

Sustainability report 2012

TABLE OF CONTENTS

LETTER FROM THE CHAIRMAN and CEO	3
1.- SUSTAINABILITY STRATEGY AND ANALYSIS	4
1.1.- GAMESA IMPACTS ON SUSTAINABILITY	4
1.2.- TRENDS, CHALLENGES AND OPPORTUNITIES FOR SUSTAINABILITY	5
2. ORGANIZATIONAL PROFILE	16
3.- SUSTAINABILITY REPORT PARAMETERS	20
4.- GOVERNANCE, COMMITMENTS AND PARTICIPATION OF INTEREST GROUPS	23
5.- MANAGEMENT APPROACH AND PERFORMANCE INDICATORS FOR SUSTAINABILITY	40
5.1.- ECONOMIC DIMENSION	41
5.2.- ENVIRONMENTAL DIMENSION	50
5.3.- LABOR PRACTICES	61
5.4.- HUMAN RIGHTS	70
5.5.- SOCIETY	75
5.6.- PRODUCT RESPONSIBILITY	78
6.- ANNEXES	82
6.1.- EXTERNAL ASSURANCE	83
6.2.- GRI APPLICATION LEVEL	84
6.3.- GRI CONTENTS INDEX	85
6.4.- GREENHOUSE GAS REPORT FOR 2012 IN ACCORDANCE WITH THE ISO 14064 STANDARD	89

LETTER FROM THE CHAIRMAN and CEO

Dear friends,

The 2012 fiscal year has been key for Gamesa, having conducted a thorough review of our business model, adapting it to a more demanding environment in order to ensure profitability.

In October we launched a new business plan for 2013-2015 that is ambitious, demanding and realistic, and which allows us to adapt to complex situations and prepares us to compete so that we may secure the company's future. This includes an accurate sizing that addresses not merely cyclical issues of shrinking demand, but also structural issues, in order to build a more efficient organization. This is a premise for the essential recovery and maintenance of profitability, including in complex settings like the one in which we find ourselves today. Only in this way will we be able to compete in an industry being threatened –by overcapacity, price reduction, loss of margins, etc.– but that also has opportunities for the future.

The 2013-2015 Business Plan details the ideas around which our value proposition pivots: continue to provide technological solutions and competitive products to our clients, with the launch of new platforms; focus on key markets; boost the development and sale of wind farms, though with a different financial approach; and focus on growth segments such as Operation and Maintenance services (O&M), areas in all of which we have managed to stake a differential claim in the market in recent years.

The transformation of Gamesa, which you can read a lot about in this report, is the key engine to respond to a global arena which is changing and extremely fast, which every day adds new and more demanding consumers, in scattered markets and those with different needs and that require more competitive energy for their own development. Gamesa provides energy that is local, inexhaustible, clean and safe, and which responds to the global increase in energy demand and the constant threat of climate change.

The 2012 Gamesa Sustainability Report brings us a little closer to our vision of integrity and corporate responsibility applied to business, addressing matters such as corporate governance, information transparency, environmental and social issues, our relationships and means of communication with our main stakeholders, and it explains our interest in measuring, analyzing and having the necessary tools to improve.

In the environmental area, just as a reference, the more than 26,000 MW we have installed throughout our history today allows us to avoid the emission of more than 40 million tons of CO₂ every year, or, put another way, the equivalent of offsetting the annual CO₂ emissions of more than 13 million vehicles. This power generation capacity would be sufficient to cover the annual consumption of 19 million households, a key contribution to reducing greenhouse gases, mitigating climate change and creating a more sustainable future.

From a social perspective, in 2012 Gamesa provided quality employment to 6,646 people around the world, ensuring the physical integrity and health of our professions as indicated by the steady decline in the frequency and severity rates of accidents (43% and 44%, respectively, in the last 3 years). Respect for human rights and civil liberties, the implementation of the contents of the United National Global Compact, the preservation of the natural environment, collaboration on the development and well-being of the communities with whom we interact and respect for international human rights and basic freedom standards are also among Gamesa's unwavering commitments.

This report is a demonstration of our rigorous management of risks and economic, environmental, social and good governance opportunities, also recognized by some of the most prestigious international sustainability indexes, such as the Dow Jones Sustainability Indexes and FTSE4Good, in which we had a continuous presence over the last 6 years.

I hope that this 2012 Sustainability Report, being made available by Gamesa to its stakeholders for the ninth consecutive year, and which follows the guidelines of the G3.0 version of the Global Reporting Initiative (GRI), is of interest to you, not only because it represents a balanced evaluation of our economic, social and environmental performance, but, essentially, because it contains our vision and position regarding the main factors that will determine our company's development in the near future.

Ignacio Martín
Chairman

2012 SUSTAINABILITY REPORT



1.- SUSTAINABILITY STRATEGY AND ANALYSIS

1.1.- GAMESA IMPACTS ON SUSTAINABILITY

Economic sustainability: 19 years of experience in the wind energy technology and industry sector allow Gamesa to position itself as a world leader in the design, manufacture, installation and maintenance of wind turbines. Its activity creates added value for its main interest groups, which it redistributes among its shareholders and generates products and services to meet the needs and requirements of client, shareholders, suppliers, employees and the communities in which it does business.

	2012	2011	2010	2009	2008	2007
Sales (MMEUR)	¹ 2,844	3,033	2,764	3,229	3,834	3,247
Equivalent MW sold	2,119	2,802	2,405	3,145	3,684	3,289
EBIT (MMEUR)	² (631)	131	119	177	233	250
Net BDI (MMEUR) (Losses)	(659)	51	50	115	320	220
DFN/EBITDA	³ 2.5x	2x	-0.6x	0.7x	0.1x	0.5x
Listing € on 12/31	1.66	3.21	5.71	11.78	12.74	31.98
Earnings per share (€) (Looses)	(2.63)	0.209	0.208	0.48	1.32	0.90
Gross Dividend per Share (€/share)	0	0.051	0.119	0.21	0.23	0.21

Social sustainability: Gamesa generates quality employment and is recognized for being aligned with the main commitments of international business ethics.

	2012	2011	2010	2009	2008	2007
Workforce	6,646	8,357	7,262	6,360	7,187	6,945
Sick Leave Frequency Index	2.39	3.84	4.19	4.91	9.15	20.06
Seriousness Index	0.073	0.09	0.13	0.16	0.19	0.30
% international workforce	36	42	36	31	32	33
% women on staff	23.74	23.17	24.55	25.52	25.34	22.30
% permanently employed	92	88	87	86	72	68
Hours of training / employee	23.59	39.57	32.27	32.32	32.79	24.10

	2012	2011	2010	2009	2008	2007
United Nations Global Compact	✓	✓	✓	✓	✓	✓
Dow Jones Sustainability Index	✓	✓	✓	✓	✓	✓
FTSE4Good	✓	✓	✓	✓	✓	✓
Ethibel Excellence Europe	✓	✓	✓	✓	✓	-
Global Challenges Index	✓	✓	✓	✓	✓	✓
CleanTech Index (CTIUS).	✓	✓	✓	✓	✓	-

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

	2012	2011	2010	2009	2008	2007
Raw materials (t/ MMEUR)	42	45	41	40	47	43
Energy consumption (GJ/MMEUR)	416	421	401	321	354	396
Water consumption (m3/MMEUR)	33	33	34	28	31	37
Waste generation (tons/MMEUR)	4	5	5	5	5	5
Waste generation (m3/MMEUR)	20	20	20	17	13	20
Tons CO2 emitted (tons/MMEUR)	16	18	21	15	17	19
Tons CO2 avoided (tCO ₂) ⁴	40,151,715	36,214,050	31,250,550	27,371,850	24,024,600	19,273,500
Tons CO2 emitted (tons/MMEUR)	1,384	1,636	1,403	1,036	1,239	1,467

¹ Considering the activities of promotion and sale of wind farms in the U.S. as continuous.

² Considering the activities of promotion and sale of wind farms in the U.S. as continuous.

³ Excluding extraordinary

⁴ Tons of CO₂ avoided due to the impact of the wind MW installed by Gamesa. Accumulated data.

1.2. - TRENDS, CHALLENGES AND OPPORTUNITIES FOR SUSTAINABILITY

NEW GLOBAL ARENAS

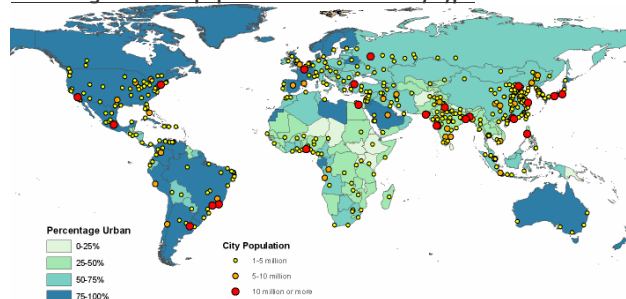
The world is in a process of rapid and deep transformation regarding economic, social and environmental values. For this transformation to be sustainable and successful requires an energy paradigm that provides access to modern energy services and ensures the safety of the supply and the sustainability of the energy mix, among other requirements. Environmental degradation, the increased energy demand and the use of unsustainable energy sources are the large obstacles to tackle. Wind energy plays a key role on the path to sustainable development, giving millions of people access to energy while contributing to ensuring the safety of the supply and reducing emissions of the greenhouse gases responsible for climate change.

This section goes over some key aspects of the global transformation in terms of social, economic and environmental change.

