward free competition, fully respect prevailing legislation and refraining from any kind of collusive, abusive or constraining behavior affecting free competition.
Relationship with the community, government and public authorities	Gamesa is willing to contribute to the improvement of the quality of life and wealth creation, both by providing its own services like promoting and launching new business activities, as well as by driving forward socio-economic development through non-business channels. The principles of its relationship with the community are as follows: <ul style="list-style-type: none"> • Awareness of social change in order to better understand how the needs of society in general are evolving to thus anticipate future demands in the environment. • Systematic, fluid and truthful information to create a climate of trust and credibility. • Respect for the environment by complying with prevailing legislation and collaborating in the environment's conservation and improvement. • Job creation by leading new competitive business developments. • Providing support to the development of disadvantaged groups and sectors. • Supporting research to contribute to raising the scientific and technological level of our environment, as well as promoting the use of technologies and methods of action which are respectful to the environment. • Collaborating with institutions as platforms for actions to improve and develop the community. • Relationships with public authorities should be guided by institutional respect and compliance with the law.

Commitment to stakeholders

Engagement and communication with stakeholders [4.16]

As the concepts associated with corporate social responsibility have evolved, so have Gamesa's relationships with its stakeholders.

Stakeholders	Relevant means of engagement and communication
Customers	<p>Customer Satisfaction Project (CSP): nineteen customers in six different countries in 2010 wave.</p> <p>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.</p> <p>Access to all wind farm management tools: GIC (work performed on the wind turbine), SCPE (real-time status of each wind turbine), WebMEGA (weather predictions), technical documents, etc.</p> <p>The WebMEGA System is an integrated wind farm management tool (hourly wind and wind farm production predictions covering seven days) that mitigates risks arising from weather changes (economic and labor-related).</p> <p>For the second consecutive year, Gamesa has conducted product seminars with customers. These events have taken place in Rio de Janeiro and São Paulo (Brazil) and Paris (France).</p> <p>Training offering: certified courses and seminars on wind energy technology and prevention.</p> <p>Gamesa products and services catalog and online 3D spare parts catalog.</p> <p>Participation in 28 international trade fairs with its own stand, an increase of 56% when compared to its participation in 2010.</p> <p>Presence for the first time in important trade fairs in markets like Australia and South Africa, as well as participation in specific offshore trade fairs in Europe.</p> <p>Presentation of Gamesa in new markets (Finland, Chile, Philippines, Colombia, Singapore and Jordan) by sponsoring conferences and having a presence at meetings.</p> <p>The Gamesa stand at international trade fairs in 2011 had a Gamesa Innova product display, which runs through the different Gamesa wind turbine platforms and has the capacity to innovate as its leitmotif. In addition, a specific presentations area dedicated to the Gamesa G9X-2.0 MW and Gamesa G10X-4.5 MW platforms has been introduced in large stands. Information on the offering of Gamesa's operations and maintenance services has been reinforced with the creation of a specific display.</p> <p>The Gamesa Sailing Team, captained by Mike Golding and sponsored by Gamesa, initiated its preparations for the Vendée Globe 2012 regatta by tackling the Transat Jacques Vabre regatta (Le Havre, France) and the Transat B2B regatta (Saint Barthélemy) in 2011. Gamesa organized specific events with customers at both regattas, while participating for the first time with a stand in the race village of a sailing event (Transat Jacques Vabre).</p>
Suppliers	<p>Launch of the Gamesa Supplier 2011 CSR Survey: Global agreements with 4,828 suppliers on human rights, labor conditions and management systems.</p> <p>Meetings with Spanish suppliers on "The challenge of international development" aimed at analyzing the company's international expansion plan and conveying the need to carry on working jointly on its global growth strategy. Total no. of suppliers 2011: 80.</p> <p>Supplier portal aimed at interchanging technical information on products, quality documents and delivery management.</p> <p>Gamesa website: contains General Procurement Terms Conditions and the Quality Manual for suppliers.</p>

Stakeholders Relevant means of engagement and communication

Employees	<p><u>Gamesa People Survey</u>: a working environment survey with response rate of 54% in this second wave (4,252 responses out of a universe of 7,853 employees) and a high level of satisfaction. One out of five employees (26%) valued Gamesa in terms of excellence. The overall level of satisfaction was 73%.</p> <p><u>Gamesa intranet</u>: 114,860 visits in 2011 (+48%) with averaging 3'40" for a total of 430,764 (+35.3%) pages viewed. 134 news items published in 2011 compared to 70 in 2010 (+91.4%).</p> <p><u>E-mails received at internal and managed mailboxes</u>: 286 comments and/or requests.</p> <p><u>Employment portal</u>: No. of job vacancies posted in the employment portal in 2011: 521; No. of internal applicants who applied to job offers posted the employment portal: 578.</p> <p><u>Gamesa stock option or share ownership plans</u>: for all the Gamesa employees. 3,025 employees placed their trust in the company and took part in this program in 2011-2012. Taking into account the number of employees the moment the initiative was launched (7,721), a participation rate of 39.17% was achieved.</p> <p><u>Gamesa-Equity Mailbox</u> dealt with 464 incidents. In addition, a specific mailbox was set up by Morgan Stanley to deal with specific incidents in the individual accounts into which participants had deposited their shares.</p> <p><u>Breakfast with the Chairman</u> aimed at key groups and people having high potential. Two were held in 2011 for a total of 29 employees, which garnered a high level of satisfaction.</p> <p><u>2nd Gamesa Awards to Patents and Inventors</u>: 46 participants and 26 patents were evaluated.</p> <p><u>Gamesa Club</u>, a shopping club offering services and special discounts to employees. 5,510 visits to the Gamesa Club portal, 60,206 pages viewed, an average time of 9:29 minutes spent in the site. Accounts for approximately 5% of visits to the intranet.</p> <p><u>Gamesa Club Mailbox</u>: 61 queries.</p> <p><u>Gamesa Flex Mailbox</u> to manage and provide information on Gamesa's flexible compensation plan. A total of 628 employees decided to acquire some kind of FLEX product or service in the last window. The Gamesa Flex Mailbox dealt with 1,071 issues of interest to employees.</p> <p><u>Human Capital Management Mailbox</u> to deal with general human capital management issues, GMBO processes, welcoming actions and others. 301 queries were recorded, of which 89 remained in the process of being responded or assigned.</p> <p><u>Managers Meetings</u>: Gamesa Management Group GMG-2011. A meeting lasting three days and involving 120 executive in Windsor, UK.</p> <p><u>China Management Meeting</u>: Ninety managers attended in 2011.</p> <p><u>The Gamesa Employee Portal</u> was launched as pilot in December 2011 for a total of 131 employees. During this pilot phase, more than 90% of them had logged on. It was launched on February 1, 2012 for all employees in Spain having an e-mail account (2,700 employees). The Employee Portal allows internal formalities to be done online in an easier more efficient way. Geared at the management of human capital, organization and systems, as well as labor and legal issues. This new self-management tool allows efficiency to be improved, especially in organizations whose employees are geographically dispersed.</p> <p><u>Generic Corporate University Mailboxes</u>: leadership school, language school, etc.</p> <p><u>Training actions</u>: 6,166 training activities in 2011 (72% face-to-face / 17% online).</p> <p><u>Self-development resources center</u>: 5,000 summaries available and 6,147 downloads performed.</p> <p><u>Online language platforms</u>: language learning modules for seven different languages with more than 15,500 hours of learning in 2011.</p> <p><u>Welcome procedures</u>.</p> <p><u>Internal campaign</u>: "World Excellence Day", microsite, videos, specific materials, etc.</p> <p><u>Chennai Family Day (India)</u>: 853 people (263 employees, 452 family members, 120 children)</p>
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Commitment to stakeholders

Employees	<p>Donation campaign at the Tianjin nacelle plant in China among employees to treat a very serious kind of leukemia suffered by an employee's child. €61,800 collected.</p> <p>Contact with workers' representatives / social dialog:</p> <ul style="list-style-type: none"> • Meetings with trade union representatives: 130 ordinary meetings in 2011, 61 agreement negotiation meetings and 67 other meetings. • ERE 2011 Committee meetings: Ten negotiation meetings and two additional follow-up meetings. • Diversity and Equality Committee meetings: Two in 2011.
Community and public administration	<ul style="list-style-type: none"> • Corporate website: 1,918,826 visits and 4,923,239 pages viewed. • Gamesa Sailing Team Microsite: 6,619 visits, 32,265 pages viewed and 286 comments and/or requests received at the specific mailbox. • Relationship with the media: 80 press releases sent to the media (+56.8%); 700 requests for information or petitions received through the Media Mailbox. • Impact of Gamesa news items on online media: 20,000 news items in which Gamesa was mentioned and +600 mentions in blogs. • Impact of Gamesa news items on written media: almost 5,000 mentions, of which Gamesa was the main story in 2,280 news items • Social Networks: 109 tweets (1/day), 334 followers; approximately 100 fans in Facebook; 24 YouTube videos with more than 6,000 visits (Note: data between the 15/09/2011 and 31/12/2011) • Direct institutional relationship with governments: Meeting with foreign ambassadors accredited in Spain and top-ranking diplomats from 38 countries around the world. Congressional Commissions visited the Gamesa G10X-4.5 MW blade plant in Aoiz (Navarre) and the Gamesa Jaulín R&D Wind Farm in Aragon. • Disclosures to the Spanish National Securities Market Commission (CNMV). • Participation in business associations and other business organizations: Presence in a total of 81 associations in 2011 (48 in Spain and 33 abroad). • Participation in forums, workshops, events and collaborative initiatives with the community • Environmental impact assessment processes: Total number of environmental studies in 2011: 135. • Eco-Entrepreneur Project XXI: an integrated training, counseling and support program for entrepreneurs to promote the setting up and growth of innovative companies dedicated to clean technologies. Gamesa collaborates in this joint initiative with the Caixa, the Barcelona Town Hall, the Catalan Energy Institute (ICAEN), the Barcelona Chamber of Commerce and, from this year, also KIC InnoEnergy. • Presidency of the Navarre Foundation for Excellence, a public non-profit organization set up by the Government of Navarre in 1999 to promote and disseminate the culture and principles of business excellence in all the public and private organizations of Navarre. • Employer branding actions in 2011: 31 (7 in Spain, 10 in China, 10 in the United States, 3 in the United Kingdom and 1 in India).
Shareholders, investors and analysts	<ul style="list-style-type: none"> • The corporate website has a specific space dedicated to investors and shareholders: 190,000 visits in 2011 • Results and strategy presentation: followed by 1,142 people. • Technology and Product Platform Seminar: followed by 42 people. • Shareholder Information Office: dealt with 521 calls. • Investor Relations Department. Visits to financial centers: Madrid, Hong Kong, Singapore, London, Frankfurt, Geneva, Zurich, Edinburgh, Milan, Paris, New York and Boston. Total no. of investors 2011: 180. • Presence at conferences aimed at institutional investors: London, Zurich and Madrid. Total no. of investors 2010 • General Shareholders' Meeting: 50% attendance of share capital. Followed by 121 people. • Shareholder Services Mailbox: 1,064 queries • Institutional Investors and Analysts Mailbox: 528 queries. • Ongoing contact with 36 firms of analysts.

Commitment to stakeholders

Gamesa always places itself at the disposal of financial analysts, NGOs, trade unions, consumer associations, financial journalists, opinion makers and experts in CSR in periodic inclusive processes to assess responsible companies.

This level of performance by Gamesa in the area of corporate responsibility is subject to continuous analysis and assessment by rating agencies, investment banks, certification agencies and opinion makers, the results of which are a highly important source of information which is useful to promote learning and the continuous improvement of management.

	2011	2010	2009
Dow Jones Sustainability Indexes (DJSI)			
Overall score	73	68	62
Industry leader	77	68	62
Industry average	50	43	37
CSR Observatory (OBSRSC)			
IBEX-35 ranking	10	12	11
Overall score	1.68	1.59	1.54
Contents	1.51	1.32	1.21
Management systems	1.80	1.73	1.68
Corporate governance	2.09	1.98	2.02
CSR observatories (OBSRSE)			
IBEX-35 ranking	22	10	9
Overall score	45	51	46
Reporting, transparency and management systems	56	57	54
Policy and management outcomes	34	45	38
Spanish Corporate Reputation Monitor (MERC)			
Top 100 ranking	48	62	21
Overall score	5,564	3,658	4,210

Commitment to stakeholders

Topics of interest identified [4.17]

A reasoned and balanced response to the concerns and issues identified through dialogue and participation of stakeholders are reflected in this Sustainability Report 2011.

Each of the principal concerns reflected in the table above can be explained by one or more sections of the report, through quantitative and qualitative indicators of performance as well as through the appropriate management approaches. This information can be found in section 5.

<i>Principal concerns</i>	<i>Key issues identified</i>
Climate change	<ul style="list-style-type: none"> Development of specific policies and strategies to combat 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. Disclosure of historical CO2 emissions trend (Scope 1 and indirect emissions Scope 2). Disclosure of CO2 intensity indicators. GHG emission reduction targets and progress on compliance. Evaluation of GHG emissions in the supply chain (Scope 3). Promoting climate change best practices among suppliers. Support and commitment to public initiatives to combat climate change.
Environment and diversity	<ul style="list-style-type: none"> Identification and management of environmental risks and impacts. Environmental and energy efficiency in company activities. Analysis of environmental impacts of product life cycles. Internal awareness raising and reporting on environmental issues. Encouraging environmental management best practices in the supply chain. Conservation and biodiversity policy. Risk map, identification of operations in sensitive areas. Adopting and publicly supporting international biodiversity standards (e.g. Convention on Biological Diversity). Species monitoring programs (impacts 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 management of company projects' social impact. Policy to contribute to local development through social investment programs. Promoting technology transfer to developing countries. Increasing social acceptance through awareness raising initiatives on the benefits of wind energy. Promoting corporate voluntary actions.
Ethics and integrity	<ul style="list-style-type: none"> Public commitments to business ethics. Adoption of international ethics and integrity initiatives. Adoption of codes of conduct and compliance systems. Reporting the code's level of compliance. Disclosing significant non-compliances. Implementing strict policies against bribery and corruption. Commitment to transparency in business relationships and with public administrations. Disclosure of corporate practices regarding political donations and applying the principles of good governance in lobbying practices. Employee training and raising awareness on business ethics.

Commitment to stakeholders

<i>Principal concerns</i>	<i>Key issues identified</i>
Human Rights	<p>Formal policies on human rights issues in line with leading international standards.</p> <p>Mechanisms to assess and manage risks associated to the violation of human rights (identification, assessment, reporting channels, research).</p> <p>Developing risk maps following standards of reference.</p> <p>Defining indicators to monitor compliance and report performance.</p> <p>Promoting practices that respect human rights among employees.</p> <p>Promoting human rights in areas where the company can exert influence, especially among partners and suppliers.</p> <p>Actively participating and collaborating with governments and NGOs on human rights issues.</p>
Corporate Governance	<p>Formal policies on corporate governance in accordance with international standards.</p> <p>Commitment to the independence and diversity of the Board of Directors.</p> <p>Director compensation linked to achieving ESG objectives.</p> <p>Director performance assessment.</p> <p>Sustainability or CSR Committee within the Board of Directors.</p> <p>Inclusion of ESG know-how in the Investor Relations Department.</p>
People	<p>Human resources policy based on leading international standards (i.e. ILO).</p> <p>Diversity, inclusion and equal opportunities policy.</p> <p>Commitment to job stability and employability management.</p> <p>Developing a framework for corporate culture and values which strengthen commitment.</p> <p>Professional development based on competencies.</p> <p>Policy to attract and retain talent.</p> <p>Compensation based on recognition of merit (performance assessment systems).</p> <p>Inclusion of external perception metrics (reputation-related risks, customer satisfaction, stakeholder feedback and environmental metrics on corporate emission reductions), along with variable compensation indicators for senior management.</p> <p>Commitment to freedom of association, particularly in countries where it is denied by law</p>
Health and Safety	<p>Health and safety policies.</p> <p>Identification, assessment and mitigation of risks in the area of occupational health and safety.</p> <p>Suitable mental health assistance (adopting measures to control stress, implementing a flexible shift system, providing psychological counseling, etc.).</p> <p>Occupational health and safety training and awareness raising.</p> <p>Trend of employee and contractor accident indicators (KPI).</p> <p>Trend of absenteeism indicators (KPI).</p> <p>Targets to reduce occupational accidents and degree of progress.</p>

05

Performance
Indicators

+10%
Sales

+15%
CoE reduction

MW sold in
23
countries

1. Economic dimension

Economic management approach¹⁶

Gamesa ended 2011 by meeting forecasts in terms of volume, profitability and financial strength. It also maintained profitable growth due to its globalization strategy – which enables it to take advantage of the growth in emerging markets and diversify market risks – and a rigorous efficiency program that allowed the company to post double-digit improvements in its main operating figures and maintain margins despite operating in a complex macroeconomic and industry environment in highly competitive markets.

Gamesa's consolidated sales in 2011 reached €3.033 billion (+10%), which were driven by the recovery of manufacturing activities. EBIT amounted to €131 million (+10%) and net profit rose to reach €51 million (+2%).

The wind turbine activity increased its sales (in MWe) by 16.5% to reach 2,802 MW, a major part of which (92%) were made abroad, thereby consolidating its international expansion strategy.

Gamesa managed to diversify its sales in five geographic areas: sales in India were 2.6 times higher (accounting for 19% of total sales), while sales in LATAM and the Southern Cone (Honduras, Mexico and Brazil) were 3.8 times higher (to reach 15% of total sales).

Europe (excluding Spain) consolidated its contribution with 20% of total sales, with a notable contribution made by Eastern European countries, mainly Poland and Romania, which contributed to 14% of sales. China accounted for 23% of sales and the USA 14%. For the second consecutive year, Spain did not exceed 8% of total sales. While the company consolidated itself in regions with great wind energy potential, it also broke into new markets and managed to make its first sales in New Zealand, Algeria and Azerbaijan.

The recovery of in the wind turbine manufacturing activity and the focus placed on cost controls situated the EBIT margin of wind turbines at 4%, in line with the forecasts for 2011.

The operations and maintenance (O&M) service area played a key role in Gamesa's profitable growth due to its contribution to the generation of recurrent revenue, the improvement in margins and cash flow generation. Gamesa held a total portfolio of 16,300 MW – after increasing its portfolio by 2,700 MW during the financial year –, generating recurrent revenue of €250 million.

In 2011, Gamesa continued to focus on creating value in its wind farm development and sales activity through sales agreements for 417 MW with some of the world's most important of electricity utilities and the delivery

of 177 MW in Spain, Germany, France, Greece and the USA. Gamesa is also in the final stages of building and commissioning 734 MW.

During the period, Gamesa allocated a total of €229 million to investment in international expansion, the launch and manufacture of new products and R&D in new platforms. Consolidated net financial debt (NFD) stood at €710 million, a figure which is equivalent to twice EBITDA and in line with forecasts for the year.

In 2011, Gamesa moved forward along the three main vectors of its 2011-2013 Business Plan: reducing the Cost of Energy by 10%-15% in 2011, depending on the platforms and regions, and launching new products and services; growth, posting a 16.5% increase in the MW sold in 23 countries to 46 customers, breaking into new markets and an increase in the portfolio of MW under maintenance and wind farm sales; and efficiency by adjusting production capacity to demand, localizing the supply chain in India and Brazil and optimizing construction and logistics costs.

¹⁶Summary of Gamesa's economic and financial results in 2011. The complete results are included in the results presentation, the Annual Report and the Activity Report, all of which are available on the website.

1. Economic dimension

Economic Performance

Direct economic value generated and distributed [EC1]

(thousand euros)	2011	2010	2009
Direct economic value generated	3,050,220	2,782,635	3,241,461
Economic value distributed	3,145,568	2,863,470	2,471,507
Operating costs	2,660,934	2,434,327	2,056,394
Employee compensation - personnel expenses	354,751	295,116	292,354
Capital payments to suppliers - Dividends ¹⁷	12,600	12,750	29,000
Financial expenses	80,886	67,318	58,642
Payments to public administrations	31,076	52,346	34,241
Investments to benefit the community ¹⁸	5,321	1,613	876
Retained economic value	(95,348)	(80,835)	769,954

¹⁷ The new shareholder remuneration system known as "Gamesa Flexible Dividend", which is benchmarked to its market value, is included in 2009, 2010 and 2011

¹⁸ Includes expenses in associations, sponsorships and patronage

<i>Profit and loss account (Mill. €)</i>	2011	2010	2009
Turnover	3,033	2,764	3,229
Capital work in progress	114	68	71
Consumables	-2,067	-1,850	-2,326
Personnel expenses	-355	-295	-292
Other operating expenses	-361	-359	-287
EBITDA	364	328	394
Amortization and depreciation	-99	-103	-99
Provisions	-134	-106	-118
EBIT	131	119	177
Financial gains (losses)	-39	-54	-53
Gains (Losses) from disposal of non-current assets	2	-1	-2
Net losses from asset impairment	-25	-30	-2
Equity method gains (losses)	-	2	2
Profit before tax	70	35	122
Taxes	-18	15	-7
Net profit	51	50	115

Risks and opportunities due to climate change [EC2]

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

The company has endorsed several agreements like the Cancun Communiqué (also the Copenhagen and Poznan Communiqués previously), which strengthen this commitment calling for action to:

- Promote energy efficiency in all sectors: including financial support as well as energy efficiency policies on buildings, transport and industry;
- Promote low carbon emission energy systems and the development of infrastructures and research in this area;
- Promote emission collection and storage systems;
- Strengthen efforts in the fight against emissions of other greenhouse gases, such as methane and nitrous oxide.