Social change: In 2050 it is expected that the global population will reach 9 billion people. The percentage of the population that lives in urban areas went from 29% in 1950 to more than 50% of the current world population (7 billion). It is even expected that this global urban population will rise to 72% in 2050, from today's 3.5 billion people to 6.3 billion. Thus, by the middle of this century, this urban population will have the same size as the entire world population of 2002. All this growth in world population will be concentrated in the urban areas of the least developed countries, whose populations will grow from 2.6 million in 2011 to 5.1 million in 2050.⁵ In conjunction with this growth, significant progress has been observed in the indicators that denote well-being: life expectancy, poverty reduction, energy consumption, income, health, access to basic services, etc. This sustained population growth, especially in Asia, includes the emergence of developing middle classes with higher per capita consumption; that is, there are millions of new and more demanding consumers who will need access to more basic services, more infrastructure and especially more competitive energy.

Providing technological solutions that enable the production of clean, everlasting energy everywhere is Gamesa's mission, and the company is pioneering this shift in the energy model toward a low-carbon competitive economy, reducing uncertainties about future energy solutions and increasing the credibility of renewables.

Percentage of urban population and clusters by type



World population, development and environmental indicators (2011) ⁶	Overall	Developed areas	Underdeveloped areas
Population (thousands)	6,895,889	1,235,900	5,659,989
Urban population (thousands)	3,479,867	928,853	2,551,014
CO ₂ emissions (tons of CO ₂ per capita)	5.8	12.0	3.4
GDP (US\$ per capita) ⁷	9,547	28,670	5,218
Motor vehicles in use (per each 1,000 hab)	184	560	70
Electric consumption (kgeq oil per capita)	1,826	4,820	1,127
Electric consumption (kWh per capita)	2,943	8,831	180

Economic change: The prosperity of world economies inevitably leads to increased energy needs in the form of increases in the use of fuels for energy production, vehicles, heating and cooling buildings, and the individual demands for mobility, equipment and electrical equipment that go hand-in-hand with society's well-being. Not surprisingly, in recent decades the energy needs of economies have been inevitably linked to increasing GDP.⁸

The world electricity demand increases almost twice as fast as total energy consumption, and the challenge of meeting this demand is exacerbated by the investment needed to replace aging infrastructure in the electricity sector. Of the new generation capacity to be installed by 2035, nearly a third is needed to replace closing plants. Half of the total new capacity comes from facilities generating renewable energies, although coal is still the main fuel for electricity generation. Reports on demand indicate that the total accumulated investment required for electrical infrastructure around the world will be \$9.8 trillion through 2030, or \$250 billion per year. Developing countries represent more than half of this investment, and China in specific accounts for the largest increase, exceeding \$2 trillion.⁹

⁵ United Nations. Department of Economic and Social Affairs. World Urbanization Prospects: The 2011 Revision
<http://www.un.org/esa/population/>

⁶ World Bank and United Nations. Department of Economic and Social Affairs. Urban population, development and the Environment 2011.

⁷ Gross domestic product per capita at purchasing power parity expressed in 2005 constant international dollars.

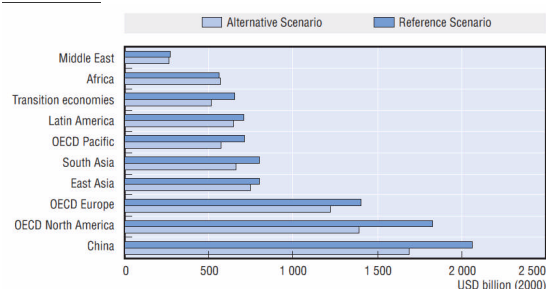
⁸ GDP: Gross Domestic Product. International Energy Agency (IEA): World energy outlook 2010

⁹ Organization for Economic Co-operation and Development (OECD): Infrastructure to 2030.

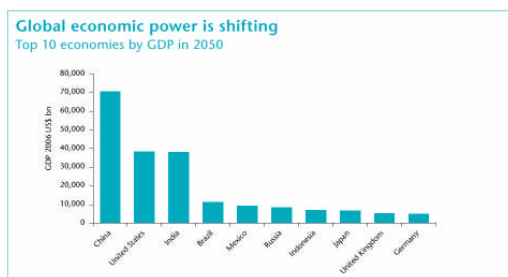
2012 SUSTAINABILITY REPORT



Accumulated investment in electrical infrastructure by region, 2003-2030



Changes in world economies



Source: Goldman Sachs, BRICs and Beyond, 2007

The increase in demand for electricity in China in the period leading up to 2035 will be greater than the current demand from the U.S. and Japan combined. Electricity generation from coal in China will increase almost as much as its nuclear, wind and hydroelectric generation combined. The global average price of electricity will rise about 15% in real terms until 2035, due to higher fuel costs, the trend toward more capital-intensive generation capacity and some countries setting a fixed price for CO₂. There are significant price differences between regions, with Europe and Japan enduring the highest prices, well above the U.S. or China. In this scenario, some 1,300 million people still lack access to electricity.

¹⁰ Therefore, a world energy map in flux entails potentially large-scale consequences for energy markets and trading. The picture changes as a result of the resurgence of oil and gas production in the U.S. and could continue to re-shift due to the removal of nuclear power in some countries, the continued rapid growth of wind and solar technologies, and the global spread of unconventional gas production. Therefore, a change in the power relations between the new economies and the companies operating in them is expected alongside the growth.

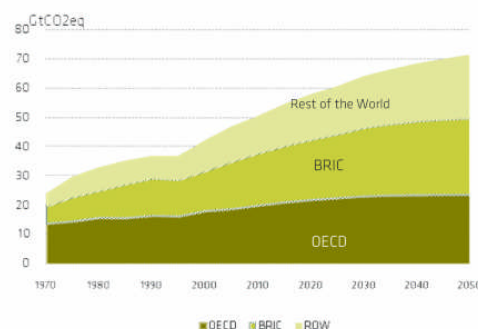
Environmental change: The scarcity of resources on the planet and potential climate changes will limit the ability of some 9 billion people to reach or maintain a level of consumption in 2050 that is consistent with the wealth generated in today's developed markets. Greenhouse gases will continue to increase as the population prospers and energy needs increase, reaching values close to 60 gigatons (Gt) of CO₂eq by 2030.

Today, two-thirds of global CO₂ emissions are generated by 10 countries, mainly China and the U.S., which produce 12 Gt CO₂ each year, or nearly 42% of all global emissions¹¹. The impact of these emissions, as indicated by the 2012 Climate Vulnerability Monitor, is about 400,000 annual deaths, with estimated economic costs of some \$1.2 trillion, currently 1.8% of GDP.¹²

In the future, OECD forecasts indicate that primary energy consumption in Brazil, Russia, India and China combined will grow 72% between 2005 and 2030, compared to 29% for the 30 countries that make up the OECD. Greenhouse gas emissions from these four countries alone will increase by 46% by 2030, exceeding the combined levels of the 30 OECD countries¹³. According to this scenario, the global concentration of CO₂ is expected to reach 530 ppm CO₂eq by mid-century and 780 ppm of CO₂eq by 2100. As a result, the average global temperature will rise by between 2.0°C and 2.8°C by mid-century and between 3.7°C and 5.6°C by the end of the century¹⁴.

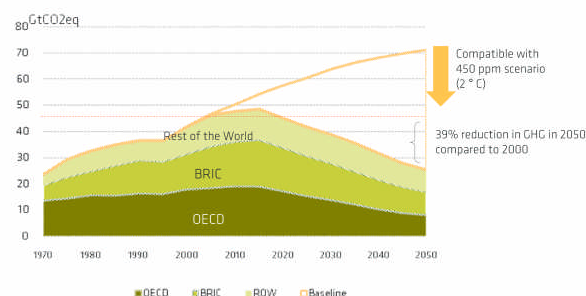
Evolution of greenhouse gas emissions

OECD prospective baseline (1970-2050)



Sources: Intergovernmental Panel on Climate Change (IPCC). Summary Report 2007
OECD (2012). OECD Environmental Outlook to 2050. OECD Publishing.
United Nations Environment Programme (UNEP). The Emissions Gap Report

Stabilization scenario 450 ppm (2 °C)



Sources: Intergovernmental Panel on Climate Change (IPCC). 2007 Synthesis Report
OECD (2012). OECD Environmental Outlook to 2050. OECD Publishing.
United Nations Environment Program (UNEP). The Emissions Gap Report

¹⁰ International Energy Agency : World Energy Outlook 2012

¹¹ Key World Energy statistics 2012. International Energy Agency (IEA)

¹² Climate Vulnerability Monitor 2012. <http://daraint.org/climate-vulnerability-monitor/climate-vulnerability-monitor-2012/report/>

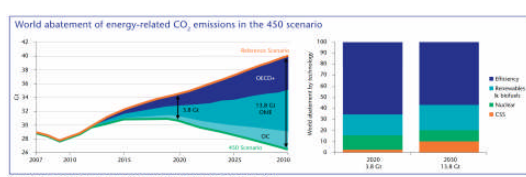
¹³ OECD Environmental Outlook to 2030.

¹⁴ OECD Environmental Outlook to 2050. Climate change 2007. Synthesis report. Intergovernmental Panel on Climate Change (IPCC)

2012 SUSTAINABILITY REPORT



In December 2009, the United Nations Framework Convention on Climate Change (UNFCCC) conference established the 450 scenario. This scenario assumes the introduction of the required government policies to stabilize the global atmospheric concentration of greenhouse gases at 450 parts per million (ppm) of CO₂eq. This is the minimum level that can provide the necessary guarantees to limit the increase in the global temperature of the planet in the 21st century to 2°C above pre-industrial levels, the target set by the Copenhagen agreement to lay the foundation for a green economy. For this to happen, experts calculate that in 2012 they will have to record global emission levels of around 44 Gt of CO₂eq for the possibility to exist of curbing the increase in temperatures to 2°C or less.



In this context, energy that is renewable, cleaner, safer, more affordable and more competitive is key, enabling the maintenance of this stable scenario of 450 ppm (parts per million) of CO₂ in 2030. Wind energy becomes a strategic element, growing at a constant rate to reach 282 GW installed worldwide in 2012.

NEW SCENARIOS IN THE WIND SECTOR

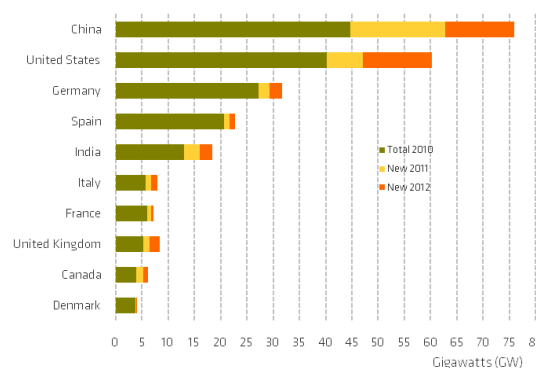
The wind industry seeks to contribute to energy security, both in terms of energy supply independence (local) and in terms of resource abundance (renewable), with an energy source that enables the diversification of the energy supply and the mitigation of potential adverse geopolitical situations through a local source.

The wind energy market continues to expand steadily, reaching 282,482 MW in 2012, with annual growth of nearly 10% and accumulated installed capacity growing at 18%. The United States saw record wind energy installation in 2012 (13,124MW) and the Chinese and Indian markets experienced a slight slowdown, with annual installations of 13.2 and 2.3 GW, respectively, through Asian countries are expected to continue dominating the wind market. European markets are still led by Germany and the U.K., and new "emerging markets" have appeared in Sweden, Romania, Italy and Poland, who installed 12.4 GW in 2012, a new record. Brazil led the Latin American market with 1,077 MW of new installations for an accumulated capacity of 2,500 MW, and Australia introduced 358 MW in 2012 for an accumulated total of 2,584 MW.¹⁵

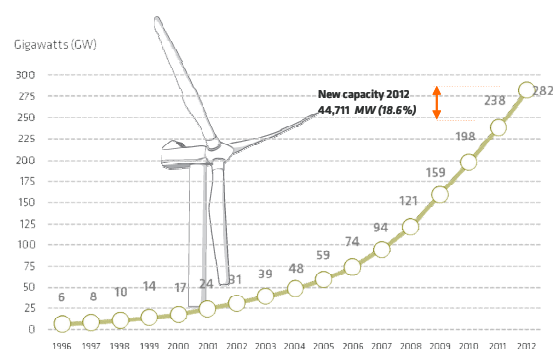
Global installed wind energy capacity (MW)¹⁶

	2012 Accumulated	% Share accumulated	New capacity 2012	2011	2010	2009
China	75,564	26.8	13,200	62,364	44,733	25,805
United States	60,007	21.2	13,124	46,929	40,298	35,086
Germany	31,332	11.1	2,439	29,071	27,191	25,777
Spain	22,796	8.1	1,122	21,674	20,623	19,160
India	18,421	6.5	2,336	16,084	13,065	10,926
United Kingdom	8,445	3.0	1,897	6,556	5,248	4,245
Italy	8,144	2.9	1,273	6,878	5,797	4,849
France	7,196	2.5	404	6,792	5,970	4,574
United Kingdom	8,445	3.0	1,897	6,556	5,248	4,245
Canada	6,200	2.2	935	5,265	4,008	3,319
Portugal	4,525	1.6	145	4,379	3,702	3,357
Rest of world	39,854	14.1	5,939	32,044	26,955	21,796
World-wide total	282,482	100	44,711	238,035	197,637	158,738

Installed wind energy capacity- Top countries 2012



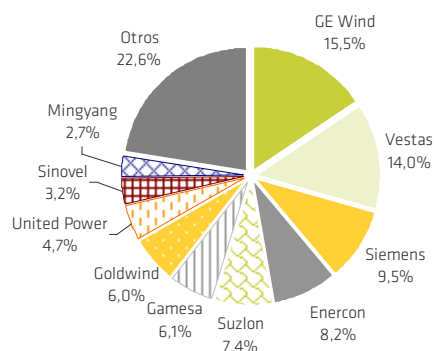
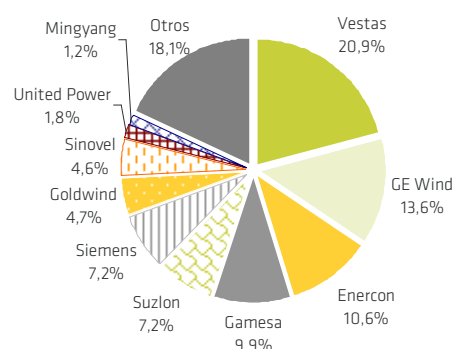
Installed wind energy capacity worldwide- Accumulated power Dec- 2012



¹⁵ Source Global Wind Energy Council (GWEC).
<http://www.gwec.net/global-wind-energy-solid-growth-2012-2/>

¹⁶ Source: Global Wind Energy Council (GWEC). "Global Wind Statistics 2012"

2012 SUSTAINABILITY REPORT


Market share of the top 10 wind turbine manufacturers
 (% share in 2012 of 43,134 MW)¹⁷

Market share of the top 10 wind turbine manufacturers
 (% accumulated share in 2012 of 246,326 MW total)


The moderate growth forecasts for the sector predict the volume of the wind energy market volume to be nearly 70 GW and the total accumulated capacity to be 759 GW by 2020. Under this same scenario, the market growth will continue throughout that decade, with the annual wind energy market approaching 100 GW a year and a total accumulated capacity of 1,600 MW by 2030.¹⁸

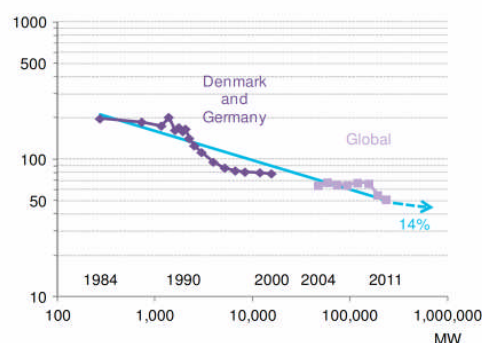
Market scenarios

	2020		2030	
	[MW]	[TWh/year]	[MW]	[TWh/year]
New policies	586,859	976	917,798	2,412
Moderate	759,349	1,963	1,617,444	4,251
Advanced	1,149,919	2,821	2,541,135	6,678

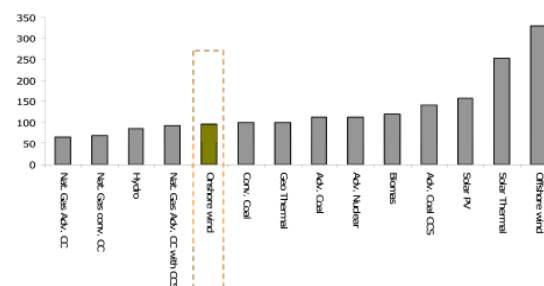
In terms of energy competitiveness (price per MWh), wind energy is one of the local renewable sources closest to generation cost parity compared to conventional sources such as coal or gas. The estimated energy costs attributable to a wind farm with strong wind resources

will be fully competitive with coal, natural gas and nuclear energy by 2016¹⁹.

The levelized cost of energy (LCoE), without subsidies, at sites with good wind resources, has fallen to €52/MWh from nearly €200/MWh in 1984. This is currently just €6 more expensive than the energy produced by burning gas. In areas with high winds, wind power can now compete on cost with fossil fuel technologies. The forecast points to a 12% reduction in the cost of wind energy over the next five years.

Evolution of the levelized cost of wind energy (€/MW)

Levelized cost of energy (\$/MWh)

The third most efficient source after gas and hydropower



The average costs of a wind turbine have fallen from €2M/MW in the 1980s to €0.88M/MW;

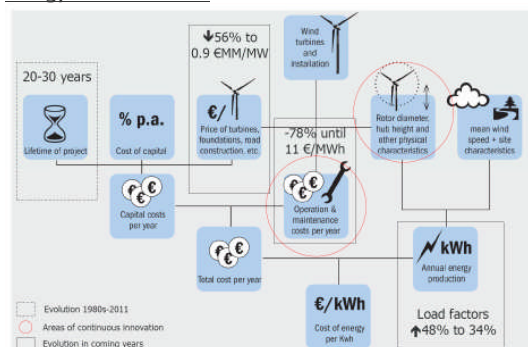
- Increasingly large wind turbines and efficiency improvements contribute to improving the capacity factor of wind farms. The energy from onshore wind farms is getting cheaper, as, with experience and innovation, we learn how to capture energy in low wind conditions, improve efficiency in normal wind conditions and build larger turbines with higher towers to access high-speed winds;
- Operation and maintenance costs have declined in real terms from €50/MWh in the 1980s to €11/MWh today.