These objectives constitute a stance to encourage technological change and favor energy generation with cleaner technologies. Gamesa has made a worldwide commitment to tackle climate change through a reduction of CO2 emissions. Apart from the Copenhagen Communiqué commitments, its targets also include, among others: the European Union 20/20/20

1. Economic dimension

The transition towards low-carbon economies makes wind energy – and Gamesa – a key player for the world's economies, as it provides energy free from CO2 emissions, reduces dependence on fossil fuels, increases the security of energy supplies and makes a contribution to stabilizing energy prices

Target; policy incentives, Production Tax Credits (PTC), Investment Tax Credits (ITC) and Treasury Grants in the United States; and the five-year plan in China, which has set a target of 150-200 GW of wind energy capacity for 2020.

Gamesa operates in a market seeking a mature technology which is in demand around the world and undergoing continuous growth. Wind energy facilities increased by 41.2 GW in 2011 according to the figures published by the Global Wind Energy Council (GWEC). Total wind energy installed capacity reached 238.3 GW in 2011, an increase of 20.6% compared with 197.6 GW installed at the end of 2010.

Thus, the transition towards low-carbon economies makes wind energy – and Gamesa – a key player for the world's economies, as it provides energy free from CO2 emissions, reduces dependence on fossil fuels, increases the security of energy supplies and makes a contribution to stabilizing energy prices. It also contributes to providing incomes to local economies, developing local suppliers and generating sustainable jobs while introducing technology into the market.

Social benefits [EC3]

Gamesa's philosophy contemplates social benefits as instruments that offer protection and guarantee its employees' standard of living. Different levels of coverage are set and different products and services are offered on the basis of their professional category. The following should be highlighted among the elements contemplated by the company's Compensation Policy:

- Preventive Medical Service and periodic health screening: 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 principal is based on different remuneration levels.
- Flexible Compensation Plan (Gamesa Flex): Offers managers at Gamesa Spain the chance to adjust part of their compensation to obtain tax savings and economic advantages in tax rates. The products offered as part of this plan are health insurance, home rentals, restaurant vouchers, computer equipment and nursery vouchers.
 - » The group of people can potentially benefit from this plan was progressively extended in 2011. This, along with a greater knowledge about its advantages, has led to an increase in those

who have decided to acquire some kind of FLEX product or service by 25% when compared to the second window in 2010.

- » A total of 628 employees decided to acquire one or more FLEX products in the last window in 2011.
- » The three most popular products offered in the flexible compensation package in the last window were health insurance, followed by nursery vouchers and thirdly restaurant vouchers.
- » The savings amounted to almost €900 per year for each employee.

- Shopping Club (Gamesa Club): Offers special shopping conditions to Gamesa employees. This is an area of social benefits for Gamesa employees that deals with certain products and services. Due to geographic differences, the offers may not be available in all regions. These advantages include discounts at travel agencies, mortgage benefits, discounts on rental cars, hotels, etc. Thirty-six different products were offered in 2011.
- Family Plan: This plan encourages collaboration with companies that facilitate striking a balance between professional and personal life and is specific to the Wind Farm Development and Sales area.
- Company Canteens: Restaurant services at some of the main work centers that are wholly or partly subsidized by the company.
- Flexible Work Day: Flexibility in clocking-in and



clocking-out times in order to make it easier to strike a balance between personal and professional life.

- **Share Ownership Plan (Equity Plan):** In 2011, the Share Ownership Plan in Gamesa's capital offered the opportunity to become a shareholder in the company to all employees of any company in the Gamesa group whose employment contract could expire before the end of the plan on June 1, 2012. The amount each employee decided to allocate to acquire shares, up to a maximum of €1,200, was financed by Gamesa and was proportionally deducted from their net salary in monthly installments between the date the plan was launched, April 28, 2011, until the end of the period. In exchange for this commitment made by employees under the framework of this plan, they will be given one free share for every two shares they acquire, as long as the employee continues forming part of the Gamesa team and holds on to the shares until the date the plan comes to an end.

- **Retirement Plans / Pensions:** As a general rule, the company does not offer pension or retirement schemes beyond those required by obligations arising from corporate acquisitions. It is specifically indicated that:

- » Gamesa manages pension plans for its employees according to the law in some geographic areas through the company making a salary-based contribution;
- » In the case of executives in Spain, the company

offers them the opportunity of optimizing the tax rate on their salaries through employee contributions to pension schemes;

- » In the specific case of the United States, employees may make contributions to their retirement plan through investment funds of their choice and receive 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 with company contributions. This means that they can take the company contributions with them if they decide to leave the company. Likewise, all employees in the United States have access to our medical and dental services, as well as to life insurance. In this case, workers make contributions amounting to 16% and Gamesa covers the remaining 84%. Regarding other kinds of services, employees pay 24% and the company the remaining 76%.

- **Long-Term Incentive:** At its meeting held on May 30, 2011, the Appointments and Remuneration Committee of the Board of Directors of Gamesa resolved to:

- » Settle the Long-Term Incentive Program 2009-2011 in advance, which was authorized by the General Shareholders' Meeting at its meeting held on May 29, 2009 (Relevant Disclosure 109164).
 - Number of beneficiaries: 136 people,

including the Chairman and CEO (no other member of the Board of Administration is a beneficiary of the Program), executives and key personnel in accordance with the Program's terms and conditions¹⁹;

- Number of shares to be delivered: 460,903²⁰. It is specified that 35,755 shares correspond to the shares assigned to the Chairman and CEO. The total number of shares in the program account for 0.19% of share capital. Origin of the shares to be handed over: treasury stock.

» The share delivery program linked to the attainment of the objectives set forth in the 2011-2013 Business Plan, approved by the General Shareholders' Meeting on May 25, 2011 (Relevant Disclosure 144470), was established to strengthen the commitment of the key management team and to bring it line with Gamesa's objectives aimed at reaching the main objectives set by the 2011-2013 Business Plan. The Plan consists of an extraordinary multi-annual incentive payable in company shares in the form of an initial assignment to the beneficiary of a number of "theoretical shares" which, after applying certain coefficients based on the attainment levels of some strategic objectives, may give rise to the delivery of effective Gamesa shares on the payment date foreseen. Gamesa

does not guarantee any minimum value for the shares thus assigned. Should it be necessary or convenient for legal, regulatory or other reasons of a similar nature, the share delivery mechanisms may be changed in specific cases, without altering the maximum number of shares linked to the Plan or the essential terms and conditions upon which the delivery of such shares depends. Replacing the delivery of shares by the handover of cash amounts of an equivalent value on the delivery date is among these possibilities. In this case, the cash equivalent will be calculated by multiplying the number of shares that would have corresponded on the payment date by the share price at the close of trading on such date.

Financial assistance received from government [EC4]

New R&D investment subsidies granted to Gamesa in 2011 amounted to €10.8 million. The grants came from European, national and regional organizations, both Spanish and from other countries, including: the European Commission within the FP7 framework, the Center for Technological and Industrial Development of the Ministry of Science and Innovation, the Government of Navarre, the Basque Government, the Regional Development Society of Cantabria, the Government of Scotland, the Government of Singapore and the Department of Mines,

Minerals and Energy of the State of Virginia in the United States.

In addition, Gamesa obtained low-interest credits in 2011 exceeding €12.8 million from the Technological and Industrial Development Center of the Ministry of Science and Innovation; the Ministry of Industry, Tourism and Commerce; and the Basque Government.

Gamesa has no record of any public administrations holding an interest in the share capital of companies comprising its group.

¹⁹ The Chairman and CEO and senior management will issue the prior report on market abuse as set forth in Article 9 of Royal Decree 1333/2005 of 11 November implementing Act 24/1988 of 28 July on the Securities Market as from the delivery by the company of the shares, which will be done no later than June 30, 2011.

²⁰ In accordance with the Program's terms and conditions, any beneficiaries unable to receive the incentive in shares due to national legislation will receive their equivalent in cash. Such circumstance may affect beneficiaries with Chinese nationality for a total of 16,844 shares.

1. Economic dimension

Market Presence

Remuneration and compensation policy [EC5]

The Gamesa remuneration and compensation policy is a key management tool used to bring the actions and behavior of our leaders in line with the organization's culture and objectives.

Compensating employees in order to attract, develop and motivate them involves implementing a fair and competitive remuneration strategy, which provides an opportunity to fully reward all employees and includes a suitable well-targeted combination of intrinsic and extrinsic rewards that contemplates all aspects of compensation and benefits which our employees may demand.

Within this context, Gamesa's compensation system ensures that pay is in keeping with professional levels and market rates, allowing the company to offer its employees a fair and competitive salary in all cases.

With regards to the range of ratios corresponding to the standard entry level wage as compared to the local minimum wage, it is indicated for the purposes of the calculations mentioned below that groups not expressly covered by collective agreements are taken into consideration, given that the former includes requirements and guarantees agreed upon with trade unions.

This ratio amounts to 2x in Spain, 1.8x in the United States, 2.3x in China and 1.2x in Brazil. In the case of India, rules are applied according to the specific market, industry and position, as it is a highly competitive market.

Procurement and relationship with locally-based suppliers [EC6]

Gamesa made further progress in its growth strategy in 2011 by consolidating its presence in markets where it had already been operating, breaking into new regions and, as appropriate, installing and strengthening its industrial presence in expanding markets in order to provide a response to increasing demand. This has obliged the company to rapidly identify, develop and train the supply chain in each of the geographic areas where it has a presence.

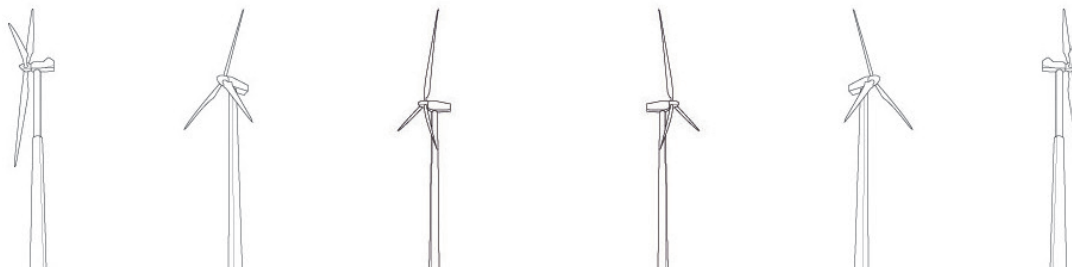
The supply chain's globalization has been achieved through:

- the contribution made by global suppliers with a local presence;
- the development of new locally-based suppliers;
- the globalization of the supply base which accompanies Gamesa in its expansion.

All of the above have not affected either quality or performance.

Gamesa made purchases from suppliers around the world totaling more than €2 billion in 2011. The company seeks to generate wealth in areas where it conducts industrial activities and allocates its own resources to work done at suppliers' facilities in order to ensure their technological development and competitiveness. In India, for instance, fiber glass structure suppliers like Venkateshwara Fibre Glass were developed in 2011, while in China foundries like Wuxi Faw Foundry were developed.

In addition, important suppliers accompanied Gamesa in its international expansion in order to attain rapid localization. This was the case for Hine (hydraulic components), which has established a presence in India and Brazil after having done so in China and the United States.



Procurement localization levels in 2011 were as follows:

<i>Level of localization by country / platform</i>	<i>2011</i>	<i>2010</i>
United States – localization of the G8X (US + Asia)	62%	60%
China – localization of the G8X	95%	89%
China – localization of the G5X	82%	76%
India – localization of the G5X	46%	35%
Brazil – localization of the G8X	48%	-

In line with the Business Plan 2011-2013, supply management makes a major contribution to Cost of Energy (CoE) reductions by working on the technology and quality areas in order to: redesign the product within the “Costwise Product Evolution” program and successfully carry out 133 projects aimed at generating alternative suppliers.

<i>No. of alternative supplier generation projects</i>	<i>Platform</i>				<i>Total</i>
	<i>G5X</i>	<i>G8X</i>	<i>G97</i>	<i>G10X</i>	
Europe	3	23	7	3	36
China	11	25	7	-	43
United States	-	22	-	-	22
India	26	-	2	-	28
Brazil	-	4	-	-	4

Both factors contributed to cost reductions in 2011 when compared to the 2010 year-end in an environment marked by prices increases in raw materials.

1. Economic dimension

The direct procurement²¹ supplier base with which Gamesa works is as follows:

<i>Direct procurement supplier mix</i>	<i>2011</i>		<i>2010</i>	<i>2009</i>	<i>2008</i>
By business areas	No.	%			
Nacelles	698	79%	71%	56%	63%
Blades	134	15%	23%	36%	31%
Towers	49	5%	5%	8%	6%
By geographic areas					
Europe and the rest of the world	446	50%	64%	53%	63%
United States	117	13%	12%	22%	15%
China	261	30%	21%	25%	22%
India	44	5%	3%	-	-
Brazil	13	1%	-	-	-

²¹ Directly associated materials and procurements or which form part of the wind turbine.

As regards indirect procurement, the mix is as follows:

<i>Indirect procurement supplier mix</i>	<i>2011</i>		<i>2010</i>	
	<i>No.</i>	<i>% turnover</i>	<i>No.</i>	<i>% turnover</i>
Europe and the rest of the world	1772 (63%)	50%	2783 (66%)	62%
United States	256 (9%)	26%	801 (19%)	28%
China	224 (8%)	3%	211 (5%)	1%
India	562 (20%)	20%	422 (10%)	9%
Brazil	10 (0.3%)	1%	15 (0.3%)	<1%

In order to provide support to this global activity, Gamesa had a team of 171 professionals at the end of the 2011, which was distributed as follows:

<i>Procurement force mix</i>	<i>Europe</i>	<i>United States</i>	<i>China</i>	<i>India</i>	<i>Brazil</i>	<i>TOTAL</i>
No. of people	71	22	48	20	10	171
Distribution	41%	13%	28%	12%	6%	100%

Local hiring [EC7]

The company is equipped with a set of global re-recruitment policies and processes based on well-established management processes in order to meet the personnel needs of the different organizational units in keeping its strategies and operating plans, thereby ensuring their suitability and alignment with corporate values. At the same time, it enables all recruitment process milestones to be identified and defined to guarantee the optimization of its different phases, including: recruitment, applicant assessment tools, hiring and incorporation of outstanding professionals in their areas. The process makes sure that no applicant will be discriminated against in any phase of the recruitment process due to reasons of gender, age, race, religion, beliefs or opinions.

Assessment criteria deal exclusively with professional requirements, guaranteeing that knowledge, capacities and abilities are assessed. Compliance with prevailing legislation on the recruitment of the disabled is likewise ensured and actions are taken to do away with any kind of forced or compulsory labor by eliminating child and compulsory labor to return debts and ensuring no other kind of coerced labor exists.

1. Economic dimension

In the countries where it is established, Gamesa makes searching for and attracting local talent a priority. Likewise, internal mobility, whether local or international, is being strengthened within the business group, thus encouraging globalization and the transfer of knowledge.

Based on the integrated management of the talent cycle, a wide range of complete activities on organization, recruitment and assessment, along with knowledge, training and professional experiences are offered through the Gamesa University. Proof of this is the international development program (i-STEP).

Taking into account the dimension of professional experience, it is essential to include international experience in the talent development process in order to strengthen the globalization culture of companies, increase the employability of people and ensure their motivation, commitment and professional development.

The i-STEP program is an annual tool aimed at developing talent which consists of providing international experience through high-impact projects lasting an average of three months. The first i-STEP program was implemented in 2011 and covered 19 projects.

Gamesa's International Office provides support to the Human Capital Management area in the international mobility of Gamesa personnel by ensuring the standardization of conditions, internal equality between people, the quality of processes and making criteria objective. This office managed a total of 759 short and long-term assignments in 2011 across all the geographic areas where the company operates.

<i>Local executives</i>	<i>2011</i>	<i>2010</i>	<i>i-STEP program</i>		
			<i>Sales and Projects</i>	<i>Campus (project destination)</i>	<i>Nº. of projects</i>
Spain	94.2%	96%	Human Capital Management	United States → China → India (1) China → Brazil → Poland(1)	2
Rest of Europe	83.3%	100%	Internal Auditing	Spain	1
United States	83.3%	67%	Business excellence	China → India	1
China	66.6%	71%	Management Control	China (2) / India (1)	3
India	100%	100%	Operations	China (2) / Brazil (1) / India (1)	4
Rest of the World	20%	67%	Services	Brasil → United States → China → India (1) China (5)	6
			Servicios	United States (1) / India (1)	2

Note: For the purposes of this indicator, people forming part of groups in charge of setting general strategies and policies, advising on strategic issues, setting business targets and whose work focuses on the long-term with responsibility for Gamesa's critical processes, such as the profit and loss account, are considered as executives.

This also applies for those who design and oversee the implementation of any general strategies defined with responsibility for developing specific strategies, policies, rules and procedures for their own business unit or division.

Gamesa has developed especially relevant activities in the areas of health, education and care for the environment in countries such as Brazil, India and China; some of them with the collaboration of its employees

1. Economic dimension

Indirect economic impacts

Impact of investments in communities [EC8]

In addition to generating and distributing economic value, Gamesa exerts an influence on the communities where it operates which goes beyond its own business operations and is extended into long-term commitment.

These activities were especially relevant in India and Brazil in 2011, where Gamesa carried out initiatives in the areas of health, education and care for the community's environment.

Gamesa conducted other development cooperation programs aimed at mitigating socio-economic deficiencies in deprived areas and channeled funds in 2011 to carry out project of this kind in India and Brazil. It promoted these initiatives in Tamil Nadu and Anantpur (India), as

well as in São Paulo and Belém (Brazil). These projects benefit from funding under the "You choose, you decide" program set up by the Navarre Savings Bank (Caja de Ahorros de Navarra - CAN).

Additionally, the company also carries out numerous programs with the community in the areas of health, education, the environment and infrastructure development, especially in India.

- In the area of health, Gamesa India offered preventive healthcare and diagnostic services to the community by managing general and specialized health campaigns in several towns, including: Thadichery (Theni District), Iluppanagaran (Tiruppur District), Giudimanagalam (Tiruppur District) and Pazham Kottai (Tuticorin District). These programs covered 2,155 people, who were offered healthcare by specialists (gynecologists, cardiologists, pediatricians, dentists and ophthalmologists). All

patients were given blood pressure, electrocardiogram and blood test check-ups. The prescriptions resulting from these check-ups were fully funded by Gamesa. At the same time, 139 Gamesa employees took part in a blood donation campaign.

- In the area of education, Gamesa took part in a support program for two primary and secondary schools in the town of Shirgaon (Chidoki Talud, Belgaum District, State of Karnataka) where 439 children study. The Gamesa Gram Jyankari Kendra (Gamesa Village Information Center) was set up and a program to fund the purchase of computer equipment was put into effect in order to provide the students with quality education. It likewise sponsored with 3.5 lakhs (350,000 rupees = €5,345) the promotion of fund collection programs in Chennai (Concerts with a Cause), which are aimed at refurbishing classrooms, hostels and toilets for the "Shri Sharada Devi Home for the Differently Valued".

- In the infrastructure development area, Gamesa collaborated in the refurbishment of the Union Primary School (Vadamalaypalyam, Tiruppur District) and has taken part in personal hygiene and facility maintenance programs. It also supplied electrical equipment (1,500 W) to the Gudimangalam primary healthcare center, allowing the center to provide continuous healthcare without outages, thus preventing the community from having to travel to the central hospital in Tiruppur. The company also provides support to the Union Middle School (Ambasamudram, Theni District) aimed

Development cooperation projects channeled by Gamesa in 2011

Description of the initiative	Location	Beneficiaries	Contribution (€)
Construction of the Karattuputhur center for the disabled.	Tamil Nadu, India	175 children	€73,091
Construction of a complex of 35 housing units	Andhra Pradesh, India	Dalit families	€24,967
Accommodation and education for children and teenagers in a favela	Baurú, São Paulo, Brazil	Children and teenagers	€31,242
Integrated education for girls.	Belém, Brazil	Girls from Belém	€10,700
Total allocated			€140,000

at supplying drinking water (well, tank, motors and accessories) and creating a hygienic environment at the school, which has 150 students.

- In the environmental area, a ground breaking initiative consisted of setting up a wood recycling unit at the Chennai nacelle plant to recover wood, nacelle packing materials and other supply materials to subsequently transform them and produce school furniture. This unit was set up in 2011 and expects to build 2,500 benches and desks in 2012.
- The green wind turbine project is implemented at all the wind farms in Tamil Nadu, India. The company

plans to plant trees at each wind energy site in order to reduce the carbon footprint linked to the manufacturing, assembly, commissioning and maintenance of the wind turbines, as trees absorb a considerable amount of carbon each year. Given that 6,656 kg of carbon emissions are linked to the manufacture of an 850 kW wind turbine, it is calculated that 115 trees (*Gliricidia sepium*) are necessary for each 850 kW turbine to absorb their carbon footprint over twenty years. A total of 84,600 trees were planted in 2011 (an excess of 8,850 trees to ensure their survival), which will offset the carbon footprint linked to the 650 850KW wind

turbines installed in India in 2011. These wind turbines are therefore deemed as carbon neutral.

- The school uniform donation program by Gamesa India employees to pupils of rural schools in the town of Vadamalaipalayam should be added to this list. Each pupil received two sets of uniforms, socks and shoes.

A toy collection program was carried out in the United States as a Thanksgiving Day food collection initiative, which received a letter of thanks from the Catholic Social Services. A total of 1,887 pounds of food were collected for the Church of St. Mary's Cupboard.



Gamesa expects to continue with these and other community development activities in 2012 through new social welfare projects. Some these include:

<i>Gamesa cooperation development projects targeted for 2012</i>			
<i>Description of the initiative</i>	<i>Location</i>	<i>Beneficiaries</i>	<i>Promoted by</i>
Basic education. Fundamental rights for all.	Vyara, Gujarat, India	900 children	Adivasi Pragati Kendra Society, Vyara
Construction of housing units for landless displaced locals.	Gujarat, India	Local families	Ankleshwar Catholic Church
Educational opportunities for "untouchable" children	Madras, Chennai, India	Educational centers	Amigos del Tercer Mundo (ATM) NGO
Marian education in the favelas	São Paulo, Brazil	100 children	Domingo Lázaro Marian Education Foundation

1. Economic dimension

Gamesa continues to invest in the principal wind markets with a level of investment which amounted to €229 million in 2011

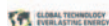
By means of a global initiative, Gamesa conducted a solidarity campaign to help in the treatment of Hongyao, the child of a worker at the Tianjin nacelle plant in China who is suffering from a very serious form of leukemia. The campaign has come to a very successful end with a high degree of participation. Gamesa collected €58,500, half of which was donated by Gamesa workers around the world through bank transfers and donations made at work centers.



Donate before
January 15th

**Your donation
may help save
Hongyao's life**

Gamesa will match any amount donated by the company's employees worldwide



Indirect economic impacts [EC9]

Gamesa 2011-2013 Business Plan is based on three strategic vectors: Cost of Energy reductions, growth and efficiency.

Its execution produces an indirect economic impact generated by wealth creation in the economy through changes in the productivity of companies, industries and the local economy. At the same time, it improves qualifications and knowledge in the professional community and creates jobs dependent on the supply and distribution chains.

The company has continued to make progress in its strategy of combining internal manufacturing with external key component supplies, which maximizes operational flexibility and optimizes investment. Considerable progress was made in the outsourcing of blades and cast components by December 2011 in accordance with the 2011-2013 Business Plan.

Additionally, Gamesa continued to invest in the principal wind energy markets with a level of investment which amounted to €229 million in 2011:

- Progress in the construction of the blade plant in India for the G5X-850 KW turbine;
- Global launch of the G97-2.0 MW turbine (adaptation of production capacity);
- Investment linked to the manufacture of the G10X-4.5 MW wind turbine;
- New capacity in Brazil for the G9X-2.0 MW turbine (construction of the nacelle assembly plant);
- Investment in R&D closely linked to the optimization of the Cost of Energy of new platforms (G97, G10X-4.5 MW and offshore).

Level of component outsourcing

	2010	2011	2013
Blades	28%	41%	50%
Gearboxes	35%	38%	53%
Generators	12%	3%	31%
Cast components	82%	85%	88%
Power electronics	62%	60%	39%

Occupational health and safety, respect for the environment, energy efficiency and quality requirements are inherent to the organization

They should form an integral part of each person and activity, particularly all those holding responsibility for a team

2. Environmental dimension

Environmental management approach

Continuous improvement and collaboration in the achievement of sustainable development are among Gamesa's commitments. From a prevention standpoint, it manages and applies good practices geared at environmental protection and encourages information and training on this culture.

Section 3.5 of the general standards of professional conduct also states that preserving the environment is one of the company's guiding principles, which is guaranteed through the approval of an appropriate environmental policy and the implementation of an environmental management system.

Everyone who works at Gamesa should know about and assume said policy in the area in which they operate and should always act in accordance with the criteria of respect and sustainability, adopt environmental best practice habits and behavior and contribute positively and effectively to achieving the objectives which have been set. They should make every effort to minimize the environmental impact arising from their activities and from the use of the facilities, equipment and work resources placed at their disposal, endeavoring to make efficient use of them.

Through its Integrated Occupational Health and Safety Policy, Gamesa has set the full satisfaction of internal and external customers as a target for all its processes, including design, manufacturing, assembly, on-site assembly, commissioning and after-sales service. In order to achieve this, it has established a safe work environment, guaranteed maximum respect for the environment throughout the life cycle of its products and adheres to an advanced quality system.

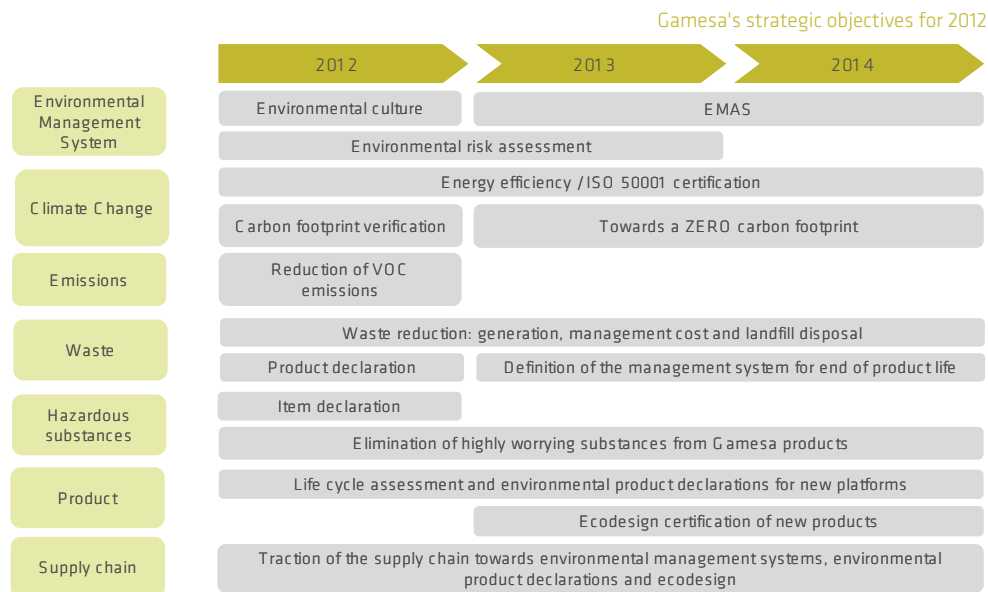
Gamesa's path to excellence is based on the following pillars:

- Occupational health and safety is more than a priority, it is a value.
- Commitment to responsible action regarding the health of both people and the environment. Aware of its interaction with its surroundings, the company is committed to complying with prevailing legal requirements dealing with occupational health and safety, the environment and energy efficiency, as well with any product regulations which apply.
- Creating and distributing wealth among shareholders, employees, suppliers, customers and the communities where it performs its activities. This commitment aims to prevent non-conformities at any step of the processes and is carried out in a way which is compatible with respect for and the improvement and preservation of

occupational health and safety, the environment, energy efficiency and the quality of products and services through a commitment to continuous improvement.

• Sense of responsibility. occupational health and safety, respect for the environment, energy efficiency and quality requirements must be inherent to the organization. They should form an integral part of each person and activity, particularly all those holding responsibility for a team.

Responsibility for this activity's operational management lies with the Business Excellence Unit, which reports directly to the Chief Operating Officer (COO) through the Management Committee. This unit's mission is to promote, strengthen and oversee occupational health and safety, the environment and quality through each area's management.



The targets set out below have been set for 2012 to ensure Gamesa's environmental area is brought into line with these strategic objectives:

Aspect	2012 Target
Management system	Making progress in the sustainability master plan. Encouraging the environmental culture and the participation of people
Climate change	Continuing with the energy efficiency and consumption reduction program through a 10% reduction on 2011 levels. Verification of the carbon footprint.
Emissions	Direct and diffuse VOC (volatile organic compounds) emission reductions by modifying processes and changing the materials used
Waste	Reducing effluents by 10%, increasing waste recycling and recovery, along with a program to reduce waste management costs by 10% compared to 2011 levels.
Hazardous substances	Defining the hazardous substances which should be eliminated from our processes and products due to the high levels of danger they pose.
Product	Making internal progress in the area of ecodesign by conducting a life cycle assessment (LCA) on the G10X wind turbine and its environmental product declaration, along with promoting from within the Basque Ecodesign Pole a methodology that would allow us to perform Life Cycle Cost (LCC) analyses. Developing control indicators and introducing environmental risk assessment reports in the manufacturing processes of the new G10X, G11X and G14X projects, as appropriate, at each stage of the MPBS.
Supply chain	Increasing the percentage of suppliers having already implemented environmental management systems and promoting carbon footprint analyses among them..

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

The existence of unified management processes has become an added value of the first order in the company's globalization process. Practically 100% of Gamesa's production capacity around the world is certified by these standards.

<i>Division</i>	<i>Location</i>	<i>ISO 9001</i>	<i>ISO 14001</i>	<i>OHSAS 18001</i>
Europe and the 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	2005	2009	2007
Blades	Aoiz, Navarre	2010	2010	2010
Blades	Somozas, A 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-molds, Navarre	2009	2005	2009
Generators	Benissanó, Valencia	2006	2007	2009
Generators	Coslada, Madrid	2005	2005	2009
Generators	Reinosa, Madrid	2003	2005	2009
Wind Farm Development and Sales	Madrid	-	2011	-
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

In 2011, the Wind Farm Development and Sales area integrated its environmental management system, which has been certified since 2002, into the corporate system.

Gamesa introduced the necessary requirements into its management system in 2011 in order to comply with the 14064 standard on the verification of greenhouse gases and the 14006 standard on ecodesign.

As part of its environmental commitment materialized through certification in accordance with ISO 14001 standard, Gamesa conducted a verification in accordance with the ISO 14064 standard on the base year for its greenhouse gas emissions, 2010.

The new Gamesa G10x wind turbine platform was also certified in ecodesign in accordance with the 14006 standard, making it the first wind turbine in the world to be certified for ecodesign. The electric vehicle recharging post developed at the Benissanó plant in Valencia, one of Gamesa's non-wind energy projects, was also certified under the same standard.

Gamesa has established a system to identify the environmental and energy-related aspects of its activities, products and services it can control and influence within the scope defined for its Integrated Management System.

The system takes into account new or planned projects, as well as new or modified activities, products and services. In this regard, the company is equipped with a multi-site system maintained in accordance with the ISO 14001:2004 standard, which includes procedures to monitor company indicators (IBE-1-003) and analyze the root cause of deviations, including non-conformities, in the supply chain (PBE-1-008).

Timely corrective action and the extension of any lessons learned to the rest of the organization result from this root cause analysis. The detection of areas needing improvement and the launching of preventative action are based on the PMA-1-004 procedure. Training and awareness raising activities among Gamesa personnel are conducted following internal procedure PRH-1-001. Other relevant specific 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 internal auditing procedure for both the health and safety system and the quality system (PBE-1-002).

Materials

Materials used [EN1]

<i>Consumption of raw materials (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
	137,254	113,364	129,601
<i>Consumption of raw materials by geographic area (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	92,090	79,754	107,007
United States	11,974	13,019	9,821
China	17,386	16,137	12,774
India	15,983	4,554	-
Total	137,254	113,364	129,601
<i>Most significant consumption of raw materials (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Oils	961	702	544
Solvents	308	295	94
Paints	266	271	24
Steel and sheeting	7,559	4,650	2,613
Scrap	9,835	9,234	8,038
Cast products	13,944	10,049	7,871
Prepeg	12,555	14,081	13,083
Coatings	354	472	604
Adhesives	1,009	1,148	881
Total of the most significant raw materials	46,810	40,900	33,752
% total consumption	34%	36%	26%
<i>Consumption of raw materials by product line (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Gearboxes	19,503	17,022	19,470
Frames	15,540	13,154	17,144
Generators	9,860	8,519	10,804
Axels	6,430	5,325	6,920
Transformers	6,040	4,006	4,963
Electrical panels	1,462	1,554	1,982
Total semi-finished products:	58,745	49,580	65,523
% total consumption	43%	43%	47%
<i>Eco-efficiency in raw material consumption</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Tons of raw materials used per employee (t/employee)	16	16	20
Tons of raw materials by turnover (t/Mill. €)	45	41	40

The use of paper in the services area for Spain and Portugal has been eliminated from the work order circuit. This has led to a reduction in consumption amounting to 6,000,000 sheets a year, which amounts to approximately 30 tons of paper per year.

Percentage of materials used which are recycled input materials [EN2]

Although no recycled input materials exist on the market for most of the main materials used by Gamesa, it should be indicated that 7,156 tons of scrap metal were recycled as part of the casting process at Gamesa Burgos.

Management therefore focuses on the efficient use of energy, water and chemical products through the best available technologies.

Energy

Direct energy consumption [EN3]

Energy source ²²	2011	2010	2009
Natural gas (Gigajoules)	174,033	229,742	197,994
Europe and the rest of the world	111,653	165,940	174,407
United States	34,868	34,759	21,510
China	27,512	29,044	2,077
India	-	-	-
Propane (Gigajoules)	9,815	16,647	14,306
Europe and the rest of the world	8,751	15,749	13,953
United States	1,056	891	353
China	9	7	-
India	-	-	-
Diesel (Gigajoules)	63,575	58,466	12,931
Europe and the rest of the world	48,404	52,646	9,679
United States	3,373	2,622	1,779
China	2,934	2,629	1,473
India	8,957	569	-
Gasoline (Gigajoules)	3,373	341	207
Europe and the rest of the world	-	-	-
United States	3,373	341	207
China	-	-	-
India	-	-	-
(1) Direct primary energy acquired (Gigajoules)	250,797	305,195	225,438
(2) Direct primary energy produced (Gigajoules)	0	0	0
(3) Direct primary energy sold (Gigajoules)	0	0	0
[(1)+(2)-(3)] Total DIRECT energy consumption:	250,797	305,195	225,438

²² The data disclosed on energy consumption are the starting data for the greenhouse gas report, the data of which are verified in accordance with the ISO 14064 standard within the scope set out in such report. After having corrected the 2010 data in keeping with the verification conducted on the base year (2010).

Primary energy consumption by geographic area (t)	2011	2010	2009
Europe and the rest of the world	168,808	234,334	198,039
United States	42,577	38,612	23,849
China	30,455	31,680	3,550
India	8,957	569	-
TOTAL	250,797	305,195	225,438

Indirect energy consumption [EN4]

Intermediate energy consists of forms of energy produced through the conversion of primary energy into other types of energy. As in the case of the majority of organizations, electricity is the company's only significant form of intermediate energy, because Gamesa does not

consume other energy products such as steam or water from external water heating or cooling plants, refined or synthetic fuels, bio-fuels, etc.

Intermediate energy acquired and consumed (MWh)	2011	2010	2009
Electricity	104,466	94,749	71,401
Europe and the rest of the world	75,712	67,875	51,142
United States	10,976	10,382	7,719
China	16,535	16,111	12,540
India	1,243	380	-

Indirect energy consumption (GJ)	2011	2010	2009
Europe and the rest of the world	722,290	627,985	576,471
United States	109,850	103,909	89,197
China	180,369	175,743	147,625
India	16,515	5,044	-
Total INDIRECT energy consumption:	1,029,023	912,681	813,294

Eco-efficiency in energy consumption (total)	2011	2010	2009
Energy consumption per employee (GJ/employee)	153.1	145.7	163.3
Energy consumption by turnover (GJ/Mill. €)	421.9	401.5	321.6

The G128-4.5 MW wind turbine has demonstrated its environmental leadership by being the first to obtain an Ecodesign certification, which proves its minimal environmental impact during its life cycle

Energy savings [EN5]

Regarding costs and benefits, the search for energy efficiency is an aspect to reduce carbon dioxide emissions, encourage competitiveness and stimulate an advanced technology and product market in order to improve energy efficiency. Gamesa has the resources and capacity to identify and optimize its own processes from an energy-related standpoint through energy audits on both in-house and external customers.

The energy audits conducted on Gamesa by the energy efficiency team during the year identified potential energy cost savings amounting to €361,548 by avoiding 16,156 GJ/year, which is equivalent to a saving of 1,354 tons of CO₂.

Initiatives to provide energy-efficient products and services [EN6]

Gamesa reached important milestones in the area of Cost of Energy (CoE) optimization in 2011 through the development of more efficient products and new operations and maintenance (O&M) services. A reduction of 10%-15% in the Cost of Energy was achieved, depending on platforms and geographies.

It was granted Type IEC WT01 certification by GL Renewables Certification (GL) for the G128-4.5 MW wind turbine, thus facilitating financing for this turbine and for the wind energy projects that include it. The G128-

4.5 MW wind turbine is the first product resulting from the new technologies fully developed by Gamesa, which will in the future make the new G10X-4.5 MW product family the leading product in the Cost of Energy. These technologies include: MultiSmart®, Innoblade®, CompacTrain®, GridMate® and Flexifit®.

The platform has demonstrated its environmental leadership by making the G128-4.5 MW wind turbine the first to obtain an Ecodesign certification from TÜV certification agency in accordance with the ISO14006/2011 ("Environmental Management Systems – Guidelines for Incorporating Ecodesign") standard, a certificate which proves its minimal environmental impact during its life cycle.

Progress continued in 2011 on the new G9X-2.0 MW product platform, which optimizes the preceding platform (G8X-2.0 MW) and manages to provide double-digit productivity enhancements to the wind turbine. After managing to go from the design phase to the prototype in only eighteen months and industrializing the product in four regions simultaneously, two prototypes were assembled in Navarre, Spain and Colorado, USA. The first commercial units were installed for customers in Baitugang, China and Tamil Nadu, India. By December 2011, Gamesa had entered into a framework agreement for 1,300 MW of the G97-2.0 MW turbine in India and firm agreements for 356 MW in the USA, Europe, China

and India. This wind turbine contributed to more than 5% of the group's sales in 2011.

The design of new operations and maintenance (O&M) services also played an essential role in the Cost of Energy optimization which Gamesa offers to its customers through the commercialization of new products like the GPA (Gamesa Premium Availability) program. Gamesa offers the highest availability warranty in the market at a lower price to customers through this program. The GPA program also aims to achieve a 99% availability rate in the Gamesa fleet and has already managed to reduce operating costs by 10% in the wind farms where it has been implemented. In the area of CoE improvements, the company launched a project in 2011 aimed at lengthening the useful life of the G4X fleet through an enhancement implementation program and maintenance task adaptations, which will allow the fleet to reach a useful life of 35 years under the best operating conditions whilst keeping operating costs at current levels.

Initiatives to reduce indirect energy consumption [EN7]

In the area of CoE optimization, Gamesa continues to work on improving the availability and reliability of its wind turbines and placed special attention on reducing the cost of materials in 2012.

It will likewise develop two new wind turbines during the year as part of the G9X-2.0 MW platform: the G97-2.0 MW Class II and the G114-2.0 MW wind turbines. In the O&M services area, the company will continue to focus on the continuous improvement of its fleet's availability in order to improve the current level of availability, which already exceeds 98%, through maintenance programs like the GPA program.

A variety of actions aimed at reducing energy consumption were implemented and carried out in different areas of the organization (see the Emission Verification Report included in section 6.5 of this report). It was calculated that the emissions prevented by these actions totaled 148 tons of CO₂ eq.