¹⁷ Source: BTM Consult Aps. World Market Update 2012

¹⁸ Source: Global Wind Energy Council-GWEC. "Global Wind Energy outlook 2012"

¹⁹ Source: Bloomberg New Energy Finance; Grid parity for onshore wind (November 2011)

Energy cost calculation



The increasing competitiveness of wind energy in Spain, for example, has already made wind power the third-largest technology in the electrical system in 2012, with a production of 48,156 GWh and 18% coverage of the country's electricity demand. For a full quarter (Nov. 2012 to Jan. 2013), it has even been the top source of electricity in Spain, generating 16,410 GWh, 36% more than in the same period in 2011.²⁰

In Australia in 2013, the cost of electricity supplied by a newly-built wind farm is AUD 80/MWh (\$83), compared to AUD 143/MWh for a new coal plant or AUD 116/MWh for a new gas plant, including the emissions costs incurred by the Australia carbon tax scheme. Yet, even eliminating these taxes, wind power is still 14% cheaper than energy from a new coal plant and 18% cheaper than that of a new gas plant.²¹

The sector also adapts to changes detected in relationships with clients. Professional operators –utilities and independent power producers (IPP)– are making progress on consolidating the sector, accumulating profiles in local markets in order to meet their commitments to renewables and seeking wind turbine manufacturers as reliable long-term partners who can offer their expertise across the value chain through an integrated model.

Moreover, the internationalization of wind power requires the global support of manufacturers. Competition within the sector is based on offering the best cost of energy (CoE) as a combination of investment, operating and maintenance (O&M) costs, performance and availability over the useful life of the wind farm.

No less important, the goal of combating or curbing the impact of climate change makes wind energy a necessary source in the energy supply. Wind power is clean, barely consumes natural resources and is inexhaustible. It does not generate hazardous waste, does not emit CO₂ and creates jobs and purchasing from local supply chains.

NEW SCENARIOS FOR GLOBAL BUSINESSES

Despite the impact of the economic slowdown on business, many organizations are rapidly moving towards sustainability as a business imperative, linked to its ability to build trust.

In this changing socioeconomic setting, companies must acknowledge the power relations existing between these new communities and the companies operating in them. It is a setting in which the license to operate depends on the contribution of these same companies to forming societies made up of educated and prosperous middle classes.

Success is now based on the ability to generate distinctive capabilities, built around non-opportunistic relationships with third parties, and based on new business and management models aimed at creating shared value.

According to the 2010 United Nations Global Compact study "A new era for sustainability," 93% of CEOs state that sustainability will be critical to the survival and future success of their businesses and 72% believe that "brand, trust and reputation" is one of the three key factors that lead them to take actions with regard to sustainability. The fact remains that the full integration of sustainability into the business strategy and the complexity of its implementation and deployment across the entire supply chain are the major difficulties facing its development.

Added to all this is the careful, ongoing evaluation by socially responsible investors (ISR) of long-term investments, so it is essential to ensure that the value of sustainability actions can be evidenced using traditional metrics like cost reduction and revenue growth. The UNPRI estimates that the effective integration of ESG criteria into investment strategies reached a 7% market share of total assets under management.²²

Clearly, a growing percentage of market value is attributed to intangible assets. Between 1975 and 2010 the value of a company's intangible assets has gone from 17% to 80% for companies in the S&P500.²³

Therefore, entrepreneurial behavior is undergoing careful analysis, and intergovernmental global standards are emerging which facilitate greater control of the economic activity of companies and their social and environmental initiatives in order to strengthen the protection of human rights in all its dimensions.

An example of this is the "Communication from the Committee to the European Parliament and the Committee of the Regions regarding the renewed EU Strategy for 2011-2014 on corporate social responsibility (October 2011)" which renews the effort to promote corporate social responsibility and creates favorable conditions for sustainable growth, responsible business

²⁰ Source: Spanish Electricity Network (REE) and Spain's Wind Energy Association (AEE). Press release 1/31/2013

²¹ Bloomberg New Energy Finance (BNEF): <http://about.bnef.com/2013/02/07/renewable-energy-now-cheaper-than-new-fossil-fuels-in-australia/>

²² UNPRI, 5 Years of PRI: Report on Progress, 2011. UNPRI has more than 1,000 financial institutions signatories –with more than \$30 trillion in assets representing approximately 20% of the total value of the global capital market.

²³ <http://www.relationship-economy.com/2013/02/intangible-forces-of-change/>; International Integrated Reporting Council, Towards Integrated Reporting: Communicating Value in the 21st Century, 2011.

2012 SUSTAINABILITY REPORT



behavior and sustainable job creation in the medium and long term.²⁴

Employees demand talent management processes and processes for boosting employability, sustainable job opportunities and working conditions that exceed market standards for variables such as salary, job satisfaction, safety, career development and non-discriminatory treatment.

Providers, because globalization and logistical complexity, or because of the need to source/manufacture components in specific countries, are a cause for concern for their customers, who want improved control over CSR and the safety of all the members of the supply chains.

Society and communities demand the creation of shared value in a scenario in which the company contributes to the growth of societies, respecting the pressure on natural resources and minimizing impact, while also contributing to improving the quality of life of citizens by applying standards of transparency and inclusive communication processes.

GAMESA'S APPROACH TO SUSTAINABILITY

Gamesa's approach to sustainability in the face of the new scenarios described above is expressed in terms of competitive advantages, advantages that can be achieved through:

- Objectives and business strategy 2013-2015
- Corporate social responsibility (CSR) strategy
- Business risk control

Objectives and business strategy 2013-2015

In October of 2012 Gamesa's new 2013-2015 Business Plan was published²⁵: a plan to respond to a very competitive market situation with the goal of getting back on the path of creating value and prioritizing efforts for the recovery and maintenance and profitability, focusing on key markets and segments with the greatest growth, providing competitive technological solutions and strengthening the balance sheet.

The 2013-2015 Business Plan was created to confront, in the coming years, a market environment characterized by slower growth due to the economic weakness of developed countries, a weakness that negatively impacts energy demand and, therefore, the need for new generating facilities. In this situation, it is estimated that 90% of the growth in electricity demand in the years ahead will come from emerging economies, economies toward which the demand for new wind farms installations will shift.

Along with economic weakness, the high level of indebtedness of most developed countries, especially the

U.S. and southern Europe, and its impact on policies in support of renewable energy (special tariff schemes and tax benefits) also negatively impacts the sector by reducing the internal rates of return for wind projects. This, coupled with higher borrowing costs and limitations on borrowing, results in a downward adjustment in the investment plans of large electrical companies.

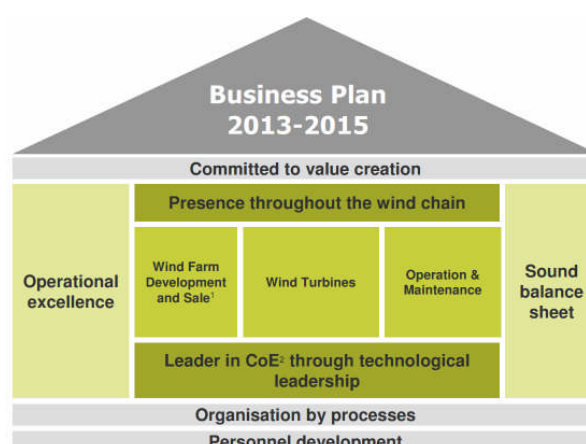
In addition to the slowdown in global demand, the wind industry will continue to suffer the impact of overcapacity in the short and medium term, especially in the United States and China, where the adjustment is complicated not only by lower growth in demand but by the world economic situation itself.

This lower growth environment and industrial overcapacity demands specific lines of action:

- Streamlining the structure of fixed and variable costs in order to optimize the income statement, while maintaining the flexibility to leverage future growth
- The deleveraging of the balance sheet by controlling investments in working capital and CAPEX
- A family of products designed to meet market needs that provide a Cost of Energy (CoE) that is competitive with traditional energy sources

These lines of action allow the company to operate profitably in a slower growth environment without losing the flexibility to leverage future growth and support the development of wind energy in the long term without requiring government support. To this end, the 2013-2015 Business Plan is based on three main pillars:

- Operational excellence
- The reduction of Cost of Energy through technological leadership and presence across the entire wind energy value chain
- A solid balance sheet



(1) Wind Farm Development and Sale: Gamesa Energía (Wind Farms)
(2) CoE: Cost of Energy (MWh)

²⁴ European Committee (EU). Companies and industry. See link: http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm

²⁵ More information on the 2013-2015 Business Plan at: <http://www.gamesacorp.com/es/accionistas-inversores/presentaciones/presentaciones-2012.html>

2012 SUSTAINABILITY REPORT



Operational excellence is based on 1) Prioritizing the safety and health of employees, 2) Continuous improvement and constant attention to quality, 3) Proper dimensioning for the market situation and efficient management and 4) Optimizing the variable cost of the product.

Dimensioning to be an efficient and flexible organization that can be profitable in the current context and that can benefit from future growth starts with setting up the organization by processes, focusing on ensuring customer satisfaction and the financial soundness of the group, with increased resources in growth areas such as O&M and in areas with customer contact, and with a reduction of resources in general and corporate services areas. As a result of this new dimensioning, Gamesa expects to reduce its fixed costs by over 25%, or €100 million, in 2013 compared to 2011.

Optimizing variable costs is based on 1) Matching capacity to demand by staying in key markets, impacting improvements in both cost structure and logistics; 2) A MAKE&BUY strategy for large components based on ROCE criteria²⁶ and a global supply chain with allocations based on TCO criteria²⁷; 3) A "best-in-class" manufacturing process with quality embedded into the process, with a positive impact on manufacturing costs and non-conformity costs. As a result of optimizing variable costs, Gamesa expects to improve the contribution margin by 4 percentage points²⁸ between 2012 and 2015.

Presence across the entire wind energy value chain (Promotion and sale of wind farms, design and manufacturing of wind turbines and operation and maintenance services) is still a key differentiator and a clear competitive advantage for Gamesa. However, the business plan includes operational changes in the three areas.

In the area of wind farm development, Gamesa will establish payment terms similar to those for wind turbines, and will seek customers who are funding partners and capital structures without resorting to the company's balance sheet, so that this division is not an obstacle to achieving the desired goal of financial strength.