In order to offset the carbon footprint, the "1,000,000 Trees" project was carried out in India. This project consists of planting trees of different species, which are suitable for each area like *Gliricidia* and *Jatropha*, in collaboration with the Tamil Nadu Agriculture Research Institute. The aim is to plant 115 trees for each wind

turbine installed so that the emissions generated during its manufacturing and maintenance are offset over the machine's average useful life of twenty years. A total of 84,600 saplings had already been planted by the end of 2011.

Water

Total water withdrawal by source [EN8]

The withdrawal of groundwater is also included in the case of Europe and the rest of the world. This is a characteristic which does not occur in the other geographic areas, where water consumption comes from the water supply network.

There is no record of any water sources being significantly affected by water withdrawals made by Gamesa in 2011 [EN9]. This means that there were no withdrawals which amounted to more than 5% of the total annual average of any water mass or withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or because they are a threatened or endangered system (or because they shelter protected plants or animals), or from Ramsar wetlands or from any other locally or internationally protected area.

As regards the volume of recycled and reused water, all sanitary effluents from the Chennai plant in India are treated at a reverse osmosis treatment plant and reused to water the facility's own green areas. [EN10]

<i>Total water consumption (m3)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	33,605	29,839	35,148
Water supply networks	27,938	24,974	30,835
Groundwater	5,667	4,865	4,313
United States	3,185	3,465	3,461
China	61,144	58,002	52,616
India	3,171	1,833	-
Total water consumption:	101,105	93,140	91,225
<i>Eco-efficiency in water consumption</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Water consumption per employee (m3/employee)	12	13	14
Water consumption by turnover (m3/ Mill. €)	33	34	28

Biodiversity

Gamesa did not have any owned, leased or managed facilities which were adjacent to, located in or containing protected and unprotected areas having high biodiversity value in 2011 [EN11]. This statement likewise covers wind farms built over the year, none of which are located in any natural protected space.

The projects Gamesa developed, built and operated in 2011 were assessed as follows regarding their average impacts on their surroundings [EN12]. The location of such impacts and the measures taken to offset them, along with their assessment are shown in the table below:

²³ "Natural compensation" is construed to mean any economic payments or actions on the project's immediate surroundings aimed at improving the area's environmental situation, all of which are meant to offset a specific impact (in this particular case vegetation).

Note: The format used to include the impact of activities was changed in 2011 and only reflects whether or not there are severe or critical impacts

<i>Most important impact on biodiversity (by impact type)</i>	<i>Severe or critical impact?</i>	<i>Location</i>	<i>Corrective measures</i>
VEGETATION: Occupation of natural vegetation, generally mountain spaces.	Yes	Germany	<ul style="list-style-type: none"> Natural compensation²³ (€49,919)
FAUNA: Occupation of aerial spaces by structures.	Yes	Germany	<ul style="list-style-type: none"> Monitoring after commissioning (€98,638) Monitoring bats (€53,850)
		United States	<ul style="list-style-type: none"> On-site monitoring of mortality rates after construction during two years
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: Nuisance to nearby areas caused by noise.	No	-	
VISUAL IMPACT	Yes	Germany	<ul style="list-style-type: none"> Environmental duties (€1,580,670)
		France	<ul style="list-style-type: none"> Creation of a picnic area at the entrance to wind turbine no. 6, including: several information signs, parking for three vehicles (one for a disabled person), creation of access routes, wooden furniture, planting of leafy trees and garden (€7,376) Planting of chestnut trees next to the electricity building in order to hide visual impact (€1,111)
ATMOSPHERE	No	-	-

Habitats protected or restored [EN13]

Grado de ocupación de espacios físicos

Year	Power (MW)	Total surface area (Ha)	Crops (Ha)	Natural vegetation (Ha)	Non-natural vegetation (Ha)	Protected area (Ha)
2011	349	130.2	83.6	27.3	6.9	0.4
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

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

Gamesa conducts an Environmental Impact Assessment (EIA) on all projects for which it is required by the public administration. Nevertheless, when such a study is not required by the public administration, Gamesa applies internal controls in order to ensure compliance with legal and internal environmental requirements.

The number of assessments conducted in 2011 rose by 36%, mainly in Europe.

Biodiversity Studies*(breakdown by phase)*

	Spain			International			Total				
	2011	2010	2009	2011			2010	2009	2011	2010	2009
Promotion Phase				Euro-Row	USA	China					
Preliminary EIA (*)	-	17	24	10	-	-	-	8	10	17	32
Archeology	-	-	5	1	-	-	-	5	1	-	10
Environmental impact study	-	17	11	13	1	1	7	8	15	25	19
Bird fauna and bats	-	1	7	33	-	-	6	20	33	7	27
Noise	-	-	-	15	-	-	8	15	-	-	8
Specific studies	-	22	16	31	-	-	1	5	31	23	21
Construction Phase											
Environmental monitoring	-	7	23	-	1	-	-	-	1	7	23
Archeological monitoring	-	-	3	1	-	-	-	-	1	-	3
Others	-	-	-	2	1	-	-	-	3	-	-
Operations Phase											
Environmental monitoring	-	7	7	19	-	-	-	-	19	7	7
Others	-	14	-	6	-	-	-	-	6	14	-
TOTAL	-	85	96	131	3	1	14	54	135	99	150

(*) EIA: Environmental impact assessments

The species affected by operating wind farms [EN15] are located in the Cabezo Negro wind farm and are the following: Circus pyrganus (vulnerable), Falco peregrinus (vulnerable), Pterocles orientalis (vulnerable), Sterptopelia turtur (vulnerable), Falco subbuteo (near threatened), Milvus migrans (near threatened) and Sylvia undata (near threatened).

Species	IUCN Cat.	# Europe	# USA
Circus pyrganus	V	4	0
Falco peregrinus	V	4	0
Pterocles orientalis	V	4	0
Sterptopelia turtur	V	4	0
Tetra1 tetra1	NT	2	0
Falco subbuteo	NT	4	0
Pleurodeles waltl	NT	1	0
Ciconia nigra	V	1	0
Milvus migrans	NT	5	0
Neophron percnopterus	ED	1	0
Milvus milvus	NT	5	0
Aquila chrysaetos	NT	3	0
Hieraetus fasciatus	NT	3	0
Falco subbuteo	NT	1	0
Calandrella brachydactyla	V	1	0
Phoenicurus phoenicurus	V	1	0

Especie	Cat IUCN	# Europa	# EE.UU.
Lanius meridionales	NT	1	0
Dioon merolae	V	1	0
Penelope purpurascens	(*)	1	0
Sylvia undata	NT	4	0
Pelobates culprites	NT	1	0
Chalcides bedriagai	NT	1	0
Vipera latastei	V	1	0
Eliomys quercinus	NT	1	0
Oryctolagus cuniculus	NT	1	0
Coenagrion mercuriale	NT	1	0
Myotis dasycneme	NT	1	0
Limosa limosa	NT	1	0
Numenius arquata	NT	2	0
Barbastella barbastellus	NT	1	0
Dendroica cerulea	V	0	1
Chaetura pelagica	NT	0	1

ED: Endangered
V: Vulnerable
NT: Near threatened
(*): Under special protection (national)

Emissions, effluents and spills

Total direct and indirect greenhouse gas emissions [EN16]

The data verified in accordance with the ISO 14064 standard are included in the report on greenhouse gas emissions within the scope defined in such report. The data for 2010 were corrected in keeping with the verification conducted on the base year (2010).

<i>Greenhouse gas emissions (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Direct CO ₂ emissions (t)	15,991	17,929	12,983
Europe and the rest of the world	10,714	13,976	11,382
United States	2,599	2,213	1,375
China	2,012	1,696	226
India	666	44	-
Indirect CO ₂ emissions (t)	40,756	40,053	33,722
Europe and the rest of the world	22,548	22,127	19,690
United States	5,576	5,555	4,276
China	12,286	12,003	9,756
India	1,182	367	-
Total CO ₂	57,583	57,982	46,705

Other indirect greenhouse gas emissions by weight [EN17]

Gamesa's activity is crucial in the fight against climate change, as the more than 24,000 MW it has installed prevent 36 million tons of CO₂ of air emissions per year. Gamesa's activities therefore contribute to a reduction in greenhouse gas (GHG) emissions and help in the attainment of Kyoto targets and the preservation a more sustainable environment by mitigating climate change. [EN18]

<i>Other greenhouse gas emissions (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Direct CH ₄ (t CO ₂ equivalent ²⁴) emissions	8.57	9.39	5.89
Direct N ₂ O (t CO ₂ equivalent ²⁵) emissions	66.56	60.99	10.56
Total CO ₂ emissions (other emissions)	75.12	70.38	16.45

<i>GHG emission savings (according to historical records of MW installed)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
MW installed - annual	3,309	2,586	2,231
MW installed - cumulative	24,143	20,834	18,249
GWh / year ²⁶	60,357	52,084	45,616
t CO ₂ prevented-cumulative ²⁷	36,214,050	31,250,550	27,371,550
t NO _x prevented-cumulative	414,953	358,079	313,632
t SO ₂ prevented-cumulative	229,356	197,920	173,353
TEP prevented - cumulative	5,190,681	4,479,246	3,923,256

²⁴Conversion factor 21 t eq CO₂/t CH₄

²⁵Conversion factor 310 t eq CO₂/t N₂O

²⁶Considering a number of effective hours = 2500

²⁷Considering the following conversion factors per year of wind turbine operation: 0.6 t CO₂/MWh; 0.006875 t NO_x/MWh; 0.0038 t SO₂/MWh; 0.086 TEP/MWh. Source IEA: CO₂ Emissions from Fuel Combustion 2009

Emissions of ozone-depleting substances [EN19]

Chlorofluorocarbon substances (CFCs) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the atmosphere. The presence of these substances at Gamesa is marginal and found mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation.

<i>Ozone-depleting substances (ODS)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
R12 (expressed in Kg eq CFC-11)	0	0	0
R22 (expressed in Kg eq CFC-11)	15.95	21.7	54.7
R409 (expressed in Kg eq CFC-11)	0	0	0
R401 (expressed in Kg eq CFC-11)	0	1.1	0
Total Kg eq CFC-11	15.95	22.8	54.7

NO, SO and other significant air emissions [EN20]

The calculation of these emission indicators, measured in tons, is obtained by adding the emission values of each of the parameters and sources. In order to do so, quantitative measurements were conducted at each source by an Authorized Control Entity and the total emission factor was applied by considering each source's throughput and hours of operation.

This table excludes emissions from Gamesa's factories in China, as the emission parameters subject to control at these plants are different according to prevailing Chinese regulations.

<i>Other emissions</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
CO (t)	1.9	15.4	58.4
NOx (t)	2.2	7.6	21.3
SOx (t)	1.0	1.0	1.1
VOC (t)	3.9	3.6	3.9
Particles (t)	0.5	1.0	1.5
HCx (t)	0	0	0
Total organic carbon (TOC) (t)	11.2	6.6	6.9

Total wastewater discharge [EN21]

The only discharges that come about at Gamesa are linked to the use and consumption of sanitary water. Discharge values are calculated by taking into account overall water consumption at each facility and subtracting water for industrial use, which in most cases is evaporated through cooling towers. A factor of 80% is applied.

As regards pollutants in discharges, the method of calculation contemplates values for the different parameters measured by an Authorized Control Entity and the flows discharged at each Gamesa center. The value shown is obtained from the statistical average of all the measurements.

<i>Volume discharged (m³)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	26,884	23,871	29,118
United States	2,548	2,772	2,769
China	29,519	28,003	25,402
India	2,357	1,466	-
Total discharged (m³):	61,488	56,113	56,289

<i>Pollutant concentrations in discharges</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
pH	7.90	7.95	7.61
Suspended solids (mg/l)	51.49	77.10	76.91
COD (Dissolved organic carbon)	99.29	121.82	198.92
DBO5 (Biological oxygen demand)	27.48	35.20	73.42
Oils and fats	15.39	16.16	19.56
Total phosphorus	3.66	4.40	5.25
Total nitrogen	27.92	16.16	57.43
Total chromium	0.74	0.73	0.02

<i>Eco-efficiency of discharge</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Discharge per employee (m³/employee)	7.35	7.72	8.85
Discharge by turnover (m³/Mill. €)	20.27	20.30	17.43

Total weight of waste managed [EN22]

The increase in waste generation in the United States is linked to an increase in production at both centers (blade and nacelle manufacture), which grew by 30% and 37% respectively.

Similar behavior can be seen in Gamesa's production centers in China, which is linked to the increase in activity, as well as to the initiation of CR20 wind generator assembly and the assembly of G8X platform nacelles, which respectively rose by 50% and 40%. Blade production also rose significantly by 20%.

The environmental management system implemented in the Gamesa group prevents accidental spills through technical control elements (spill trays, loading and unloading areas, storage of chemical products, protection of the rainwater network, etc.), along with management mechanisms. Likewise, there are methods to detect, report and correct any environmental anomalies. [EN23]

<i>Waste (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Hazardous waste	2,522	2,603	3,429
Europe and the rest of the world	1,844	1,995	2,887
United States	29	22	13
China	589	573	529
India	61	14	-
Non-hazardous waste	13,814	13,349	12,631
Europe and the rest of the world	9,357	9,616	10,182
United States	2,439	2,319	1,582
China	1,368	1,197	867
India	649	181	-
Total waste generation:	16,336	15,952	16,060

<i>Destination of waste (by treatment method)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Recovery			
Hazardous waste	3.28%	4.15%	3.9%
Non-hazardous waste	0.03%	0.14%	0.4%
Disposal			
Hazardous waste	81.52%	71.89%	69.3%
Non-hazardous waste	53.78%	51.13%	34.5%
Reuse			
Hazardous waste	0.62%	1.93%	1.9%
Non-hazardous waste	1.00%	2.48%	2.9%
Recycling			
Hazardous waste	10.51%	15.33%	18.0%
Non-hazardous waste	44.81%	42.61%	42.0%
Temporary storage			
Hazardous waste	4.07%	6.70%	6.9%
Non-hazardous waste	0.37%	3.64%	20.0%

There were no significant spills at Gamesa in 2011. Significant spills are construed as spills that cause damage to the facility's external surroundings and require giving notice to the appropriate public administration. However, fifteen (15) small spills of hydraulic and lubrication oil having a total volume of 1.5 m3 (1,500 liters) were recorded. All of these were recorded, notified and corrected in accordance with internal management processes. It was not necessary to adopt any exceptional corrective measures.

Furthermore, Gamesa does not transport, import, export or treat any waste classified as hazardous according to the Basle Convention. Likewise, none of the waste generated by Gamesa is shipped internationally. [EN24]

No spills or run-offs into aquatic habitats that could have a significant impact on water resource availability were recorded in 2011. [EN25]

<i>Eco-efficiency in waste management</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Waste per employee (t/employee)	1.95	2.19	2.52
Waste by turnover (t/Mill. €)	5.38	5.77	4.97

<i>Most common waste transported (t)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Hazardous waste			
Prepeg	1,177	1,364	1,669
Catalyzed waste	114	162	119
Contaminated metal containers	91	59	259
Contaminated materials	362	333	602
Semi-solid resins	81	66	97
Used oil	97	102	120
Contaminated plastic containers	77	116	59
Non-hazardous waste			
General garbage	3,313	2,940	3,893
Paper and cardboard	553	623	701
Wood	2,016	1,903	1,313
Casting sand	2,387	2,137	2,296
Scrap	3,935	4,081	3,280
Polyethylene	632	754	795

Products and services

Initiatives to mitigate environmental impacts [EN26]

Gamesa made progress in the attainment of its annual sustainability targets in 2011.

The Gamesa G10X - 4.5 MW wind was granted an Ecodesign certification by the TÜV certification agency in accordance with the ISO 14006/2011 "Environmental Management Systems – Guidelines for Incorporating Ecodesign" standard, which proves its minimal environmental impact and makes it the first wind turbine to have obtained the Ecodesign certification in the world. This certification has placed Gamesa at the cutting edge of sustainability and environmental excellence, making it the world leader in technology. It is the first renewable energy company in the world to have obtained a certification in this standard international and the first to have developed an eco-designed wind turbine.

Gamesa has also designed and developed an electric vehicle recharging post as part of its non-wind energy product range, an area in which the company wishes to continue with its technological diversification.

Developing the first eco-designed wind generator in the market constituted a demanding challenge for the company. This project was led by a multidisciplinary

team of 24 people belonging to different units and areas of the company. The challenge culminated in success and required the participation of approximately 400 people.

During the year, Gamesa also worked on designing and developing an electric vehicle recharging post at the Gamesa Electric factory in Valencia. This is an innovative product for both the market and the company. It forms part of its technological diversification strategy and one of its initial starting point requirements was that it should be an eco-designed device.

Other activities connected with mitigating the environmental impacts of products and services include:

- Setting up a materials testing laboratory in Aoiz;
- Gamesa's participation in the Company and Environment Program;
- Gamesa being a founder-member of the Basque Ecodesign Pole in Spain and the Bilbao Ecodesign Center (BEC);
- Drawing up an Environmental Product Declaration (EPD) on kWh of wind energy generation based on a Gamesa G90-2.0 MW wind turbine is one of the targets for 2012.



Products sold and packaging materials [EN27]

Each wind turbine is made up of a large number of structural, electrical and control components. The types, shapes and materials which comprise the different components are likewise diverse. A large part of these are essentially recoverable materials having considerable added value like steel and other materials, making 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 take 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 for the main wind turbine components will serve to delve further into these issues and bring the current dismantling plan up to date.

Materials (tons)	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%)

Compliance with environmental regulations

Gamesa has no record of any significant fines or sanctions for failing to comply with environmental regulations in 2011. [EN28]

Transport

As regards product shipments, 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 2011 are the most significant and constitute more than 75% of the total amount of goods carried. [EN29]

The reduction in the movements of liquefied natural gas is a consequence of the closure plant 1 in Somozas.

<i>Main dangerous goods (breakdown by UN classification)</i>	<i>N° ONU</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Liquefied natural gas	1972	741	9,726	1,635
Paint and paint-related materials	1263	95	278	184
Toxic organic liquids	2810	62	62	232
Corrosive liquid amines or polyamines	2735	18	59	50
Flammable liquids	1993	21	55	41
Gasoil	1202	15	199	58
Chem rez 2023/2016	2586	17	18	52
Commercial propane	1965	107	216	18
Contaminated materials	1373	19	23	51
Pot. environmentally hazardous materials	3037	3	10	41
Acetone	1090	7	30	19

General environmental

Environmental expenses and investments [EN30]

<i>Environmental expenses (type of expense in €)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Facility refurbishment	7,825	138,083	238,573
Analyses	9,216	21,107	34,356
Safety consultants	3,872	9,479	20,816
Consulting / Advice	2,270,788	966,096	1,510,773
Waste management	1,175,181	1,467,752	1,648,092
Environmental monitoring plan	1,260,327	286,955	319,295
Environmental management system costs	101,408	42,764	14,768
Training	191,115	27,033	3,754
Others	-	-	8,350
TOTAL	5,020,542	2,959,268	3,798,677

Management Approach

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

Safeguarding the health and physical integrity of people is a corporate priority and is implemented through a variety of the company's policies and processes, as well as through the resources allocated for such purpose. The constant reduction in the accident frequency and severity rates form part of the targets which apply to all people who manage their targets in accordance with the Gamesa Management by Objectives (GMBO) procedure.

Gamesa promotes the equality of people. The first actions defined in the Equality Plan were carried out in 2011. This plan was agreed upon with the CCOO, UGT and ELA trade unions in Spain in 2010 as a framework of reference for equality management within the company. In this regard, work is being carried out to adequately monitor indicators which take into account gender-related issues and means to ensure the inclu-

sion of equality principles in key personnel management procedures, along with the inclusion of cultural aspects related to values like respect for or sensitivity to Gamesa's key stakeholders.

The Harassment Prevention Committee has likewise been formally set up and has its own internal regulations. It holds responsibility for safeguarding compliance with the Harassment Prevention Protocol to prevent sexual or moral harassment and mobbing. Gamesa United States has its own regulations on these issues.

Gamesa signed a framework collaboration agreement with the FSC ONCE Foundation in March 2011 to encourage the participation of the disabled, as well as to work on raising awareness among the company's employees on issues related with disability. The agreement has allowed any disabled people with suitable professional profiles, experience and technical qualifications to take part in the company's recruitment processes.

All talent recruitment, development and management processes are governed by the principles of equality, merit and capacity. Nobody should be subject to discrimination due to their gender, age, race, religion, beliefs or opinions. All applicants are assessed by using criteria that exclusively deal with professional requirements, thereby ensuring proper assessment of their knowledge, capacities and abilities.

The sustainable Human Capital Management value proposition that has imbued our processes between 2009 and 2011 is the best synthesis of our policies, which are based on the creation of a human team capable of delivering maximum performance and only possible from a standpoint of business-driven priorities. These are grounded in the development of quality jobs, employability management, talent management and commitment, along with models of relationships with the surroundings focused on exerting a positive influence on the basis of a solid corporate culture.

The guiding principles of the three-colored company continue to permeate our policies:

Human Capital Management

Sustainable value proposition: the three-colored company

Blue wind: means high performance and commitment to the company

Green planet: means a positive influence on our social and environmental surroundings

Orange people: means specialization as differentiation and entrepreneurial spirit as growth



3. Labor practices

Respect, teamwork, sustainability, excellence and innovation constitute the essential values of reference behind Gamesa's conduct

Gamesa has a remuneration and compensation policy as a key management tool to bring the actions and conduct of personnel into line with the organization's objectives and culture

Gamesa redefined its corporate values in 2010 from the perspective offered by the Business Plan and in keeping with it. Work was carried out during the year to implement them across the organization with the involvement of senior management. The company believes that a solid corporate culture constitutes a management element that differentiates successful companies, underlying an organization driven by success, a highly efficient working environment and an ethical commitment. It also leads to the creation of a good working environment and is the best motivation for the development of our employees' professional capacities.

Respect, teamwork, sustainability, excellence and innovation constitute the essential values of reference behind Gamesa's conduct within a global organization having a vocation for leadership and driven by customer needs.

These values and attitudes for success were conveyed to all employees through the Gamesa Way project in 2011²⁸. This global corporate program covered more than 80% of the company's professionals around the world. It is centered on the business plan's deployment, as well as on the company's mission, vision and attitudes for success. It is centered on the business plan's deployment, as well as on the company's mission, vision and attitudes for success and has allowed the style Gamesa wishes to impress on the performance of its activities to be conveyed through the organization's executives and key groups.

The commitment to these ways of doing things and understanding the company's activity are reflected by the fact that 10% of senior management's individual activities have undergone assessment on compliance with the values and attitudes for success. In addition, the Gamesa Way program now forms part of the welcoming process put into place for the company's new employees.

The Gamesa Opinion Survey allowed the level of satisfaction among employees around the world to be known in 2010. It also measured the evolution of their commitment levels when compared to the previous survey conducted in 2008. Between both surveys, Gamesa carried out 120 action plans, which have allowed it to improve overall satisfaction and commitment levels, in addition to having a clearer idea of how human capital management processes are viewed from within the organization.

Gamesa manages the performance assessment process affecting 4,540 employees as an essential link between the work done by professionals and the company's business objectives. This process includes:

- The Gamesa Management by Objectives (GMBO) system enables the strategic guidelines set in its Business Plan and annual budgets to be translated into operating actions by reaching agreement on annual

targets. The assessment of these targets' outcomes has a direct impact on Gamesa's annual variable remuneration system.

- The assessment of performance factors enables our personnel's degree of alignment and performance with regard to strategic competencies and the company's corporate values to be measured.

The process has an impact on annual salary rises and likewise serves as a point of reference to define training activities and professional development actions established by employees and their corresponding managers.

In addition, there is also a Remuneration and Compensation Policy, which is used as a key management tool to bring the actions and conduct of personnel into line with the organization's objectives and culture.

Rewarding people at Gamesa in order to attract, develop and motivate them involves implementing a fair and competitive remuneration strategy, which provides an opportunity to fully reward all employees and includes a suitable well-targeted combination of intrinsic and extrinsic rewards that contemplates all aspects of compensation and benefits which our employees may demand.

²⁸ See page 14 for further details

Gamesa's Corporate University contributes to the employability of its employees and to the rest of the value chain, and encourages commitment to and alignment with its corporate strategy and culture

Human capital management activities placed special emphasis on international issues in 2011

The basic elements of our remuneration include:

- Fixed remuneration: determined by position and level of responsibility, as well as by individual contributions to performing the job. Gamesa has a system of salary bands, the purpose of which is to bring each job's level of responsibility in line with market rates and/or knowledge/skills;
- Annual variable remuneration: recognition of the attainment of each person's individual targets and directly benchmarked to the attainment level of key business results;
- Share ownership plan: designed to strengthen employees' commitment to and trust in the Gamesa project;
- Long-term incentives: benchmarked to the Business Plan's attainment.
- Benefits: aimed at providing protection and ensuring the standard of living in the short to medium-term depending on the needs of each person on the basis of his/her lifestyle. Initiatives like the Gamesa Flex program make compensation flexible and offer services which are of interest to our employees.

Likewise, reward schemes are set forth in the collective agreements which apply to Gamesa personnel.

Full compensation includes recognition schemes, which are not just financial. The Gamesa Patent and Inventors Competition is worth mentioning in this regard.

Employability is another of the essential pillars upon which Gamesa's value proposition rests by offering professional development opportunities through training and work experience as essential aspects of the talent management cycle managed from the company's Corporate University.

Gamesa launched its Corporate University in 2010, an initiative through which the company expects to contribute to the employability of its employees and to the rest of the value chain, thereby encouraging commitment to and alignment with its corporate strategy and culture. A consolidation process took place in 2011 covering all the processes connected with talent management, including: organization, recruitment, knowledge assessment and management, training, professional careers and the management of key groups.

The social dialog model facilitates relationships between Gamesa and workers' representatives. Initiatives like employability management in Spain, the processes aimed at continuing with downsizing plans in 2010, employability management of the teams at Bergondo and Sigüeiro in 2011, the Equality and the Diversity Committees, the guarantees afforded to trade union elections and the negotiations to update specific agreements at our work centers should all be highlighted as milestones.

Human capital management activities placed special emphasis on international issues in 2011. The setting up of two important new facilities in Brazil and the United Kingdom made it necessary to define their organizational structure and to implement all our processes for the new Gamesa teams in these countries.

- Brazil: central headquarters in São Paulo with 33 people from a variety of business areas, along with a nacelle and hub assembly plant in Camaçari, which employed 34 people at the end of December 2011.
- United Kingdom: in addition to the OGM services center in Cumbernault and the Wind Farm Development and Sales branch in Newport, the Offshore Technology Centre in Glasgow started up its activities in July 2011. This center had 46 employees as at December 31, 2011, of which 21 were expatriates. The corporate office in the United Kingdom is located in London and currently employs seven people.

Employment

Type of employment [LA1]

Gamesa increased its net workforce (December 2011/2010) by 15%, mainly due to its process of international expansion and the increase in its product portfolio. The most significant rise has come about in India, where Gamesa has consolidated its presence with net growth of 177% amounting to 588 employees.

Type of employment ²⁹	2011	2010	2009
Direct workers	2,201 (26%)	2,239 (31%)	2,089 (33%)
Indirect workers	3,088 (37%)	2,569 (35%)	2,192 (34%)
Structure workers	3,068 (37%)	2,454 (34%)	2,079 (33%)
Total workforce:	8,357	7,262	6,360

²⁹ On the date this report was closed, the criteria used to classify the types of employment at Gamesa were undergoing analysis as part of the company's continuous improvement processes. See definitions in glossary.

Type of contract	2011	2010	2009
Permanent workers	7,315 (88%)	6,316 (87%)	5,472 (86%)
Temporary workers	1,042 (12%)	946 (13%)	888 (14%)
Total workforce:	8,357	7,262	6,360

Balances including external staff	2011	2010	2009
Internal staff	8,357 (94%)	7,262 (95%)	6,360 (96%)
External staff	528 (6%)	400 (5%)	270 (4%)
Total workforce:	8,885	7,662	6,630

Geographic areas

	2011	2010	2009
Europe and the rest of the world	5,351 (64%)	4,935 (68%)	4,714 (74%)
Spain	4,853	4,629	4,391
Italy	114	97	77
Germany	36	40	42
Portugal	17	19	18
France	36	29	23
Greece	24	23	17
Denmark	-	1	26
Poland	35	24	13
Egypt	17	10	9
Morocco	9	6	9
United Kingdom	72	10	5
Mexico	26	11	5
Hungary	4	2	1
Ireland	-	0	1
Japan	1	1	1
Honduras	1	-	-
Bulgaria	5	4	-
Romania	14	6	-
Sweden	4	1	-
Tunisia	1	18	-
Dominican Republic	1	-	-
Turkey	7	-	-
Singapore	7	1	-
Brazil	67	3	-
United States	930 (11%)	912 (12%)	770 (12%)
China	1,156 (14%)	1,083 (15%)	876 (13%)
India	920 (11%)	332 (5%)	67 (1%)
Total workforce:	8,357	7,262	6,360

The percentage of Gamesa workers who currently work less than a complete working day is 4% of the total workforce (8,357 workers). All part-time workers are concentrated in “Europe and the rest of the world”.

There were no part-time workers in the United States, China or India in 2011.

<i>Net job creation</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	+416 (+8.4%)	+221 (+4.7%)	-461 (8.9%)
Spain	+224 (+4.8%)	+238 (+5.4%)	-521 (-10.6%)
Rest of the World	+192 (+62.7%)	-17 (-5.2%)	+60 (22.8%)
United States	+18 (+1.9%)	+142 (+18.4%)	-297 (-27.8%)
China	+73 (+6.7%)	+207 (+23.6%)	-69 (-7.3%)
India	+588 (+177%)	+332 (+395%)	-
Net job creation:	+1,095 (15%)	+902 (14%)	-827 (-11%)
Total workforce:	8,357	7,262	6,360

Employee turnover [LA2]

<i>Employees leaving employment³⁰</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Total number of workers	8,357	7,262	6,360
By gender (No leaving employment/percentage)			
Men	297 (80%)	162 (77%)	N.A.
Women	72 (20%)	48 (23%)	N.A.
By region (No leaving employment/percentage)			
Europe and the rest of the world	110 (2%)	81 (1.7%)	86 (1.8%)
United States	68 (7.1%)	42 (5.1%)	55 (7.1%)
China	126 (10.9%)	76 (7.8%)	54 (6.1%)
India	61 (8.8%)	11 (5.3%)	-
Brazil	4 (10%)	-	-
By age (No leaving employment/percentage)			
<25 years	54 (14.6%)	13 (6.1%)	N.A.
25-30 years	128 (34.6%)	84 (40%)	N.A.
31-35 years	84 (23%)	62 (29.5%)	N.A.
36-40 years	55 (15%)	20 (9.6%)	N.A.
>40 years	48 (13%)	31 (14.8%)	N.A.
Total no leaving employment and percentage	369 (4%)	210 (3%)	195 (3%)

³⁰Calculation used for the turnover ratio: total number of voluntary departures / year's average workforce

Gamesa offers different social benefit packages in order to adapt itself to best market practices in each country

That is why a single benefit package does not exist, but rather as many packages as countries where Gamesa has a presence

Social benefits provided to employees [LA3]

In accordance with the company compensation and benefits policy, the social benefit package it offers does not differentiate between full-time employees and other employees, but rather on the basis of the most competitive market practices in the different countries where Gamesa has a presence and on employees' professional category.

The personnel included under a collective agreement are governed by the aspects set forth in their collective agreement. For their part, management personnel are entitled to specific benefits and an effort is being made to extend these benefits to include staff covered by collective agreements.

Thus, Gamesa offers different social benefit packages in order to adapt itself to best market practices in each country. That is why a single benefit package does not exist, but rather as many packages as countries where Gamesa has a presence. In an effort to ensure a minimum level of uniformity, the Compensation and Benefits Policy guarantees an identical remuneration scheme (Fixed Remuneration, Variable Remuneration and Social Benefits) for all management personnel.

Detailed information on social benefits can be found under EC3 indicator of the report.

Labor/Management Relations

Employees covered by collective agreements [LA4]

Gamesa conceives the freedom of association and collective bargaining as essential tools in the relationship with stakeholders, which help to build stable

frameworks for institutional relationships and possibly consolidate the key pillars of any prosperous society.

<i>Employees covered by collective agreements</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Total number of employees covered by collective agreements	2,401	2,428	2,367
Europe and the rest of the world	2,069 (38.66%)	2,046 (41.45%)	2,025 (43.38%)
United States	332 (35.69%)	382 (41.88%)	342 (44.41%)
China	-	-	-
India	-	-	-
Percentage of total workforce	28.73%	33.43%	37.21%

In Spain, five agreements were reached in 2011 (at Somozas, Asteasu, Munguía, Burgos and Ágreda). At the same time, negotiations were initiated at another six centers. In addition, fifteen trade union election

processes were held in Spain in 2011, which gave rise to the representation set out below (the elections are held approximately every four years and most of them coincided in 2011):

<i>Trade union representation in Spain</i>	<i>CCOO</i>	<i>UGT</i>	<i>ELA</i>	<i>LAB</i>	<i>Independents</i>	<i>USE</i>	<i>ESK-CUIS</i>	<i>CIG</i>	<i>CSIF</i>	<i>Total Gamesa</i>
No of trade union representatives	82	76	30	8	2	7	2	3	1	211
% representation	38.9%	36.0%	14.2%	3.8%	0.9%	3.3%	0.9%	1.4%	0.5%	100%

The entire (100%) workforce at Gamesa centers in Spain, other countries in Europe and the rest of the world, United States, China, India and Brazil – where industrial facilities have been started up this year – are represented by their own health and safety Prevention Committees

In Spain, forty Works Councils or Trade Union Delegates have been constituted and the company holds regular meetings with these representatives. More specifically, a total of 130 ordinary meeting, 61 agreement negotiation meetings and 67 other meeting on a variety of topics were held in 2011.

Regarding the workforce downsizing scheme (ERE) 2011, ten negotiation meetings and two follow-up meetings were held.

In Brazil, for example, a country where Gamesa initiated its activities in 2011, there are different trade union counterparts depending on the area. Thus, in Bahia, the employers' representative is the Sindicato das Indústrias Metalúrgicas, Mecânicas e de Materiais Elétricos da Bahia (SIMMEB). The workers, for their part, are represented by STIM-Camaçari, the workers trade union in the metallurgical, steel, automotive, automobile spare parts, electrical and electronic materials and computer industries, as well in repair, maintenance and assembly services companies.

In São Paulo the counterparts are the Sindicato das Industrias Elétricas, Eletrônicas e Similares do Estado de São Paulo (SINAES) for the employers and Força Sindical, the trade union which represents workers in the metallurgical mechanical and electrical material industries of São Paulo.

Concerning the minimum prior notice period for organizational changes in Europe and Spain, legislation lays down very strict criteria concerning serving notice about such organizational changes [LA5]. Despite this, Gamesa goes beyond its legal obligations and gives notice of such changes before the statutory minimum notice 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.

Although there are no requirements in this regard in China and India, employees are appropriately informed about any relevant organizational change which applies to them in keeping with the company's standards.

Occupational health and safety

Gamesa is equipped with formal procedures of a global scope to communicate environmental, energy efficiency and occupational health and safety matters (Standard PBE-1-004). As regards health and safety, the company has set up Health and Safety Prevention Committees [LA6] organized by work centers. Their goal is to promote initiatives on methods and procedures aimed at preventing risks and to take part in planning, putting into place and assessing the prevention policy, along with any other matters entrusted to them by prevailing legislation. These committees are governed by regulations, the purpose of which is to regulate the committees and their members in a systematic, orderly and precise fashion at all work centers.

The entire (100%) workforce at Gamesa centers in Spain, other countries in Europe and the rest of the world, United States, China, India and Brazil – where industrial facilities have been started up this year – are represented by their own health and safety Prevention Committees. Percentage coverage in 2010 was likewise 100%.

The setting up of these committees ensures joint participation in the design of the occupational hazard prevention policy and in control over the execution of measures aimed at promoting improvements in working conditions. The following functions, among

3. Labor practices

Gamesa recorded the lowest accident rates in its history in 2011

others, are the responsibility of the health and safety Prevention Committees:

- Take part in identifying any risks that should be assessed and controlled.
- Provide advice on the preparation, implementation, assessment and review of prevention plans and programs.
- Take part in preliminary studies on the impact on occupational health of projects dealing with planning, work organization and the introduction of new technologies.
- Be consulted on the procedures, contents and organization of worker information and training activities dealing with health and safety.
- Take part in initiatives to improve working conditions and initiatives aimed at correcting existing deficiencies suggested by either of the parties.
- Be consulted on the appointment by the company of workers to be in charge of preventive functions, determine such functions and assess their performance.
- Take part in the appointment of the center's emergency teams.
- Be consulted on the recruitment method, composition and type of experts needed to make up the Prevention Service, along with planning the activities such service should perform and the assessment of its performance.
- Be consulted on the hiring, sanctioning or dismissal of

the in-house preventive service's members.

- If external prevention services are used, to be consulted on the selection of the entity and its contracting conditions.
- Be consulted on the design of health monitoring programs which are adapted to risks and the assessment of their outcomes within the constraints laid down by the relevant legislation.
- Any others entrusted to them by specific legislation.

Absenteeism rates and occupational diseases [LA7]

Accident indicator management is governed by an internal management regulation (PBE-1-007), which lays down standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to determine underlying deficiencies in the prevention system and any other factors which may cause or contribute to incidents arising, identify the need to implement corrective actions, and identify opportunities for preventive action and continuous improvement.

Gamesa recorded the lowest accident rates in its history in 2011. Along with attaining the health and safety targets which had been set, a significant fall of 8% in the accident frequency rate came about during the year and, more importantly, there was also a 29% reduction in the associated severity rate.

The frequency and severity rates only include accidents resulting in sick leave. The hazard rate includes all incidents (with or without sick leave). The calculation of days lost makes reference to working days, which are counted as from the day following the accident.

No labor-related fatalities were recorded among Gamesa employees or unsupervised contractors in 2011.

*Company personnel**Accidents and occupational diseases*

	2011		2010	2009
	Real	Group target		
Frequency rate of accidents involving sick leave (FR)	3.84		4.19	4.91
Europe and the rest of the world	4.63		5.30	6.36
United States	4.90	4.0	1.28	1.16
China	1.12		0.71	0.00
India	0.00		0.00	-
Frequency rate of accidents involving sick leave (FR) ³¹	0.76		0.83	0.98
Europe and the rest of the world	0.92		1.06	1.27
United States	0.98	0.80	0.25	0.23
China	0.22		0.14	0
India	0		0	-
Accident severity rate (SR)	0.09		0.127	0.158
Europe and the rest of the world	0.11		0.161	0.205
United States	0.16	0.13	0.047	0.017
China	0.004		0.016	0.024
India	0.00		0.00	-
Incidence rate (IR)	6.34		6.74	9.90
Europe and the rest of the world	7.84		9.32	12.94
United States	9.67	-	2.19	2.59
China	1.73		0.92	0.00
India	0.00		0.00	-
Hazard rate (HR)	36.85		38.71	45.36
Europe and the rest of the world	42.89		43.18	56.01
United States	56.04	-	38.99	21.49
China	7.29		8.56	5.26
India	3.56		96.04	-
Rate of days lost per accident (LDR)	18.38		25.48	31.67
Europe and the rest of the world	21.28		32.13	40.99
United States	32.43	-	9.33	3.48
China	0.78		3.28	4.87
India	0.00		0.00	-
Total occupational disease rate	0.057	-	0.034	0.218

³¹ Benchmarked to 200,000 hours to make it compatible with other references used internationally. The factor of 200,000 is derived from 50 working weeks @40 hours for 100 employees. By using this factor, the ratio can be assimilated to the number of employees who suffer an accident during a year in a standard factory with 100 employees, not to the number of hours.

As regards the accident data involving contracted personnel, the activities they perform are focused on the wind farm construction phase and wind farm maintenance services. They worked over 9.7 million hours in 2011:

External personnel: Accident rates

2011

	Real	Target
Construction and Projects		
Frequency rate of accidents involving sick leave (FR)	6.07	13.64
Frequency rate of accidents involving sick leave (FR) ³²	1.21	2.72
Accident severity rate (SR)	0.13	0.24
Maintenance services		
Frequency rate of accidents involving sick leave (FR)	7.38	11.00
Accident severity rate (SR)	0.28	0.40

Clarifications on the rates:

- Sick Leave Frequency Rate (FR) = (Total no. of accidents resulting in sick leave / Total hours of exposure) x 1,000,000; which represents the total number of accidents involving sick leave per million hours worked.
- Severity Rate (SR) = (Number of days lost due to accident / Total hours of exposure) x 1,000; which represents the total number of days lost per thousand hours worked.
- Incidence Rate (IR) = (Total number of accidents resulting in sick leave / Total of workers) x 1,000; which is equivalent to the number of accidents involving sick leave per thousand people exposed.
- Hazard Rate (HR) = (Total number of accidents resulting in sick leave + occupational diseases + first aid (FA) + medical treatments (MT) + restricted work (RW)) / total hours of exposure x 1,000,000.
- Occupational Disease Rate (ODR) = (number of occupational disease / Total hours lost) x 200,000
- Lost Days Rate (LDR) = (No. of days lost / Total hours of exposure) x 200,000

³² Benchmarked to 200,000 hours to make it compatible with other references used internationally. The factor of 200,000 is derived from 50 working weeks @40 hours for 100 employees. By using this factor, the ratio can be assimilated to the number of employees who suffer an accident during a year in a standard factory with 100 employees, not to the number of hours.