The wind turbine division continues to focus on product development in line with market needs and a competitive CoE, with an R&D investment that is compatible with the size of the business.

The operation and maintenance (O&M) area takes on special significance due to its growth potential, its recurring nature and high cash convertibility, and its greater profitability; for this it relies on growth through technological leadership, prioritizing profitability over volume, cost optimization and better capital

management in order to help maintain the group's sound balance sheet.

A sound balance sheet seeks to maintain a strong financial position, becoming one of the priorities of the 2013-2015 business plan, following the investment effort (working capital) that came out of Gamesa Energy's commercial activity in 2012.

The lines of action to achieve a ratio below 2x DFN over EBITDA in 2015, the plan's target, focus on two areas: strict control of working capital investment and a dimensioned investment plan (CAPEX) that meets market needs but is compatible with the size of the business.

These measures, together with nearly €2.4 billion in credit lines, should allow Gamesa to develop its business plan organically without needing to access the capital market.

The 2013-2015 business plan was created with two clear goals: operate profitably in a slow-growth environment without losing the flexibility to grow when the market conditions improve; and creating value through optimizing the income statement and deleveraging the balance sheet.

The financial perspective associated with the plan:

	2012 ESTIMATE	2013 GUIDANCE	2015 VISION
Volume (MWe)	c. 2,000	1,800-2,000	2,200-2,400
Contribution margin	16.5%	17%-18%	>20%
EBIT Margin ¹	>0%	3%-5%	8-10%
WC/sales	15%-20%	c.15%	c.15%
Capex (M€)	<200	<150	<150
Group NFD/EBITDA ²	c.2.5x	<2.5x	<2x

(1) Normalised EBIT: without restructuring costs

(2) NFD including the estimate impact on cash of the measures included in the BP 2013-2015. Impact on Balance Sheet, without impact on cash, being analysed

²⁶ ROCE: Return on Capital Employed

²⁷ TCO: Total cost of ownership: Includes the cost of supplies, logistics and tariffs.

²⁸ Improved contribution margin (2015E vs. 2012) under the assumption of slightly decreasing sales prices and constant raw material prices, using the G97-2.0 MW as a standard machine and the sales mix (products, market and client) expected for 2013.

2012 SUSTAINABILITY REPORT

**Corporate social responsibility (CSR) Strategy**

In hand with the 2013-2015 business plan, the main goal of the CSR strategy is to make CSR a lever to increase the perceived value of the company with third parties. Through this and our action plans, we seek recognition of our business model and our own distinctive management, and are committed to value creation and sustainable development.

Gamesa's CSR strategy is not only warranted by market requirements and financial institutions, indexes and sustainability analysts, socially responsible investors, customers and employees, but also because it primarily responds to internal policies emanating from the Board of Directors.



This CSR strategy hinges on 3 axes:

Integrity: We seek to position Gamesa as an example of authenticity in commitments. Our goal is to have a benchmark action framework that makes Gamesa an outstanding company and ensures coherence between the business model and management and governance practices. As a result we hope to be a company recognized by investors for our cutting-edge management and governance practices on matters of corporate social responsibility. This includes programs on 1) Ethics and integrity; 2) Care for the environment and climate change and 3) Transparency.

Identity: This axis aims to formalize the company's way of doing things by having a consistent action framework that extends and homogenizes Gamesa's practices with employees and the supply chain throughout the world, ultimately making it the first option for employees and suppliers of reference. This includes programs on: 1) Human rights and strengthening labor practices in all of the company's areas of operations; 2) Workplace safety and health that strengthens the company's leadership in its sector and 3) Strengthening the ethical framework with regard to responsible practices in the supply chain.

Visibility: The third CSR axis centers on developing the environments in which the company operates and is present, contributing to fulfilling the legitimate aspirations for prosperity of those communities.

Eight axes with more than 60 specific actions for our full development in 2013-2015, in line with the effective term of the business plan.

Business risk control

Gamesa's risk and opportunity control and management policy provides the basis and the general context on which all the components of risk control and management rest, providing discipline and structure to aspects such as management philosophy, the identification model, the evaluation, measurement and control of risks/opportunities, accepted risk levels, communication, reporting and oversight by the Board of Directors, integrity, ethical values, competencies and the assignment of responsibilities.

The main goals of this policy are compliance with laws, regulations, applicable standards and contracts; reaching the targets sets by the Board of Directors; providing the highest level of assurance to shareholders; protecting and preserving the company's results, assets and reputation; exercising optimum control over the business areas and companies; ensuring the reliability and integrity of the information systems, defending the interests of shareholders, customers, employees, suppliers, and other groups interested in Gamesa's progress; and ensuring corporate stability and financial soundness on a sustained basis over time..

Control over the uncertainty of legislative changes, the speed with which they occur and their impact on business is a continuous challenge that Gamesa addresses with a comprehensive approach. So, since 2011 we have been strengthening the implementation of the procedure and specific role of "Global Compliance" in order to enable compliance monitoring for applicable legal requirements and those with the potential to become so.

There are additional policies and/or specific procedures designed to maximize and protect our economic, social and environmental value within a controlled variability. Environmental changes or revisions of objectives and strategies, among other things, can lead to the need to adopt new policies, standards and controls or to modify existing ones. Noteworthy in 2012, for example, is progress made in the development of the ICFR²⁹, which, as an integral part of our internal control, is intended to provide reasonable assurance regarding the reliability of the financial information that Gamesa, as a listed company, disseminates in the securities markets.

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

The Gamesa risk and opportunity management system and its policy complement one another. They are implemented using an organization, a model, various procedures and information systems that enable Gamesa

²⁹ ICFR: Internal Control System of Financial Reporting

2012 SUSTAINABILITY REPORT



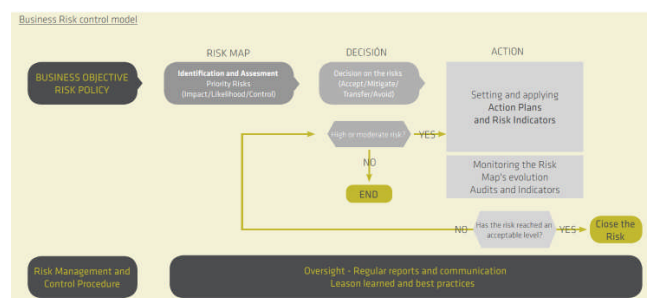
to identify, evaluate, prioritize and manage the opportunities and risks it is exposed to.

It has a structured organization for the management and control of risks, including:

- Board of Directors: oversees the policy for the identification, control and management of risks;
- Executive Committee: works on risk management and control, providing support to the work and decision-making of the Board of Directors.
- Audit and Compliance Committee: periodically monitors the internal control and risk management systems, setting and reviewing the map and the risk levels that are acceptable to the company;
- Executive Committee and Management Committee (General, Corporate and Geographical Divisions): responsible for the identification, evaluation, mitigation/elimination of these risks, for which it has the support of the network of risk controllers;
- Internal Audit: carry out independent supervision of the control system and report to the Audit and Compliance Committee.
- Regulatory Compliance Unit (RCU): oversees and monitors compliance with the internal rules of conduct of the securities markets and, in general, the company's governance. Furthermore, reporting to the Management Committee and Auditing and Compliance Committee, it is the official body (general secretariat, legal, internal audit and regulatory compliance) responsible for the surveillance and monitoring of the regulatory environment affecting our business;
- Board Risk Committee (BRC): defines guidelines and coordinates activities with the network of risk controllers and those responsible for BRC risk control in the different geographical areas.

The risk management methodology forms an integral part of Gamesa's strategic and operational activity, according to its opportunity and risk control and management process, approved in 2008 and which is included in the certified management system. Gamesa considers and groups risks into the following categories:

- Environmental risks caused by external factors independent from the management of the company; they may significantly influence the achievement of its objectives and strategies in a direct or indirect manner;
- Process risks arising from the company's activity. They are further classified as operational risks, management risks, technology/information processing risks, integrity risks and financial risks;
- Information risks for decision-making. This is the risk that the information for making operational, financial or strategic decision is not reliable and/or complete.



The methodology used is translated into a **map of corporate risks/opportunities** which is updated quarterly, and with monthly and/or quarterly monitoring (based on the risk category being high or moderate) of financial, fiscal, operational, strategic and legal risks/opportunities as well as other specific risks/opportunities related to activities, processes, products and key services across the entire business in order to evaluate changes to the map due to variations in impact, probability and/or control trends and to establish the corresponding action plans.

Additionally, we conduct a more thorough annual review coinciding with the change/update of targets for each annual and/or strategic time period. We also develop **specific maps of the main geographical areas** of industrial/commercial implementation, with maps of Europe, the U.S., China, India and Brazil having been developed during 2012. Thus we can determine, as appropriate, whether to aggregate a similar risks on the corporate map and/or conduct individualized monitoring of a geographical risk on the corporate map.

Sustainability risks and opportunities: If 2012 began with the entry into force of the 2001-2013 strategic plan and the monitoring of risk factors that could affect its strategic objectives, the **new 2013-2015 Business Plan** was being developed over the course of 2012, in a slower growth environment, and was publicized to the market in October 2012. This new plan focuses on, among other factors, reorganization and adjusting the capacity to meet demand, reductions in fixed and variable costs to improve margins, developing products and services adapted to the needs of the market/customers in the medium and long term, and strengthening the balance sheet. As for the **CSR Strategy** underlying the business plan, we monitor those risk factors that may affect the 3 strategic axes (Integrity, Identity and Visibility) and the 8 CSR lines of action.

In line with the existing business plan and CSR strategy, special attention will be paid in the medium/long term to controlling the risks/opportunities that could positively or negatively affect the achievement of business or sustainability targets, with the creation of risk maps not only at the global level but also for the main areas where Gamesa operates, applying the corresponding action plans (mitigate, cover, avoid, assume) where appropriate.