The relevant investigation is conducted on each incident and its root causes are determined. The main factors of behind the accidents suffered by the company's personnel can be summed up as follows:

<i>Main causes of accidents in 2011 (Top 5 by cause)</i>	<i>Accidents involving sick leave</i>	<i>Accidents not involving sick leave</i>	<i>Accidents resulting in material damages</i>	<i>Quasi-accidents</i>	<i>Total</i>
Overexertion	34%	23%	-	-	16%
Blows and cuts from objects and tools	18%	25%	-	-	15%
Getting trapped by / between objects	12%	6%	-	-	-
Projection of fragments or particles	-	10%	-	-	8%
Falls to a different level	11%	-	-	10%	-
Falls at the same level	9%	-	-	-	-
Knocks against still objects	-	7%	32%	8%	13%
Knocks against moving objects	-	-	8%	-	-
Objects being handled falling	-	-	11%	13%	6%
Loose falling objects	-	-	7%	9%	-
Being run over or knocked by a vehicle	-	-	8%	-	-
Accidents caused by living beings	-	-	-	7%	-
Others	16%	29%	34%	53%	42%

Gamesa acts proactively to analyze the root causes of accidents and is equipped with management indicators which show the attainment level of this working philosophy in day-to-day management, which was as follows:

- a single, global and standardized occupational health and safety management system, which applies to the entire organization, with more than 100 professionals

working in the area of occupational health and safety and a service comprised of more than 70 external staff in charge of prevention functions;

- the auditing team conducted 83 integrated audits in 2011 to reach an attainment level of 100% with regard to the annual schedule;

• 1,123 specific training actions on occupational health and safety out of a total of 1,402 actions scheduled for 2011, amounting to an overall attainment level 80%. The assessment of the training actions' efficiency reached 92%;

- the efforts made to investigate all accidents and incidents led to a total of 2,539 health and safety improvement actions in 2011 through programs in different stages of completion, of which 79% were fully completed;
- a total of 21,549 safety inspections and 3,020 preventive observations were scheduled which, together with the risk notifications and audits conducted in 2011, identified 2,345 new improvement actions, whose attainment rate currently stands at 90.4%.

- all the health screening check-ups were completed in accordance with the schedule laid down.

- a global ergonomics action program, which includes training on the prevention of muscular and skeletal diseases and an improvement in working conditions through the incorporation of work stations, changes of layout or changes of tasks, among others. These actions are aimed at reducing the accident frequency and severity rates.

- a weighted attainment level of 90% of the annual health and safety management plan – which contemplates 73 lines of work around the globe – for each of the operating and geographic areas.

This program has become a point of reference for the industry and the sector. For instance, Gamesa's health and safety team gave training to technicians working for the National Institute for Occupational Health and Safety and was given an award at the Occupational Medicine and Safety Congress in 2011.

The company likewise collaborates with the Global Wind Organization (GWO), a non-profit organization comprised of wind turbine manufacturers, in order to achieve an incident-free working environment by jointly setting common working standards, safety training programs and emergency procedures with other members.

Gamesa also collaborates with the European Agency for Safety and Health at Work (EU-OSHA) in the "Healthy Workplaces" program, developing a European campaign on safe maintenance, assessing and improving the preventive culture in maintenance, raising awareness among personnel and encouraging employees to make a commitment to the basic rules and procedures of health and safety.

Absenteeism

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. In the case of the United States, absenteeism is defined as “the total of scheduled hours of work which have not been worked” due to particular market characteristics.

The most significant increase in absenteeism rates in 2011 came about in India due to the increase in activity in this country. This increase was proportional to the net rise in the workforce in 2011, which amounted to 177%.

Absenteeism rate (AR)	2011	2010	2009
Europe and the rest of the world	5.49%	7.05%	6.36%
United States	4.57%	3.53%	3.81%
China	1.86%	1.64%	1.49%
India	3.11%	0.90%	-

Education, training, counseling, prevention and risk-control programs [LA8]

The company has standardized systems (PHS-1-010 and derivatives) and general criteria to ensure health screening for all the company's personnel and establishes actions which allow it to:

- detect the effects of working conditions on health early;
- draw conclusions on the suitability of jobs for people;
- determine the need to apply or improve protection and prevention measures;
- identify workers who are especially sensitive to specific risks.

Firstly, health screening is scheduled (through specific protocols and annual scheduling). Medical check-ups (initial, specific, periodic and/or after a prolonged absence) are then carried out. Lastly, the results are assessed and the aptitudes of employees for each work post are adapted. This is done for all the group's employees.

Given the characteristics and locations at which Gamesa operates, it has not been deemed necessary to implement any serious disease assistance programs for workers, their families or members of the community.

The last program of this kind was carried out by the company in 2009 as a result of the avian influenza pandemic declared by the World Health Organization. Formal agreements and negotiations with the unions are, as a general rule, established locally, not globally. These agreements cover topics connected with occupational health and safety, either because such issues are regulated in the country in question or because the cri-

teria, indicators and requirements of Gamesa's health and safety management model have been included in the negotiation process. [LA9]

In addition, trade union representation exists through Health and Safety Prevention Committees, as explained in indicator LA6, whenever the labor legislation framework allows it (i.e. Spain). In their absence, there is always workers' representation when the following issues and agreements are dealt with, among other topics:

- workplace accident data;
- personal protection equipment;
- participation of workers' representatives in inspections, audits and accident investigations connected to health and safety;
- training and education on occupational health and safety;
- complaints mechanisms, observation of unsafe conditions, etc.;
- right to reject dangerous work;
- periodic inspections.

Occupational health and safety plans are submitted to the Health and Safety Prevention Committees.

Most of Gamesa employees have attended at least one course during the year

The number training hours in 2011 rose by 46% when compared to 2010

Training and Education

Hours of training [LA10]

<i>Training</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Total hours of training	323,694	220,861	205,555
Average number of hours of training per year per employee	39.57	32.27	32.32
Europe and the rest of the world (h/employee)	40.35	N.A.	N.A.
United States (h/employee)	55.73	N.A.	N.A.
China (h/employee)	36.34	N.A.	N.A.
India (h/employee)	19.93	N.A.	N.A.
Type of training (% of total courses)			
Know-how	73.05%	81.82%	92%
Skills	15.58%	18.15%	8%
Attitudes	11.37%	0.03%	0.04%
Breakdown of training among groups			
Blue collar: Technical staff	37%	36%	52%
Blue collar: Supervisors	2%	3%	3%
White collar: Specialists	45%	42%	32%
White collar: Managers	15%	18%	13%
White collar Executives	1%	1%	0.5%
Breakdown of training by methodology			
Face-to-face	72.14%	75%	81%
Hands-on	10.52%	7%	14%
Online	17.08%	17%	4%
Mixed	0.21%	1%	1%
Long distance	0.05%	0.1%	0.3%
Number of training activities	6,166	3,736	2,838

In 2011, 8,260 employees received training. This figure means that 98.39% of Gamesa employees have attended at least one course during the year.

The number training hours in 2011 rose by 46% when compared to 2010.

Among the online courses (17% of total training), four courses were specifically held for the health and safety program. The number of participants of these courses amounted to 3,153 employees for a total of 4,729 hours.

<i>Online occupational health and safety courses</i>	<i>No. of students</i>	<i>Hours employed</i>
Work post and associated risk training	1,260	1,890
Health and safety leadership, motivation and communication	153	229.50
Data display screens (DDS)	1,299	1,948.50
Road safety	441	661.50
Total	3,153	4,729.50

The Gamesa University developed two self-development tools for its management employees in 2011: a library of management books and an online language platform

An IESE program for executives was also carried out (Open Focus Program), consisting of two to four-day intensive courses for European executives. The attendance rate amounted to 54% and the satisfaction level was 4.5 out of 5.

Two modules of the three-module course "Global Outlook & Strategic Vision" were carried out in the United States in 2011. This course was given in-house by the IESE Business School for 22 participants. The program focuses on understanding Gamesa's business context in the United States, analyzing financial metrics connected with the definition of performance and the role of executives in strategic decision-making.

For its part, the Gamesa University developed two self-development tools for its management employees in 2011:

- A library of management book summaries containing more than 5,000 summaries, which has already reached a total of 6,147 downloads;
- An online language platform which makes the learning of seven languages available at different levels and with more than 15,500 hours of learning in 2011.

Gamesa maintains a specialized training center, the Gamesa Department, within its Corporate University. It is a training resource aimed at:

customers: for training required by agreements or on-demand training;
internal personnel: for employees and/or new recruits;
subcontractors: external personnel subcontracted by Gamesa and/or suppliers.

This tool has different training centers in Spain, the United States and China and is expected to expand to the United Kingdom and India in the near future. It has a catalog of more than 50 different courses and held more than 200 course registration processes in 2011 specializing in the Gamesa G5X, G9X and G10X platforms and their mechanical, electrical, electronic, hydraulic, construction and assembly, maintenance systems, etc.

The centers can count on a team of almost fifty trainers, including full-time specialists in the area of each component, and the participation of Gamesa's suppliers. The balance for 2011 recorded 2,000 hours of face-to-face training attended 323 external people (mainly customers and subcontractors).

Training to support employability [LA11]

Gamesa has had a strategic Human Capital Management program since 2009. Its aim is to support the employability of its personnel, one of the objectives of the Company's senior management.

The need to provide a response to increasing productivity and efficiency needs includes improving the employability of employees, which on the one hand is based on training-driven professional development and, on the other, on professional experience.

From the standpoint of training, Gamesa offers a wide-ranging catalog, where the organization's technical knowledge is structured and clarified. The new Training Catalog containing 381 courses was released in 2011. Its contents are taught both internally by in-house staff, as well as externally at the company's cost. The catalog supports the drawing up of Training Plans and is organized into Campuses (geographic areas), Departments (business units) and Schools (corporate matters).

Access is free and done online through the intranet. There are also management skills programs aimed at executives, managers, specialists and supervisors. The methodology and depth of knowledge of each of the management skills are tailored to each group (total training in this area amounted to 45,253 hours, 14% of total training in 2011).

In 2011, Gamesa has managed 752 internal mobility processes, a 33% more than in 2010

Other initiatives included under employability management have been focused on adapting the structure

The internal mobility program took on special relevance. In 2011, 752 processes were managed (33% more than in 2010), which can be broken down as follows:

<i>Mobility program 2011</i>	<i>Transversal mobility</i>	<i>Vertical mobility</i>	<i>International mobility</i>
Europe and the rest of the world	306	190	70
Gender balance (M/W)	214 (70%) / 92 (30%)	129 (68%) / 61 (32%)	63 (90%) / 7 (10%)
United States	26	46	1
Gender balance (M/W)	20 (77%) / 6 (23%)	38 (83%) / 8 (17%)	1 (100%) / -
China	42	53	1
Gender balance (M/W)	25 (59%) / 17 (41%)	38 (83%) / 15 (17%)	1 (100%) / -
India	15	2	0
Gender balance (M/W)	13 (87%) / 2 (13%)	2 (100%) / -	- / -
Total mobility	389	291	72

Other initiatives included under employability management and focused on adapting the structure to production needs were as follows:

- merging of the Bergondo and Sigüeiro work centers: due to the fall in demand and the adaptation of platforms, a decision was taken to restructure the business towards large component repairs and providing assistance at a facility (Sigüeiro). This merger has allowed the employability of 41 workers at Sigüeiro and 33 at Bergondo to be ensured;
- adaptation of the blade unit's capacity (people from different plants were moved temporarily), which led to the assignment of fifteen people to India to provide start-up support and training, six people to China to provide start-up support and training and one person to the United States for the beam process workshop;
- other movements between plants in Spain to deal with production needs and to manage employment better meant that 20% of the direct labor force at Cuenca (six people) moved to Valencia for eleven months, eight people from Somozas were assigned to Tudela to provide production support and two people from Somozas were assigned to Compass Transworld Logistics (CTL) to provide support to repairs;
- two people from the nacelle unit were moved to India, two were assigned to China, another two were moved to Brazil and another fifteen people were assigned to other areas and plants;
- it should be pointed out that 38 employment relief contracts were signed in Spain, a formula agreed upon with social partners in work centers having an elderly workforce (only from the age of 62);
- lastly, 61 Indian employees were assigned to China for several months at the beginning of 2011 until November 2011. The average length of these assignments was five and a half months. Their task was to receive technical on-site training on the Gamesa blade manufacturing process, so as to be capable of manufacturing blades at the new factory in Halol, India where operations were started up in October/November 2011.

The recruitment procedure implemented at Gamesa includes a process which allows the reasons behind people voluntarily leaving the company to be known. This process is conducted through an interview held between a Human Capital Specialist and the person wishing to leave the company. The information provided at this interview is then used to improve human capital management processes.

3. Labor practices

The company has policies and procedures (i.e. PRH-1-004) in place that determine the Integrated Performance Management Process's framework and criteria. These policies and procedures enable the performance of people to be assessed during a specific period of time, as well as to design the necessary development activities with a view to employee performance in the future and to set a fair level of remuneration which ensures internal equity. [LA12]

On the one hand, this process enables performance to be assessed based on a small number of competencies and, on the other, GMBO target attainment levels to be evaluated, linking the outcome to the remuneration variable. This conceptual process also includes a personal development dimension through the setting of an Individual Development Plan for each employee.

The monitoring of individual commitments made to the Gamesa Way corporate culture program were added to performance assessment in 2011. As part of this program, each employee makes a commitment to start doing, stop doing or continue doing certain aspects connected with corporate values and attitudes for success.

<i>Performance assessment</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Number of people subject to assessment:	4,540	3,641	2,854
% employees subject to assessment:	54%	50%	45%
Breakdown by geographic areas:			
Europe and the rest of the world	2,952 (65%)	2,599 (71%)	2,317 (81%)
United States	326 (7%)	310 (9%)	270 (9%)
China	473 (11%)	428 (12%)	225 (9%)
India	789 (17%)	304 (8%)	42 (2%)

Diversity and equal opportunities

Composition of governance bodies and the workforce [LA13]

The increase in the workforce corresponding to managers and specialists is in line with the real increase of the average workforce in 2011 (a difference of 1,095

employees between December 2011 and 2010) and is due to the company's globalization strategy and its consolidation in the Indian market, where Gamesa grew by 177% in 2011.

Gamesa incorporates equality, cultural diversity, the fight against discrimination and the promotion of equal opportunities in its human capital 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). [LA14]

There are over fifty nationalities at Gamesa, mostly Spanish, Chinese, Indian, American and Brazilian, corresponding to the geographic areas where the greatest number of employees are located.

<i>Workforce diversity indicators (as at Dec. 31)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
By gender			
Men	6,420 (77%)	5,479 (75%)	4,737 (74%)
Women	1,937 (23%)	1,783 (25%)	1,623 (26%)
Total workforce:	8,357	7,262	6,360
By age group (as at Dec. 31)			
< 25 years	460 (6%)	416 (6%)	310 (5%)
26-30 years (new segmentation 2010)	2,201 (26%)	1,900 (26%)	-
31-35 years (new segmentation 2010)	2,303 (28%)	2,017 (28%)	-
26-35 years	-	-	3,558 (56%)
36-40 years (new segmentation 2010)	1,620 (19%)	1,332 (18%)	-
> 40 years (new segmentation 2010)	1,773 (21%)	1,597 (22%)	-
36-50 years	-	-	2,045 (32%)
>50 years	-	-	447 (7%)
Total workforce:	8,357	7,262	6,360
By professional groups (as at Dec. 31)			
University graduates	4,477 (54%)	3,290 (45%)	3,002 (47%)
Non-university graduates	3,880 (46%)	3,972 (55%)	3,358 (53%)
Total workforce:	8,357	7,262	6,360

<i>Employees (average workforce data)</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Executives	99	93	91
Men	87 (88%)	83 (89%)	81 (89%)
Women	12 (12%)	10 (11%)	10 (11%)
Managers and specialists	4,146	3,058	2,791
Men	3,126 (75%)	2,294 (75%)	2,067 (74%)
Women	1,019 (25%)	765 (25%)	724 (26%)
Employees	3,642	3,571	3,829
Men	2,788 (77%)	2,678 (75%)	2,836 (74%)
Women	854 (23%)	893 (25%)	993 (26%)
Average number of employees:	7,920	6,723	6,711
<i>Directors</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
By gender			
Men	9	9	10
Women	1	1	0
By age group			
<30 years	0	0	0
30-50 years	1	1	2
>50 years	9	9	8
Average number of directors	10	10	10
<i>Major nationalities</i>	<i>2011</i>		
Spanish	58%		
Chinese	13%		
India	11%		
American	10%		
Brazilian	0.7%		
Others	7.3%		

4. Human rights

Management Approach

Gamesa and the companies which comprise it are committed to respecting human rights and public freedoms through the application of the contents of the United Nations Global Compact, which Gamesa formally endorsed on December 21, 2004. They are also committed to preserving the natural environment in which they perform their activities, collaborating in the sustainable development and well-being of the communities with which they have established relationships and constantly promoting equal opportunities. As such, they are committed to respecting minimum international standards on the protection of the fundamental rights and freedoms of the people affected by their operations and, more specifically, the United Nations Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights, the OECD Guidelines, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labor Organization (OIT/ILO) and the Women's Empowerment Principles of the United Nations Development Fund for Women (UNIFEM).

Gamesa is likewise committed to doing away with all kinds of forced or compulsory labor, as well as to the elimination of labor done under harsh, extreme, inhuman or degrading conditions, child labor and compul-

sory labor to return debts and to the disappearance of any other kind of coerced labor.

In order to ensure equal opportunities and avoid any kind of discrimination, employee recruitment and promotion are done on the sole basis of the principle of merit and based in each case on the requirements of capacity and, in particular, respecting the principle of equal treatment for men and women. Gamesa likewise carries out a personal and professional training policy for its employees, encouraging an atmosphere in which equal opportunities reaches each of them by ensuring there is no discrimination due to reasons of race, gender, ideology, disability, beliefs or any other personal, physical or social trait and rejecting any manifestation of harassment or any other kind of behavior which generates an intimidating or offensive environment for the personal rights of employees.

These and other principles and rules of action are set forth in the Code of Conduct³³, a breach of which would give rise to infringements laid down in legal, corporate and labor provisions. Irrespective of the office or hierarchical position they may hold, no person thus affected may request, require or order actions or behavior which contravene the provisions of the Code of Conduct.

³³The Code of Conduct of Gamesa Corporación Tecnológica, S.A. and its group companies (revised text approved by the Board of Directors on November 10, 2011) (3rd review) is available at: <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/normativa-interna/>

Furthermore, none of the people thus affected shall accede to requests, requirements or orders contrary to the Code of Conduct, nor may they seek justification for illegal behavior in them.

Investment and procurement practices

There were no significant investment agreements³⁴ in 2011 that could endanger the protection of human rights, affect the company's reputation or the stability of such investments. For further details, see the 2011 Legal Report section 2g). [HR1]

Likewise, Gamesa's General Procurement Conditions 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 aspects, the terms and conditions:

³⁴Significant investments are construed to be any that must be disclosed as Relevant Disclosures to the National Securities Market Commission (CNMV), and any information the knowledge of which could reasonably affect an investor to buy or transfer securities or financial instruments and which could therefore noticeably affect their listing in the secondary market will be deemed as such.

4. Human rights

One of the priority lines of work in 2011 consisted of assessing compliance with matters connected to human rights in the global supply chain

Among other aspects, the 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); and 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 governs its relationship with suppliers through its General Procurement Conditions or agreements. The coverage levels of direct procurement volumes and related suppliers serving the nacelle, blade and tower units were as follows in 2011:

Implementation of General Procurement Conditions in the supplier base

	2011		2010	
	% of Procurement Volume	% Suppliers	% of Procurement Volume	% Suppliers
Europe	96%	52%	98%	66%
United States	100%	100%	100%	100%
China	96%	77%	97%	86%
India	75%	50%	80%	57%
Brazil	73%	15%	-	-

The Gamesa document on the General Procurement Conditions is available on the company's website³⁶.

³⁵The data on Brazil were affected by the start-up of operations in 2011

³⁶<http://www.gamesa.es/es/sostenibilidad/compromisos/proveedores/informacion-condiciones.html>

One of the priority lines of work in 2011 consisted of assessing compliance with matters connected to human rights in the global supply chain [HR2]. An internal multidisciplinary team conducted a human rights diagnosis and the corresponding analysis on the supply chain (Gamesa 2011 CSR Survey) on a total universe of 4,828 suppliers as part of a complex process, which includes adapting internal procurement processes, certification requirements and supplier monitoring.

This survey had a representative response rate of 30% of total procurement volume (referring to 2010) and its results were as follows:

- almost 100% of Gamesa's suppliers stated they complied with universal principles and international conventions on child labor regarding the minimum working age, guarantees on access to education and the prohibition of assigning dangerous work to minors under the age of eighteen. The exceptions identified were considered as not significant;
- almost 100% of suppliers stated they maintained practices against compulsory labor and indicated that their employees may leave their workplace at the end of their shifts and their jobs after the minimum notice period;
- almost 100% of suppliers stated they reached fair and transparent agreements. However, 24 companies (2%) reported they held on to workers' personal documents;
- regarding working conditions, practically 100% of

suppliers stated that their employees were entitled to a decent wage and that working overtime was not necessary to obtain it. Almost 6% of suppliers stated that they did not comply with the minimum number of paid holidays and 3% likewise indicated that they exceeded the number of weekly working hours.

This process of analysis led to an action plan on the global chain, which is working on the following strategic lines:

- adapting policies on relationships with suppliers;
- consolidating supplier registration processes through the endorsement of specific commitments on the supply chain's sustainability;
- supplier auditing and assurance processes; and
- conducting periodic campaigns aimed at analyzing human rights issues in the supply chain.

Since 2009, Gamesa has conducted a significant ongoing training activity on the Code of Conduct in general, and on human rights in particular

In 2011, the training was specially focused on China and India

Training on human rights [HR3]

As a result of the Gamesa Equality Plan's implementation, two pilot sessions on the equality awareness raising program were organized in 2011. The sessions covered the social and business context of equality, the situation of women in the labor market, the international and Spanish legal frameworks, and sexual and moral harassment, in addition to conducting a detailed review of Gamesa's Equality Plan and the Harassment Prevention Protocol to prevent sexual or moral harassment and mobbing. Thirteen workers' representatives from the Pamplona works councils took part in the one of the sessions, along with another 39 people from the human capital management teams.

Furthermore, Gamesa has conducted a significant ongoing training activity on the Code of Conduct in general and on human rights, particularly since 2009.

More specifically, in 2011 the training was focused on two highly important and complex geographic areas: China (583 employees) and India (457 employees).

E-learning has been used to conduct the training with contents lasting approximately an hour, which are reviewed and authorized by the Regulatory Compliance Unit.

<i>Training on human rights</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Information provided to employees on human rights	100%	100%	100%
Specific human rights training targets	1,000	1,000	2,000
Number of employees trained	1,040	1,073	2,089

In addition, the Code of Conduct's text was reviewed in 2011. Such review was approved by the Board of Directors and placed at the disposal of employees (via the Internet and the intranet), along with a presentation explaining the main changes and scope of some of the rules. It was also posted on bulletin boards and a specific explanatory chat was given to employees lacking connections to the corporate intranet.

In order to facilitate comprehension of the Code's text and taking into consideration the multicultural nature of a global company, the text of the Code was published in five languages (Spanish, English, Chinese, Tamil and Portuguese).

The contents of the Code and its scope were also explained at meetings held with the different works councils.

The training set out above was complemented with other activities conducted in 2011, including:

- approval of Gamesa's Crime Prevention and Anti-Fraud Policy;
- approval of Gamesa's Ethics and Compliance Program;
- express endorsement of the Crime Prevention and Anti-Fraud Policy by the different management committees at Gamesa (Gamesa Management Committee, Gamesa China Management Committee, Gamesa India Management Committee and Gamesa United States Management Committee);
- dissemination of the Ethics and Compliance Program.

Un 74% de los empleados manifiesta disponer de suficiente información sobre el Código de Conducta y un 67% cree que Gamesa es una compañía responsable

As part of the task to disseminate the Ethics and Compliance Program, several visits to the different geographic areas and business units were made:

<i>Dissemination of the Ethics and Compliance Program 2011</i>	<i>GEOGRAPHIC AREAS</i>				<i>BUSINESS UNITS (global-ww)</i>			
	<i>United States</i>	<i>China</i>	<i>India</i>	<i>Brazil</i>	<i>Business excellence</i>	<i>Wind Farm Dev. & Sales</i>	<i>Security</i>	<i>Sales and Projects</i>
Number of employees trained	154	61	27	30	61	26	7	123
Total 2011	489							

These training actions were focused on one of the main principles contained in the United Nations Global Compact, which Gamesa signed in 2004, namely Principle 10 concerning the fight against corruption, extortion and bribery.

In 2011, work was also done through a working group (comprised of the Procurement, Health and Safety, Environment, Quality, Sustainability and Regulatory Compliance management teams) which concluded in the proposal to include a commitment to sustainability (concerning human rights, ethics and business integrity) in the supplier registration process. This proposal's implementation is expected to come about in 2012.

Lastly, members of the Management Committee receive a newsletter (Compliance Unit Newsletter) every two weeks on the topics, issues and/or trends observed

in the world of business from a standpoint of business ethics. The information contained in the newsletter comes from public and/or private sources to which the Compliance Unit has access and specific authorization for its internal use.

The outcome of these actions was reflected in an employee opinion survey (Gamesa People Survey), which showed that 74% of employees (as against 49% in the preceding survey) stated they had sufficient information about the company's Code of Conduct and 67% stated that Gamesa was a responsible company with a suitable Code of Conduct in 2011.

Non-Discrimination

Incidents of discrimination and actions taken [HR4]

The company is equipped with mechanisms aimed at detecting potential incidents of discrimination.

- Regulatory Compliance Unit: During the course of 2011, 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 any other kind of discrimination affecting internal or external stakeholders. Nonetheless, it should be stated that there were two complaints on possible situations of discrimination, which were received through the confidential reporting channel (as opposed to three in 2010). The two complaints mentioned above invoke Rule 3.3 of the Code of Conduct – which sets forth the company's commitment to equal opportunities – as the rule which had allegedly been breached. In each case, the Regulatory Compliance Unit conducted the relevant formalities and investigation and found that there was no evidence of conduct in breach of the aforementioned rule in either case.

In the first few days of 2012, a complaint was received through the reporting channel of an incident which could constitute discriminatory behavior. In this

**Gamesa
has continued
working on
its Equality Plan
and on
awareness raising
program on disability**

case, the person affected also brought legal action, a situation which led to the suspension of any actions by the Regulatory Compliance Unit until the relevant court ruling was issued. The court case brought by the person thus affected came to an end with a judgment in the first instance against the defendants. After the relevant labor proceedings were conducted, they were dismissed from the company.

- Harassment Prevention Committee: In 2011, six incidents were received through the reporting channel linked to the Harassment Prevention Protocol to prevent sexual or moral harassment and mobbing for Europe and Asia, which were rigorously dealt with by the Committee in keeping with the principle of confidentiality. In the case of United States, which is governed by a different action protocol, four incidents were dealt with during the year. All these cases are duly documented in the minutes and/or reports held by the Committee members, as are the decisions which were taken.

The following should be stated regarding the measures aimed at preventing incidents of discrimination during the year:

- Equality Plan: Gamesa approved, signed and published its Equality Plan, which was agreed upon with the CCOO, UGT and ELA trade unions, in 2010. Likewise a Standing Monitoring Committee was set up as part of the Harassment Prevention Protocol to prevent sexual

or moral harassment and mobbing, which applies across Gamesa (apart from the United States, where Gamesa has a specific already established regulation). Regular meetings of the Equality and Diversity Committee were held throughout 2011 and work was done along the lines of raising awareness and the pilot training actions which will be deployed in the organization in 2012, as well as to ensure that equality and non-discrimination are present and ensured in all the processes managed by Human Capital Management. One of the main efforts was aimed at data reporting mechanisms in order to be able to appropriately segment information by gender. An improvement in employees' perception of equal opportunities (between both genders and concerning the disabled) was also detected through the employee opinion survey.

- Gamesa has also endorsed the Women's Empowerment Principles, an initiative led by the United Nations Development Fund for Women (UNIFEM), as well as the United Nations Global Compact (UNGC).

- Gamesa has also initiated collaboration with the ONCE Foundation on March 18, 2011 through an awareness raising program on disability and the recruitment of disabled people at Gamesa. By means of an agreement, the parties seek to coordinate their own resources, knowledge and experience, thereby driving forward projects aimed at achieving the social and labor integration of the disabled. The areas of collaboration of this relationship include:

- » promoting direct access to employment for the disabled through the recruitment of disabled people at Gamesa;
- » promoting training among the disabled;
- » encouraging indirect labor integration of the disabled through the procurement of goods and services from the Special Employment Centers belonging to the ONCE and its Foundation;
- » driving activities in the area of improving accessibility to goods and services;
- » including the disabled in its social responsibility plan and strategies;
- » promoting dissemination and social awareness raising activities;
- » other projects that contribute to improving employment and social inclusion of the disabled.

Freedom of association and collective bargaining

The International Labor Organization Declaration on fundamental principles and rights constitutes the company's main standard of labor management. The four fundamental elements are: the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; the elimination of discrimination in respect of employment and occupation; and freedom of association and the effective recognition of the right to collective bargaining.

[HR5] Gamesa has reflected its respect for and the promotion of labor rights in its Code of Conduct and sustainability principles, including: freedom of association, trade union membership and the right to collective bargaining by working to do away with forced and compulsory labor, child labor or any other form of coerced labor.

Gamesa is aware of the role played by trade unions, not just in internal mediation to negotiate worker's labor conditions, but also as strategic entities that exert an important influence on the economic, social, national and transnational spheres.

Building positive relationships with the trade unions, as is done by the company at its centers in the United States and Spain, requires:

- placing a firm wager on such relationships with the support of the company's senior management and their inclusion across the supply chain;
- establishing relationships at the appropriate level: a national and local standpoint;
- incorporating the trade unions' stance into the decision making process;
- good faith, communication and trust.

In China, the Trade Union Act 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 this process, Gamesa provides coverage through its Human Capital Management area to the activities which would normally be provided by the trade unions to the company's employees, such as performing social activities, canteen services and transport services to the work center.

In India, trade union activities are set forth as a legal right for workers and opposing them is against the law. In this country, Gamesa is therefore not against the formation of a trade union and no verbal or written condition has been stated to the workers restricting trade

union membership. The company obviously rejects any form of reprisals against workers due to trade union membership. As a matter of fact, it firmly supports any measure geared at creating a positive barrier-free working environment between management and workers and is in favor of all negotiation processes. There are currently thirty workers at the nacelle plant in India and committees have been set up to deal with aspects like the canteen, safety and procedures to make suggestions and queries. The blade plant is not yet fully operational and will join the process. The committees are therefore in the process of being set up.

Child and forced labor

Gamesa has no knowledge of any activities carried out within its corporate boundaries that involve a potential risk of exploiting child labor [HR6] or forced or compulsory labor [HR7]. Section 3.1 of the Gamesa Code of Conduct, which is aimed at respect for human right and public freedoms, sets forth the commitment to eliminating any kind of forced or compulsory labor by doing away with child and compulsory labor to return debts and ensuring no other kind of coerced labor exists. This condition has been extended to include the supply chain through the General Procurement Conditions, which incorporate this issue.

Security Practices

Gamesa is equipped with an Integrated Security Department whose main aim 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 permanent staff of ten employees geographically distributed 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's General Procurement Conditions, particularly the clauses on the protection of human rights and the prevention of fraud and corruption, apply to all contracts. [HR8]

The security workforce's composition varies on the basis of the business's needs. There was an average of 217 security guards in 2011.

Certification by a government agency authorizing them to provide security services and the existence of a health and safety policy are among the essential requirements demanded from suppliers.

Other awareness raising initiatives on global security issues in 2011 well worth mentioning include:

<i>Seniority / Experience at 2011 year-end</i>	<i>< 1 year</i>	<i>1-2 years</i>	<i>> 2 years</i>
Europe and the rest of the world	10%	15%	70%
United States	15%	20%	65%
China	60%	20%	20%
India	50%	20%	30%

<i>Security guard personnel</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Europe and the rest of the world	100	87	50
United States	22	21	10
China	52	55	35
India	43	23	5
Total:	217	186	100

- selection and contracting of a global security partner in the event of having to evacuate personnel from areas at risk;
- design and start-up of a security observatory in countries at risk;
- integration of the trip management platform and the security observatory;
- corporate intranet – minisite to provide support to travelers in areas at risk;
- e-learning platform (world-wide initiative);
- best practices on integrated security. 979 employees called upon to attend – 979 hours of training.

The service is equipped with permanent communication channels and queries can be made by employees. In Europe alone, 18,103 actions concerning integrated security issues were dealt with (anti-social behavior, occupational accidents, information, awareness raising, functioning of security teams, etc.).

The 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

No violations of the rights of indigenous people were detected by the Regulatory Compliance Unit during 2011. [HR9]

5. Society

Gamesa has developed regulations against fraud and has put into practice mechanisms to prevent conflicts of interest, cases of corruption or bribery

The creation of sustainable employment, the contributions made to the development of local supply chains and compliance with environmental regulations are some of the contributions the company makes to social development

Management Approach

Gamesa contributes to the improvement of the quality of life and wealth creation by providing its own services like promoting and launching new business activities, as well as by driving forward socio-economic development through non-business channels.

The principles maintained in Gamesa's relationship with the community are the following:

- awareness of social change in order to better understand how the needs of society in general evolve and thus anticipate future demands of the environment;
- systematic, fluid and truthful information about its activities that generates a climate of trust and credibility;
- respect for the environment, complying with prevailing regulations and collaborating in the conservation and improvement of same;
- job creation by leading new competitive business developments;
- providing support to the development of disadvantaged groups and sectors;
- making a contribution to raising the scientific and technological level of our environment, as well as promoting the use of technologies and methods of action which are respectful to the environment;
- collaborating with institutions as platforms of activity for the community's improvement and development.

This awareness is translated into activities having to do with the development of the socio-economic environments in which the company operates through community support projects and programs. (See section EC8 for further details).

The company's management approach likewise includes commitments geared at respecting prevailing legislation in the countries where it performs its activities and avoiding any behavior which, without breaching the laws of the countries where it operates, would contravene the ethical values principles and behavior set forth in the Code of Conduct.

In this area, Gamesa has developed regulations against fraud and has put into practice mechanisms such as the regulation on the prevention of conflicts of interest and/or cases of corruption and/or bribery.

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

The company is equipped with several mechanisms aimed at raising the awareness of its professionals about a variety of issues connected with the community in which they operate, including policies, codes, regulations and other compliance oversight tools.

Community

[S01] As indicated in the management approach on labor practices, an essential pillar of the company's human capital management is to be found in its philosophy of social relationships with workers representatives, namely the social dialog model. Important milestones during 2011 include signing the second Gamesa Collective Agreement in the United States, as well as the agreement reached with a majority of the workers' representatives to conduct a downsizing plan aimed at suspending operations at four plants in Spain and ending them at one plant. (*See indicator LA11 for further details*)

As a result of the company's rapid expansion, the need to create a department to provide business support when breaking into new international markets has been identified. This internationalization department works on establishing the legal and labor framework, company policies, labor calendar, employee manual and social benefits to be applied in any countries where local recruitment is expected.

From the standpoint of compensation and benefits, the value proposition for Gamesa employees in their respective countries always takes into consideration the social benefits most in demand in the territory in question. In order to achieve this, market studies drawn

up by renowned consulting firms are used as a reference to ensure the best complement is offered to policies on welfare, social, health, canteen, etc.

The salary structures proposed by Gamesa in 2011 followed specific analyses³⁷ on adapting to local compensation and were conducted with a view to the establishment or formalization of operations in the following countries: Bulgaria, Egypt, Hungary, Japan, Morocco, Mexico, Romania, Singapore, Sweden, Tunisia, Turkey and the United Kingdom.

Other collaborative actions which encourage the recruitment of local people are related to the execution of 31 employer branding actions carried out in 2011 through participation in trade fairs, employment forums and actions to promote Gamesa at universities aimed at incorporating training programs for the professional profiles in greatest demand, as well as in geographic areas where the company has a presence.

³⁷ Mercer Consulting salary benchmark: "Worldwide Global Pay Summary" Ed. 2010

Actions to promote recruitment 2011

<i>Geographic area</i>	<i>No. of actions</i>	<i>Actividad</i>
Spain	7	Presence at employment fairs organized by the Universities of Navarre, Deusto, Madrid School of Industrial Engineering, Complutense, Politécnica, Politécnica de Madrid, UNED and the renowned IE Business School. Participation in the 5th Virtual Employment Fair, Universidad Politécnica de Madrid, 904 visits and 585 curricula collected. Visit to the offices by a group of 25 MBA students from the McDonough School of Georgetown University. Presentation on Gamesa and establishing networking and collaboration relationships, especially in the United States.
United States	10	Participation in seven employment fairs at MIT, Drexel University, Princeton University, Temple University, Northwestern Renewable Institute and Penn State University Participation in three actions at universities to raise brand awareness and networking. Columbia University and Penn State University
China	10	Participation in five employment fairs in Tianjin and Inner Mongolia. Participation in five actions at universities to raise brand awareness and networking. University of Tianjin, Tianjin Industrial School
United Kingdom	3	Participation in three industry employment fairs: All-Energy Aberdeen, Offshore Wind Conference & Exhibition in Liverpool and Renewable UK Conference & Exhibition in Manchester
India	1	In an effort to create brand awareness, the AI Gore Sustainability Technology Venture Competition at the University of Madras was sponsored. Organized by the Indian Institute of Technology, more than 360 professors, 6,000 students and 1,250 administrative staff took part. The aim of the competition was to inspire young students to design and develop innovative technology solutions to tackle the difficult topics of sustainability, climate change, energy security and the main social and environmental issues.

Cooperative actions with Universities in the development of engineering projects play a relevant role and included:

- Universidad Politécnica del País Vasco. ETSI-Bilbao. "Gamesa Teaching Facility": Research and development on specific know-how in mechanics, electricity and automation;
- Universidad Politécnica de Navarra. ETSII. "Renewables Teaching Facility": Research and development on electric and automatic machinery;
- Universidad Politécnica de Madrid. ETSIA and ETSII. "Gamesa Professorship": Research and development on aerodynamics, composite materials and power electronics for wind farms;
- Universidad de Zaragoza. "Gamesa Professorship": Promoting research and development on new sustainable technologies;
- University of Strathclyde, Glasgow. Collaboration agreement on research and development projects in offshore wind energy.

Scholarship and internship programs with which Gamesa collaborated in 2011:

- ICEX (Institute for Foreign Trade) scholarships;
- Ctius Scholarship Program;
- Educational Cooperation Agreement (Office of Internships and Employment);

- Initiation Program on Companies and Professional Employment;
- CUNEF - Gamesa Energía Collaboration Agreement;
- Educational Cooperation Agreement between the U. Carlos III and Enertron;
- Professional Training Module at Work Centers.

Corruption

The year 2011 marked the company's consolidation in terms of its positioning in the fight against fraud and the corruption in all their forms.

The work performed in preceding years and a series of measures have strengthened the organization's commitment. The following stand out among these measures:

- Approval of the Crime Prevention and Anti-Fraud Policy by the Board of Directors on March 23, 2011, which is aimed at promoting the same message among executives, employees and third parties, namely: that company's activities comply with the law and promote and defend the company's corporate values and principles on sustainability, among which the fight against corruption and the fraud in all its forms is to be found;
- Approval of the Ethics and Compliance Program, which guarantees before shareholders, public administrations and other stakeholders, as well as before

the courts, that the company exercises, taking into consideration the group's governance model, due control over what it may be legally required to comply with regarding administrators, executives, employees and other entities which depend on the company, particularly the rejection of corruption and fraud in all its forms, including extortion, coercion and bribery, within a framework of robust principles of corporate governance based on business transparency.

- The Ethics and Compliance Program establishes and plans the set of activities or measures to be adopted by Gamesa in order to prevent crimes and fraud, as well as their detection and the reaction against them should they come about within the framework set forth in rules 3.2 and 3.7 of the Gamesa Code of Conduct. Gamesa has developed an action plan to strengthen the company's ethical framework and to consolidate and promote exemplary behavior, which includes the implementation of a framework of ethics and integrity across the company, a training system having a global scope, a suitable framework of indicators, extending compliance to include contractors, collaborators, suppliers and collaborating companies, as well as the application of a due diligence methodology on ethics and integrity for new projects and markets.
- The collegiate nature of the Regulatory Compliance Unit, comprised of the Chief Counsel, the General Manager of the Legal Department, the Manager of Internal Auditing and the Compliance Officer, which is entrusted

with the definition, design, monitoring, updating and effective oversight of the Ethics and Compliance Program, reporting directly to the Management Committee and the Audit and Compliance Committee. It has likewise been entrusted to exercise effective oversight and monitoring of the regulatory environment affecting Gamesa's activities and to supervise and safeguard compliance with the Internal Rules of Conduct Regarding the Securities Markets and the Code of Conduct, holding special responsibility for promoting a culture of compliance and the prevention of corruption, bribery and potential conflicts of interest within the group.