2012 SUSTAINABILITY REPORT



The main **risks/opportunities that have been identified and monitored** in the medium/long term and the main

actions for their mitigation and/or control improvement are indicated in the following table:

2012 Main risks/opportunities	Main actions for their mitigation and/or control improvement
<p>Effect on demand risk in an environment of slower growth in areas of developed countries (countries with growth <3.3% GDP)³⁰, due to external factors such as:</p> <ul style="list-style-type: none"> • Slowdown in the economic recovery following the crisis, leading to adjustments in policies supporting renewable energies in large markets due to the high indebtedness of their economies, and also impacting the financial standing of customers (adjustments in investment plans of electric companies) due to the higher cost of funding projects. • Evolution of regulations, including, among other things, the new tax on the electricity sector and renewables in Spain, the uncertainty about the medium/long-term extension of PTCs in the U.S. and the uncertainty surrounding the tariff applicable to offshore in some markets. • The evolution of highly competitive market environments, with industrial overcapacity in the wind energy sector impacting margins, albeit with different relevance for each geographical area. 	<p>Demand risk is mitigated by taking advantage of opportunities in emerging areas (countries with growth >3.3% GDP) such as India, Latin America and Asia Pacific, which will become the new levers of demand growth, and where Gamesa prioritizes:</p> <ul style="list-style-type: none"> • Implementing its business strategy adapted to the most suitable model for each geography, • Entry into new markets/new customers and • Introducing more efficient products onto the market such as wind turbines like Gamesa 2'5 MW, Gamesa 5/5'5 MW, in their various configurations, adapted to local requirements. <p>Leveraging Gamesa Energy in key markets as a sales channel, under a new business model, and developing O&M (Operation and Maintenance) services with sustainable growth.</p> <p>Continuous tracking when executing projects in emerging markets in which network constraints could eventually lead to longer deadlines, as well as how to avoid/mitigate these issues, as well as tracking the evolution of regulations that could affect the business.</p>
<p>Entry into some new markets makes controlling "country risk" important, characterized by, among other things, the following factors:</p> <ul style="list-style-type: none"> • Socio-political instability that could affect Gamesa's interests. • Reputational risks like fraud, corruption and threats to human rights. • Shareholder perception of Gamesa projects. • Deficiencies in the infrastructure needed for the business (such as physical infrastructure, supply chain, etc.), health risks and natural disasters. 	<p>Various actions are established to mitigate this risk, such as:</p> <ul style="list-style-type: none"> • Regular safety assessments on restricted countries, preventive assessment report of the country and required authorization from the safety committee if the country is restricted and special security plans by project. • New lines of action are proposed for the supply chain, such as: implementing a new supplier policy, supplier CSR self-evaluation processes (human rights, ethical labor practices, safety and health) and supplier CSR audit processes. • The lines of actions of the transparency and community programs take on special relevance in designing initiatives like the following: incorporating non-financial indicators in quarterly presentations and on the Web, as well as evolving toward integrated reporting (financial and non-financial); maintaining our presence in several sustainability indexes; meeting the expectations of interest groups regarding these reports; implementing a new social action policy in communities; assessing the impact of social commitment actions. • Flexibility, responsiveness to events, crisis management and business continuity plans.
<p>In this demand scenarios, we continue working on the flexibility of our operations, with special emphasis on logistics and developing the supply chain, controlling the organization's adaptiveness, planning, manufacturing and purchasing to meet demands for quantity, quality, cost and deadline.</p>	<p>This includes, among other measures, work on industrial reconfigurations, adjustments to capacity and structure, fixed and variable cost reduction programs and synergies achieved through the globalization strategy and implementation in different geographical areas. In this context it is especially important to monitor the alignment of stocks to customer orders, customs management and the impact of exchange rate volatility.</p>

³⁰ World Economic Outlook Reports

2012 SUSTAINABILITY REPORT



In the environment, safety and health, information security and other general areas of corporate social responsibility, we continue to strengthen the lines of action, focused on excellence and applying the same levels of control in all the business units and geographical areas in order to ensure the management systems maintain their OHSAS 18001, ISO 14001 and ISO 9001 certifications. Our focus at this time is centered on the following factors:

- Environmental care and climate change program: Reduction of CO2 emissions for 2014.
- Management of work health and safety risks for staff and subcontractors.
- Improving control over information security (recording/identification/classification/control of information) through a preventative and/or corrective approach as needed, focused on protecting material that is sensitive to the business.
- Human rights, equality, inclusion, cultural, regulatory and non-compliance risks in employment practices and health and safety in line with benchmark standards for a company in the international arena.

The following initiatives, among others, are of importance:

- As for the reduction of CO2 emissions, activities are prioritized that improve the ability to control the energy consumption and CO2 emissions of key suppliers and related activities. The implementation of a consolidated system for environmental, social and governance (ESG) information in accordance with the GRI (Global Reporting Initiative) provides reasonable assurance regarding the reliability of information.
- To reinforce the mitigation of safety and health risks already seen in Gamesa's reduction in accident rates in recent years (reduction of 35% in the frequency rate and of 19% in the severity rate in 2012 over the previous year), we propose the design and implementation of a new zero-tolerance policy and leading contractors to promote a reduction in their accident rates.
- Progress continues on the corporate action plan for Security established in several phases and led by Senior Management, which includes the implementation of an information security management system (SGSI) in accordance with the ISO27001 standard.
- Alignment of management processes with the SA8000 standard. Global management of social responsibility principles.

Financial risks (interest rate, exchange rate, taxes, credit, liquidity and commodity) and fiscal risks.

Financial and tax risks are controlled through specific policies, standards and procedures integrated into the functions of the corresponding departments. Information on coverage and control of these risks is included in the report that is included in the annual financial statements. Special consideration assumes the monitoring and control of financial requirements and the resulting compliance with the covenants.

A top-down approach to identify financial information error risk is being developed in this regard within the framework of the internal control system. This model is based on the most significant items included in financial statements by analyzing their impact on them (materiality).

In the context of internal control, those estimates, assumptions, critical judgments and projections that have significant impact on the financial information disclosed to the securities markets are subject to periodic review and evaluation by Management and oversight by the Audit and Compliance Committee in their evaluation of the especially critical processes while preparing financial information, prior to the financial statements being finalized by the Board of Directors through meetings held with financial management, the external auditor and the internal audit manager.

Furthermore, the Company is also equipped with an appropriate separation of functions within administrative and accounting processes as a result of its organizational structure, which lays down different functions and controls in each of the areas of activity and at a corporate level.

The report that is included in the annual financial statements includes details about the following material aspects, among others: revenue recognition/percentage completion, impairment of assets, goodwill and intangible assets, other aspects of holding companies, provision for wind turbines warranty, recovery of receivables, contingent liabilities, stocks, deferred tax assets, tax credits and financing needs.

2012 SUSTAINABILITY REPORT



2. 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 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, converter generators and towers (outsourced depending on the country), in addition to the assembly of wind turbines.

Additionally, Gamesa provides a comprehensive response with a wide range of operation and maintenance (O&M) services and long-term guarantees, offering a full range of services and a team of professionals to maintain the 19,111 MW it has installed through 2012. The diversity of products sold by Gamesa essentially includes a wide range of wind turbines, developed to offer the best performance based on the different types of sites:

Product	Rotor (m)	Sweep (m2)	Blade (m)	Axle box height (m)	Rated power (kW)	Class
G128-4.5 MW	128	12,868	62.5	81, 120, 140	4,500/5,000 ³¹	IIA
G114-2.0 MW ³²	114	10,207	56	93,120,140 ³³	2,000	IIIA
G114-2.0 MW	97	7,390	47.5	78, 90, 100, 120	2,000	IIA/IIIA
G90-2.0 MW	90	6,362	44	67 ³⁴ , 78, 90 ³⁵ , 100	2,000	IA ³⁶ /IIA/ IIIA
G87-2.0 MW	87	5,945	42.5	67, 78, 90, 100	2,000	IA ³⁷ /IIA
G80-2.0 MW	80	5,027	39	60, 67, 78, 100 ³⁸	2,000	IA
G58-850 kW	58	2,642	28.3	44, 49, 55, 65, 74	850	IIA/III B
G58-850 kW	52	2,124	25.3	44, 55, 65	850	IA ³⁹
G128-5.0MW offshore	128	12,868	62.5	80-94	5,000	IB

The company is engaged in the design and development of new families of offshore turbines based on proven and validated technology from the Gamesa 4.5 MW platform.

Operational structure of the organization

[2.3] The Board of Directors is the highest decision-making and control body of the company. Its mission is to promote the Company's interest, to represent the Company and its shareholders in the management of its assets, to manage the business and to direct the business' administration. See indicator [4.1] on page 23 for more detail.

Gamesa's organizational model is structured as follows:

Organizational structure	
Executive Chairman	Ignacio Martín
Chief Executive Officer	Xavier Etxeberria
Secretary General and Director General of Legal	Jose Antonio Cortajarena
Chief Financial Officer	Juan Ramón Iñárritu
Director of Communication	Juan Cierco
Internal Auditing Manager	Félix Zarza
Director of Business Development	David Mesonero
Operational Units	
General Director of Sales, Projects and Offshore	Javier Perea
General Director of Technology	Jose Antonio Malumbres
General Director of Operations and RRP	Ricardo Chocarro
General Director of Services	Pedro López
Director of Planning	Martín Barandela
Director of Management Control	Jesús García
Director of Human Resources	Javier Treviño
Geographical Units	
Chairman and Chief Executive Officer for China	Jose Antonio Miranda
Chairman and Chief Executive Officer for India	Ramesh Kymal
Chairman for North America	David Flitterman

With regard to the corporate structure, the list of consolidated companies that comprise the Gamesa group is specified in the 2012 Consolidated Financial Statements Report, although it indicates that there were no significant changes in size, structure or ownership over the time period covered by the report. For a more meaningful summary, it can be divided as follows:

- Grupo Gamesa Energía S.A. Unipersonal, comprising wind farm development and operation companies in Spain, Italy, Greece, Portugal, France, Dominican Republic, Romania, Poland, Germany, Mexico, Hungary, Sweden and the U.K.
- Other companies involved in the manufacture of wind turbines include Gamesa Eólica, S.L. Unipersonal; Gamesa Innovation and Technology, S.L. Unipersonal; Estructuras Metálicas Singulares S.A. Unipersonal; Gamesa Wind Tianjin Co Ltd; Gamesa Wind Turbines Private Ltd; Gamesa Eólica Brasil Ltda; Gamesa Electric S.A. Unipersonal; Cantarey Reinosa S.A.

³¹ Available depending on the site

³² In development

³³ And depending on the site

³⁴ Available depending on the site

³⁵ Available only for class I

³⁶ In development

³⁷ Class S available with 78 and 90 m towers

³⁸ 100 m tower IEC IIA

³⁹ Available class S for average wind conditions and/or turbulence above class IA.

2012 SUSTAINABILITY REPORT



Unipersonal; Enertron S.L. Unipersonal; Valencia Power Converters S.A. Unipersonal; Gamesa Energy Transmission, S.A. Unipersonal, among others.

- Grupo Gamesa Technology Corporation Inc, which encompasses Gamesa Wind US LLC; Gamesa Wind PA; Gamesa Energy USA LLC; as the most important representatives and all of them located in the U.S.
- Other relevant holdings: Cametor S.L. company whose business is the tenancy of fixed assets (100% share); 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 main headquarters

[2.4] Parque Tecnológico de Bizkaia, Edificio 222
48170 Zamudio-Vizcaya (Spain)

Number of countries where the organization operates.

[2.5] Gamesa is a global company with production centers in Europe, U.S. China, India and Brazil, and presence in 50 countries.



Nature of ownership and legal structure

[2.6] Gamesa Corporación Tecnológica, S.A. has share capital of €43,159,722 as of December 31, 2012, consisting of 253,880,717 ordinary shares of €0.17 par value each, represented by book entries.

All the shares are fully subscribed and disbursed, and confer the same rights, with no different classes or series of shares. The company has been listed on the Stock Exchanges of Madrid, Barcelona, Valencia and Bilbao and the Stock Exchange Interconnection System (Continuous Market) since October 31, 2000.

Stock market data:

	2012	2011	2010	2009
Share capital (€)	43,159,722	42,039,297	41,770,668	41,360,984
No. shares	253,880,717	247,289,984	245,709,817	243,299,904
Market capitalization (€)	421,441,990	571,239,863	1,403,494,475	2,867,290,500
Free Float (%)	72.33	75.42	80.42	77.53
Maximum share price (€)	3.24	7.46	12.50	16.96
Minimum share price (€)	1.01	2.96	4.49	8.04
Average share price (€)	1.91	5.00	7.52	13.34
Listing € on 31/12	1.66	3.21	5.71	11.78
Total Vol. securities traded	828,363,068	1,176,855,185	1,037,128,350	676,453,181
Average vol. daily securities	3,235,793	4,579,203	4,067,170	2,591,775
Earnings per share (€)	(2.63)	0.209	0.206	0.48

Significant shareholders and % participation⁴⁰

	2012	2011	2010	2009
Iberdrola, S.A.	19.69%	19.62%	19.58%	14.10%
Blackrock Investment Management LTD	4.83%	4.96%	-	9.01%
Lolland, S.A.	-	-	-	5.00%
Norges Bank	-	-	3.09%	-
Other ⁴¹	75.48%	75.42%	77.33%	71.89%

⁴⁰ On December 31st of the year.

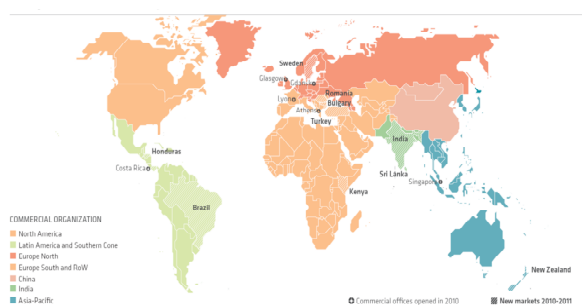
⁴¹ All with a percentage share under 3%

2012 SUSTAINABILITY REPORT



Markets served

[2.7] The marketing and servicing of Gamesa products is conducted worldwide. The wind turbine manufacture and sale unit has supplied wind turbines to Algeria, Argentina, Azerbaijan, Brazil, Bulgaria, Canada, China, Cyprus, Korea, Costa Rica, Cuba, Ecuador, Egypt, Spain, France, Greece, Honduras, Hungary, India, Ireland, Italy, Japan, Morocco, Mexico, Nicaragua, New Zealand, Poland, Portugal, Puerto Rico, Dominican Republic, Romania, Scotland, Sri Lanka, Sweden, Taiwan, Tunisia, Turkey, U.K., Uruguay, U.S., Venezuela and Vietnam. The company has an extensive sales network that includes up to 21 sales offices in Germany, Australia, Brazil, Bulgaria, Chile, China, Egypt, Spain, U.S., France, Greece, India, Italy, Mexico, Morocco, Poland, U.K., Romania, Singapore, Sweden and Turkey.



Product sales mix by region / country (MWe)

	2012	2011	2010	2009
Spain	199	232	68	857
United States	413	382	673	469
China	210	650	664	479
India	251	519	196	-
Rest of Europe	655	556	624	994
Rest of the world	391	463	181	344
Total	2,119	2,802	2,405	3,145

Product sales mix by region / country (MWe)

	2012	2011	2010	2009
Gamesa 4.5 MW	18	14	-	-
Gamesa 2.0 MW	1,866	2,198	1,712	2,072
Gamesa 850 KW	235	542	583	926
Gamesa 5.0 MW OFFSHORE	-	-	-	-
MADE	-	48	110	147
Total	2,119	2,802	2,405	3,145

Scale of the organization **[2.8]**

Number of employees:

	2012	2011	2010	2009
	6,646	8,357	7,262	6,360

Sales (net revenue MMEUR) ⁴²

	2012	2011	2010	2009
	2,844	3,033	2,764	3,229

Total capitalization (MMEUR) Broken down in terms of debt and equity

	2012	2011	2010	2009
Issued capital ⁴³	43	42	42	41
Parent company's equity	1,021	1,685	1,624	1,571
Net Financial Debt	495	710	-210	259
Tangible fixed assets	1,036	877	817	725
Accumulated amortization	(468)	(420)	(371)	(306)
Deterioration	(166)	-	-	-

Products and services provided (MWe)

	2012	2011	2010	2009
MWe of wind energy sold	2,119	2,802	2,405	3,145

Sales/revenues by regions that make up 5% or more of total revenues (net revenue in millions of euros)

	2012	2011	2010	2009
Spain	254	262	310	990
Rest of Europe	496	662	902	1,045
United States	663	417	752	609
China	251	670	358	235
India	293	530	189	-
Rest of world	886	493	253	347
Net revenue	2,844	3,033	2,764	3,229

Costs by nature built into the operating result (MMEUR) ⁴⁴

	2012	2011	2010	2009
Supply costs	1,825	2,301	2,002	2,072
Personnel costs	365	348	295	292
Amortization and provisions	415	230	209	217
Other operating costs	317	356	359	287
Net impairment losses on assets	289	-	-	-
Total cost	3,211	3,235	2,865	2,869

⁴² Considering the activities of development and sale of wind farms in the U.S. as continuous.

⁴³ See indicator [2.9].

⁴⁴ Excluding discontinued operations.

2012 SUSTAINABILITY REPORT

**Employees by geographical areas** ⁴⁵

	2012	2011	2010	2009
Spain	4,233 (64%)	4,853 (58%)	4,629 (64%)	4,391 (69%)
United States	613 (9%)	930 (11%)	912 (12%)	770 (12%)
China	537 (8%)	1,156 (14%)	1,083 (15%)	876 (13%)
India	813 (12%)	920 (11%)	332 (5%)	67 (1%)
Brazil	78 (1%)	67 (<1%)	-	-
Rest of Europe	298 (4%)	368 (4%)	256 (3%)	223 (3%)
ROW	74 (1%)	63 (<1%)	67 (1%)	24 (<1%)
Total	6,646	8,357	7,262	6,360

Major changes in size, structure and ownership

[2.9] On June 29, 2012, the General Meeting of Shareholders approved a capital increase fully released under freely available reserves for a maximum reference market value of €11.25 million gross by issuing common shares to be allocated to the shareholders of the Company, in order to implement, for the second year in a row, the system of shareholder remuneration called "Gamesa Flexible Dividend." Gamesa's share capital as of December 31, 2012 amounted to €43.16 million, comprised of 253,880,717 common shares at €0.17 par value each.

Awards and distinctions received during the reporting period **[2.10]**

Gamesa has been recognized with three awards in the **3rd Edition of the Randstad Awards**, which are awarded based on a study conducted by human resources consultancy Randstad among 7,000 potential employees. The company again took honors in the categories of professional development and commitment to society and the environment, where it was also awarded in the 2011 edition. Moreover, in this new edition it took first prize for its training activities. The self-development project based on online training tools and resources as part of Gamesa University was recognized with the Cegos Prize for Teams & Talent, for its ability to innovate, provide value and stand out in the market. In its scoring, the jury emphasized efforts to provide spaces, resources and learning tools for the self-development of employees, in order to reach all its people and all the geographical areas where the company operates.