- The Compliance Officer who, through delegation by the Regulatory Compliance Unit, has been entrusted to conduct the ordinary management of the Ethics and Compliance Program and to promote and implement crime prevention and anti-fraud protocols and mechanisms.

Other implementation and/or control measures have been added to these measures, which are aimed at ensuring the existence of suitable internal controls, procedures, processes, along with action and decision-making protocols contained in the crime prevention and anti-fraud measures. The internal rules, procedures, processes, and action and decision-making protocols on the matters or areas set out below were reviewed and updated in 2011: Corporate Governance and Business Risk Policies; direct and indirect procurement of

investments and services; certification of suppliers, materials and components; certification and monitoring of subcontractors; investments in tangible and intangible fixed assets; accounting policies and standards; contract approval; regulation of Gamesa's legal and corporate structure, bodies of administration and powers of attorney; management of trips, advances, petty cash and credit cards; protection of Gamesa's technological assets, know-how and intellectual property; information security; personal data protection; the use of communication resources; occupational health and safety; environmental protection; and general terms and conditions of agreements.

These rules cover and affect all business areas and corporate units in any of the company's geographic areas. It can thus be affirmed that all of them together constitute the activity of analyzing and controlling corruption risks. [S02]

These control systems are complemented with a reporting channel, which underwent a standardization process in 2011 and was made available on the intranet, the Internet and by post. The system of rights, obligations, guarantees, terms and conditions of access and use of this channel by users were also standardized. All these tools jointly cover the entire workforce and activities of the company with regard to corruption risk control.

Furthermore, the training actions conducted in the different geographic areas cover all of the company's business units and their recipients (489) form part of the management group. This ensures that the company is based on solid principles of good governance, including the fight against corruption, the dissemination of a culture of compliance and respect for the law among those who form part of the teams led by those people. [S03] (See indicator HR3 for further details)

Actions taken in response to incidents of corruption [S04]

Twenty-two (22) reports on alleged breaches of the provisions set forth in the Gamesa Code of Conduct were received through the reporting channel in 2011.

Of these, two made reference to Rule 3.7 (Fight against Fraud. Rejection of corruption and the bribery) as the rule allegedly breached. After having conducted the relevant investigation, none of them turned out to reveal the existence of any conduct in breach of the rule.

No. of reports received	2011	2010	2009
Spain	16	15	12
United States	1	3	4
China	4	0	0
Europe and the rest of the world	1	1	0
Total:	22	19	16

Public policies

Gamesa takes part in the development of public wind energy policies through its membership in industry associations in the countries where it has a presence [S05]. Through these associations it also defends the interests of wind energy and works on consolidating it as a response to the energy crisis and climate change, as well as a key option to meet targets on the reduction of polluting 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 perform its activities and policies to reinforce the development of wind energy markets, infrastructures and technology, including:

- the implementation of regulations favoring wind power by developing strategic initiatives to influence public policy so that stable markets are created and maintained and constraints against wind energy are overcome;
- the defense of efficient renewable energy incentive schemes, principally feed-in-tariffs, which have been demonstrated to be the most effective to provide security, continuity and trust to investors. The most developed wind markets use feed-in-tariffs;
- setting ambitious targets for the presence of renewa-

ble energies in the energy mix;

- the elimination of technical, bureaucratic and market constraints that limit the growth of wind power;
- promoting R&D and innovation;
- making politicians, opinion makers, companies, the media, public opinion, NGOs and other stakeholders aware of the benefits provided by wind energy.

At Gamesa, relationships with public authorities are guided by institutional respect and strict compliance with the law, as established in section 3.14 of the company Code of Conduct. Thus, 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, recognized and regulated practice. The financial contributions Gamesa allocates to this activity are disclosed and made available on the Lobbying Disclosure Database³⁸. [S06]

³⁸ <http://soprweb.senate.gov/index.cfm?event=selectfields>

Anti-competitive behavior

Gamesa states that it has not brought or been accused by any legal actions for anti-trust and monopoly practices. [S07]

Regulatory compliance

Gamesa states that it has not been penalized for failing to comply with any laws or regulations. As far as it is aware, Gamesa complies with all legal provisions and regulations. [S08]

The life cycle assessment of a wind turbine allows to have a total overview of the product and process, and to focus on improvement and efficiency opportunities and on increasing competitiveness

6. Product responsibility

Management Approach

The main products that Gamesa places on the market include a wide range of wind turbines developed to offer the best performance depending on the different kinds of sites. (*See indicator 2.2*)

The company has its own wind turbine design and technology development capacity, which is vertically integrated and includes the manufacturing wind turbine components, in addition to assembly. This ensures Gamesa is able to plan and control product design and development, along with operations and maintenance services.

From the perspective of customer health and safety, Gamesa determines the steps, reviews, assurances and validations at each stage of the design and development process when it is planned. It also assigns responsibilities and authorities of this process. In order to do so, it manages the interfaces among different groups involved in design and development, ensuring efficient communications and a clear assignment of responsibilities. The inputs connected with product requirements include: functional and performance requirements, any legal and regulatory requirements which apply, information from preceding similar designs, requirements specified by the customer and recyclability, along with other essential design and development requirements.

As part of the systematic reviews conducted at each stage, all the necessary aspects to ensure the inclusion of relevant issues having to do with occupational health and safety, the environment and energy efficiency are included in all processes, including product design and development, along with the management of any changes that may have an incidence throughout the product's useful life.

One of the key factors for Gamesa is being customer-driven. The company's flexibility to offer its customers technologies, products, services and innovative ideas aimed at improving their competitiveness is a determining factor. Gamesa's relationship with its customers is therefore based on fully responding to their requirements and meeting their needs through ongoing communications in order to measure the quality of service offered, which is a differentiating element in addition to constituting a guarantee in the market.

For this reason, the company strictly complies with standards to ensure Gamesa wind turbines are duly certified by renowned independent entities in accordance with the most current design standards and type certifications. It includes the following measurements and assurances in these certifications:

- Product design in accordance with standard wind parameters (classes);

- Loads in accordance with specifications;
- Power curve measurement;
- Noise level measurement;
- Energy quality measurement;
- Production center inspection.

Customer health and safety

The purpose of the process known as "Life Cycle Assessment" (LCA) is to assess the environmental loads associated to a product, process or activity, taking into account its entire life cycle. It is based on making a material and energy balance of the system under study, so as to identify the system's inputs and outputs to subsequently assess the different environmental impacts it may cause.

Gamesa has had an interest in the life cycle assessment system for quite a number of years [PR1]. The very first LCA was conducted on a G80-2.0 MW wind turbine in 2009. It demonstrated the value and great potential of this innovative tool, which allows a company to have a total overview of its product or process throughout all the stages of its life cycle and to focus on improvement and efficiency opportunities and on increasing competitiveness.

The Ecowind project came to an end in December 2011. This project involved a Life Cycle Assessment of

LCA enables an overview of the entire life cycle to be obtained and allows improvement actions to be deployed at each of its stages, including: design, raw materials and components procurement, manufacturing, delivery, assembly, operation, maintenance and dismantling

6. Product responsibility

a Gamesa G90-2.0 MW wind turbine, which inventoried 99.8% of the entire wind turbine and covered the following components: nacelle, rotor, tower and foundations. Today LCA has become a tool ready to be implemented on the G9X-2.0 MW platform to optimize the life cycle of this successful well-known product platform.

Gamesa has also conducted a life cycle assessment (LCA) of the Electric Vehicle Recharging Point project, upon which the evolution of the different prototypes will be based, in order to improve the product's quality, technology, materials, sustainability and efficiency throughout its entire life cycle, as well as to obtain an ecodesign certification.

The next steps involve deploying the tool for the G10X-4.5 MW and offshore platforms and moving forward in the LCA tool's integration into the technology area.

LCA enables an overview of the entire life cycle to be obtained and thus allows improvement actions to be deployed at each of its stages, including: design, raw materials and components procurement, manufacturing, delivery, assembly, operation, maintenance and dismantling.

- Design: environmental aspects are taken into consideration from the projects' initial design stages by including the requirements the product, the subsystems, the parts and their associated processes will have to meet (RD - Requirements Documents), the relevant environmental design assessments (EDA), environmental design observations (EDO), and lastly the manufacturing process environmental impact assessment report (MPEIAR); support and supervision activity of the first wind farm prototype designs;
- Raw materials and components procurement: working with the supply chain, especially the suppliers whose activities are more environmentally friendly in order to gain traction from its suppliers and having a more sustainable source of supply;
- Manufacturing: the focus has mainly been placed on reducing waste, raw material consumption and VOC emissions. Success has been achieved at eliminating unnecessary processes, like applying protective tape to the leading edges of blades or cleaning trowels with solvents. Less polluting and more efficient processes have also been introduced, such as: Teflon trowels, low waste and emission painting systems, ultrasound cleaning of tools, solvent recovery distillers and part cleaning systems equipped with water recovery at gearbox plants. At the same time less, polluting products

have been certified, like high-solid paints and low VOC content cleaners, and chromates and halogens have been progressively replaced;

- Delivery: use of returnable packaging between Gamesa centers and from plants to wind farms, thereby minimizing waste generation and consumption of packaging;
- Assembly: drawing up most of the assembly manuals issued with the relevant environmental warnings and observations. Inclusion of environmental kits and standard waste containers in lists of materials;
- Operations and maintenance: integrated spill containment devices designed to avoid any possible accident or leak during operation, as well as tools for support tasks. Operations and maintenance manuals were entirely reviewed in keeping with the technology creation flow and include all relevant environmental warnings and observations. Inclusion of environmental kits and standard waste containers in lists of materials;
- Dismantling: the dismantling and inertization manual for the G10X-4.5 MW wind turbine was initiated in 2011 and will be concluded in 2012. There are plans to update the generic manual drafted in 2005 for the preceding G5X-850 kW and G9X-2.0 MW platforms.

Las actuaciones prioritarias en los productos son claras: orientar la oferta a sus necesidades y al desarrollo de nuevas tecnologías que permitan mejorar los parámetros de productividad, sostenibilidad y excelencia de los productos y servicios

The company is equipped with management elements to set the activities, responsibilities and work flows to ensure that the occupational health and safety of in-house and external workers who will have to interact with the product throughout its life cycle is taken into account in the product's design. More specifically, the PHS-TEC-001 framework rule sets an appropriate application scope for Gamesa's Customer Solutions Conception System (SC2G).

The purpose of health and safety assessment is to detect intrinsic design features that could unnecessarily generate future hazards or dangers arising from a poor conception of safety conditions, which could affect the health and safety of workers who will work on the element designed throughout its useful life.

Gamesa has no record of any incidents in 2011 arising from a failure to comply with legal regulations or voluntary codes on the impact of products and services throughout their useful lives on the health and safety of workers. [PR2]

Product and Service Labeling

Gamesa places special importance on providing an appropriate degree of information and labeling on the sustainability of its products and services. Given the nature of the equipment sold, warranties are set forth in agreements between the customer and the supplier. [PR3]

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

Likewise, any sales messages drawn up by Gamesa are conceived under the umbrella of a transparent 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 geographic areas where Gamesa has a commercial presence and ensure compliance with legal regulations.

Gamesa has no knowledge of any penalties in 2011 arising from the marketing tools used to communicate about its products. [PR4]

Customer satisfaction [PR5]

Gamesa aspires to meet its customers' expectations, improve the channels of communication with them and ensure maximum quality in its offering through its sales activities.

Priority actions in this are clear and include: gearing the offering to customer needs and to the development of new technologies, so as to allow for an improvement in the productivity, sustainability and excellence parameters of products and services to the benefit of its customers.

Gamesa considers a close relationship and ongoing dialog as essential to gain first-hand knowledge about customer needs, expectations and requirements. Gamesa establishes continuous feedback mechanisms and processes. The company has made a significant effort in recent years to remain close to customers and strengthen personal attention by opening new commercial offices to make more information available on products and their features, as well as to channel queries, complaints and claims.

Additionally, the company's participation in international trade fairs and holding specific events with customers open up new channels of communication which make a contribution to strengthening business relationships.

Gamesa conducts a Customer Satisfaction Project (CSP) every two years, a tailored survey on main customers, allowing it to establish direct communications and measure the quality of its service.

To do so, topics linked with the development, construction and operating stages of projects are assessed, along with overall perceptions on the company.

Nineteen clients from six different countries took part in the last CSP conducted in 2010, which accounted for 92% of the MW sold/contracted during the period under study. The overall satisfaction rate with the company reached 100%, as opposed to the rate of 85% obtained in the preceding survey.

Characteristics of CSP 2010

<i>Methodology</i>	<i>Allows to</i>	<i>Profile of interviewees</i>
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)	Strengthen focus on customers Focus on key aspects of the business Define a framework to gather highly valuable information for the company A format that facilitates more dynamic interviews to be used Gather data with a view to improving future questionnaires	Nineteen companies from six different countries The sample was guaranteed to include companies with different profiles and its size was large enough to offer a statistically reliable result.

The survey asked about the degree of importance (on an ascending scale of importance from 0 to 3) and the level of satisfaction interviewees attributed to a series of aspects on the different stages of their activity (development stage, construction stage, operating stage and a section on overall satisfaction with Gamesa as a company). Suggestions and/or comments through a series of open questions were likewise requested.

Methodology of CSP 2010

<i>Area</i>	<i>Closed questions</i>	<i>Open questions</i>
Development stage	15	8
Construction stage	13	6
Operating stage	12	11
Overall satisfaction	7	13
Total	47	38

The results show a high level of satisfaction with the development and construction stages and a very positive assessment of Gamesa as a company was obtained. An optimum level of satisfaction was also achieved for the operating stage. None of the stages were identified as an area of customer dissatisfaction.

Stage	Assessment	Aspect	Strengths and weaknesses
Development	Highly Satisfied	Positive assessment	Business credibility and compliance with commitments Delivery terms offered
		Area needing improvement	Profitability of the product
Construction	Highly Satisfied	Positive assessment	Compliance with ex-works delivery deadlines Level of safety and observation of safety protocols Project management quality
		Area needing improvement	Compliance with commissioning acceptance certificates (CAP)
Operating	Satisfied	Positive assessment	Duration of the agreement (warranty and maintenance) Availability of the Gamesa G5X-850 kW platform Quality of training
		Area needing improvement	G8X availability Quality of operations jobs
Gamesa as a company	Highly Satisfied	Positive assessment	Commitment to communities Agreements that create value for both parties
		Area needing improvement	Technology and innovation

Marketing communications

Gamesa took part in 28 international trade fairs in five continents with its own stand in 2011 [PR6], an increase of 56% when compared to 2010.

During the year, Gamesa took part for the very first time in important trade fairs in markets like Australia and South Africa, as well as in specific offshore trade fairs in Europe. In addition, awareness about Gamesa was boosted in new markets (Finland, Chile, Philippines, Colombia, Singapore and Jordan) by sponsoring industry conferences and having a presence at networking meetings. Participation in all these events was also tied to a presence in their lecture programs through specific presentations on the product, services and technology solutions offering developed by the company.

For the second consecutive year, Gamesa chose to do product seminars with customers, which mainly took place in São Paulo, Brazil and Paris, France.

Gamesa has put into place an ambitious sponsorship program since 2011, sponsoring the Gamesa Sailing Team led by Mike Holding to take part in the Vendée Globe 2012 regatta. The team tackled its first challenges during the year to prepare for the event: the Transat Jacques Vabre regatta (Le Havre, France) and the Transat B2B

regatta (Saint Barthélemy). Gamesa organized specific actions with customers at both regattas, while participating for the first time with a stand in the race village of a sailing event (Transat Jacques Vabre).

Customer privacy

Gamesa has no record of any incidents in 2011 related to the marketing and advertising of its products [PR7]. Gamesa states that it has not brought or been served any claims by third parties regarding privacy issues and the leaking of its customers' personal data. [PR8]

Cumplimiento normativo

Asimismo, no tiene constancia en 2011 de sanciones o multas significativas, relacionadas con el incumplimiento de los requisitos de salud y la seguridad de los productos y servicios ofrecidos por Gamesa, ni relacionadas con el incumplimiento de la información relativa al producto. Tampoco existe constancia en 2011 de sanción alguna relacionada con acciones de marketing, incluyendo la publicidad y la promoción. Por último, tampoco hay constancia en 2010 de sanciones relacionadas con el incumplimiento de condiciones contractuales pactadas, ni por tanto resoluciones firmes por vía administrativa o judicial que hayan derivado en sanción por esta causa. [PR9]

06

Annexes



AENOR Asociación Española de
Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 009/12

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 2011***

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 7th March, 2012 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-003/12 rev. 1 dated 7th February, 2012 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://database.globalreporting.org>.

Issued on: 11th April 2012


Avelino BRITO
Chief Executive Officer



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PROTECTED AREA	<i>A geographically defined area that is designated, regulated or managed in order to attain specific conservation objectives.</i>
BRM	Business Risk Model
CERES	Coalition for Environmentally Responsible Economies - Coalition of investors, environmental organizations and other public interest groups that work with companies and investors in tackling sustainability issues, such as climate change
CoE	Cost of Energy
COP	United Nations Global Compact Communication on Progress
VOC	Volatile organic compounds
CRO	Regional operative center
EMAS	Eco-management and audit scheme
DIRECT EMISSIONS	Emissions from sources that are owned or controlled by the organization. For example, direct emissions related to combustion from burning fuel to obtain energy within the operating boundaries of the organization
INDIRECT EMISSIONS	Emissions resulting from the organization's activities that are generated from sources owned or controlled by another organization. Within the context of this indicator, indirect emissions include the greenhouse gases emissions from the electricity, heat or steam generation imported and consumed by the organization
ERE	Downsizing plan, from the Spanish Expediente de Regulación de Empleo
ESG	Environmental, Social and Governance
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
R&D and Innovation	Research, development and innovation
FR	Frequency rate: No. of accidents resulting in sick leave per million hours worked
SR	Severity rate: Number of working days lost due to occupational accidents involving sick leave per 1,000 hours worked
HR	Hazard rate: No. of accidents involving a worsening of health with or without loss of work per 1,000,000 hours

PROTECTED AREA	<i>A geographically defined area that is designated, regulated or managed in order to attain specific conservation objectives.</i>
IPP	Independent power producers.
KPI	Key Performance Indicator
Mill. €	Million euros.
MWe	Construed as wind turbine equivalent MW sold, data according to accounting criteria. For further details see the Management Report included in the Legal Report 2011.
O&M	Operation & Maintenance.
OECD	Organization for Economic Cooperation and Development. Its members include: Australia, Germany, Austria, Belgium, Canada, Chile, Korea, Denmark, Spain, Slovenia, the United States, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Israel, Italy, Japan, Luxembourg, Mexico, Norway, New Zealand, the Netherlands, Poland, Portugal, Czech Republic, the United Kingdom, the Slovak Republic, Sweden, Switzerland and Turkey.
OHSAS 18.001	Occupational Health and Safety Assessment Series.
ODS	Ozone depleting substances.
DP	Product development projects.
CSP	Customer satisfaction project.
CSR	Corporate Social Responsibility.
ROW	Rest of the world
RW	Restricted work: Injuries or illnesses which prevent the worker from working a full shift or performing some of the tasks which form part of his regular job, but which do not result in sick leave.
SC2G	Gamesa Customer Solutions Conception System
TEP	Tons of Equivalent Petroleum.
Type of employment	Direct workers: direct labor, workers directly related to manufacturing products at the factory. Indirect workers: positions offering support to direct labor; Structure workers: any position other than the above.
MT	Medical treatment: Injuries or illness that need to be treated by medical personnel, but which do not result in sick leave or work restrictions for the worker's normal job.
RCU	Regulatory Compliance Unit
WBCSD	World Business Council for Sustainable Development.

Certificate

Standard **UNE-ISO 14064-1:2006 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.**

Certificate Registr. No. 00/110090

TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
certify:

Certificate Owner: **GAMESA CORPORACIÓN TECNOLÓGICA, S.A.**
Parque tecnológico de Zamudio,- Edificio 222
E - 48170 Zamudio (Bizkaia)

(with the branches included in the annex)

Scope: Design, manufacturing, assembly, field assembly, start up, and after sales service of wind turbines and other mechanical and electrical components, wind and non-wind applications.

An audit was performed, Report No. 110090.
Proof has been furnished that the requirements according to UNE-ISO 14064-1:2006 are fulfilled.

Audit date: Audit done since 2012-02-28 till 2012-02-29.

Validated inventory: 2011

First validated inventory: 2010



2012-03-09 TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
Garrotxa, 10-12 – E-08820 El Prat de Llobregat