Dow Jones Sustainability Indexes 2012/13

For the sixth consecutive year, Gamesa forms part of the Dow Jones Sustainability World Index, which brings the leading companies in the world together based on their sustainability practices, according to economic, environmental and social criteria.

**Leader in the sector of renewable energy equipment** ⁴⁶

RobecoSAM Sector Leader, in recognition of the company in the renewable energy equipment sector that is best prepared to tackle the opportunities and manage the risks associated with economic, social and environmental development.

**Gold Qualification in sustainability**

RobecoSAM Gold Class 2013, in recognition of the company in the renewable energy equipment sector with the best qualifications or that is within 1% of the sector leader.

**Ethibel Investment Register** ⁴⁷

Ethibel Investment Register exclusively contains those companies with a positive assessment of their sustainability performance. Investment funds that have the label "ETHIBEL Forum" are formed exclusively based on this register.

Ethibel Sustainability Index "Excellence Europe" ⁴⁸

Ethibel Sustainability Index (ESI) Europe contains 200 listed companies, all leaders in Corporate Social Responsibility (CSR). It includes companies that meet the technical and financial requirements included in the specifications, with analysis of 38 criteria grouped into 6 families: Human Rights, Integrity, Human Resources, Corporate Governance, Environment and Community

FTSE4Good Index series ⁴⁹

Since 2005 Gamesa has been included in the FTSE4Good family of indexes, created in 2011 by the London Stock Exchange and The Financial Times. The FTSE4Good series of indexes has been designed to measure the performance of companies that meet recognized corporate responsibility standards. The selection criteria underlying the FTSE brand make the FTSE4Good series an option for socially responsible investment portfolios, through its licensees worldwide.

⁴⁵ See indicator [LA1] on page 62 for more details. Note: ROW=Rest of the world

⁴⁶ RobecoSAM & KPMG. "The Sustainability yearbook 2013". See link: http://www.sustainability-indexes.com/images/sustainability-yearbook-2013_tcm1071-363199.pdf

⁴⁷ <http://forumethibel.org/content/investeringsregister.html>

⁴⁸ <http://forumethibel.org>

⁴⁹ http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp

3.- SUSTAINABILITY REPORT PARAMETERS

Report profile

Period covered by the information contained in the report

[3.1] This sustainability report is the ninth (9th) of its kind, published annually by Gamesa. Once again this year, it has been created and validated following the recommendations of the sustainability report guide (G3.0) published by the Global Reporting Initiative (GRI) and presents a fair and balanced description of the group's economic, social and environmental activity. The period covered by this document reflects the activity of the 2012 fiscal year and includes some important events that occurred in the first quarter of 2013.

Date of the most recent previous report

[3.2] The previous sustainability report was published in April 2012.

Reporting cycle

[3.3] This report is published annually and may be supplemented by other publications that Gamesa also publishes and distributes annually, which are referred to in this report. Specifically, these include the 2012 consolidated annual report and the 2012 corporate governance annual report (IAGC), all available on the company's website.

Contact information for questions regarding the report or its contents

[3.4] For general questions about this report, please contact

Gamesa Corporación Tecnológica, S.A.
Corporate Social Responsibility Department
Parque Tecnológico de Bizkaia, Edificio 222
48170 Zamudio-Vizcaya
Spain
Tel. 902.73.49.49
Fax: 944 317 610
E-mail: sostenibilidad@gamesacorp.com

The full document is available in electronic format, in English and Spanish, on Gamesa's corporate website ⁵⁰

Report scope and boundaries

Process for defining the content of the report

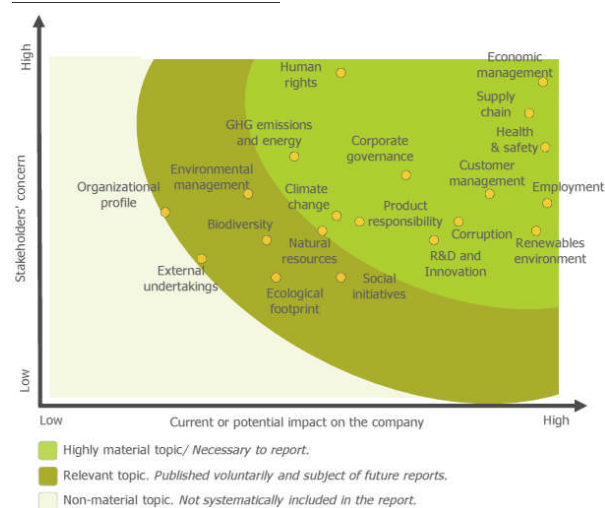
[3.5] Gamesa's 2012 sustainability report contains information for shareholders, customers, employees, suppliers, administrations, analysts, local communities and the entire company, in its broadest sense. However, it is specifically intended to cover those aspects of sustainability that may be relevant to the organization.

Gamesa has thoroughly followed the guidelines of the Global Reporting Initiative (GRI) to define the content of the 2012 Sustainability Report, in order to ensure a fair and balanced view of the company's performance during the year.

In addition, to ensure the materiality principle required of the report, the main concerns of interest groups throughout 2012, the highest expectations of the company, the business risks and the strategic priorities for Gamesa were taken into account. A materiality matrix has been created that includes:

- Topics which are of major interest to Gamesa's different stakeholders.
- Aspects that currently or potentially impact the performance of the organization and over which the company must maintain a reasonable degree of control.

Matrix of material issues 2012



This analysis evaluated more than 200 issues of interest to the various stakeholders, grouped into 20 basic concepts. Its relevance to the 2012 sustainability report is graphically expressed in a matrix where the vertical axis represents the importance of each concept to the stakeholders, and the horizontal axis represents the impact of each concept on the organization itself.

⁵⁰ Corporate website: <http://www.gamesacorp.com/es/>

2012 SUSTAINABILITY REPORT



The sources used for determining material issues include:

Sources of information	Tools used
Topics that directly impact stakeholders	<ul style="list-style-type: none"> Analysis of the competitive environment: comparison with the leading companies in the sector. International organizations particularly relevant to sustainability: WBCSD, Global Compact, CERES, Transparency, Institute for Human Rights and Business, Carbon Disclosure Project, documents from the European Committee related to Corporate Responsibility, etc. Tools for dialog with shareholders: Office of investor relations and shareholder customer service. ESG resolution proposal in the General Meeting of Shareholders of leading companies Internal tools for maintaining dialog with customers. Internal tools for maintaining dialog with suppliers. Press and media analysis. Domestic organizations: Spanish Global Compact Network, CSR Observatory, Spanish Corporate Reputation Monitor, Environment Foundation, etc.
Socially responsible investors and analysts	<ul style="list-style-type: none"> Institutional investor policies. Requirements and reports of non-financial analysts: Dow Jones Sustainability Indexes, FTSE4Good, Ethibel Sustainability Index Excellence Europe, Sustainalytics, etc. Roadshows with socially responsible investors. ISR (income tax) observatories: Eurosif, Institute for Social Innovation-ESADE, etc.
Gamesa's internal standards	<ul style="list-style-type: none"> 2013-2015 Business Plan. Gamesa's Code of Conduct, Mission, Vision and Values. CSR Policy and Principles. Corporate Risk Control.
Topics of interest to the renewable energies sector	<ul style="list-style-type: none"> Public information about the renewable energies sector: Global Wind Energy Council, European Wind Energy Association, Wind Energy Business Association Topics of interest for other sector associations.
Reporting requirements	<ul style="list-style-type: none"> Guidelines for the preparation of sustainability reports from the Global Reporting Initiative (GRI-G3): 79 Performance Indicators. Economic (9), environmental (30), labor (14), human rights (9), social (8) and product liability (9)

Boundary of the report

[3.6] The 2012 sustainability report covers Gamesa and the subsidiary companies that make up the group. (See section 2.3 for more details and the corresponding section in the 2012 consolidated financial statements on the company website <http://www.gamesacorp.com/>, as well as note 2.g) with the most significant changes in the consolidation perimeter in 2012).

Limitations on the scope or boundary of the report

[3.7] Gamesa's 2012 sustainability report's coverage reaches all the companies identified in point 2.3, except those categorized as associated.

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

[3.8] Therefore, this report does not include qualitative or quantitative information on joint ventures nor associated companies in which Gamesa does not hold the majority share, information on outsourced operations nor leased facilities, in clear reference to allowing comparability between the different financial years.

Gamesa believes that this report represents the group's economic, environmental and social performance in a fair and balanced manner. If there are limitations to the information reflected in this report due to not having fully incorporated quantitative data into the management system, they are considered of little influence on the overall aggregated group data, and in the opinion of Gamesa, do not significantly affect the assessment a reader could make of the company's performance. However, Gamesa is working continuously on developing controls that allow us to achieve full coverage and scope.

Data measuring techniques and indicator compilation.

[3.9] Regarding the means employed in accounting for virtually all of the performance indicators described in the GRI's G3.0 Guidelines, Gamesa has management applications that consolidate data from delegations, production centers and wind farms, which ensure the accuracy, truthfulness and exhaustiveness of the information presented in this 2012 sustainability report. New for this year, the quantitative indicators for economic performance of the series [LA] are now being consolidated via an SAP platform.

Additionally, the environmental indicators associated with energy consumption and associated emissions factors, scope, limitations and conclusions have been verified by a third party as reflected in Section 6.4 "2012 Greenhouse Emissions verification report."

Nomenclature, interpretation of concepts repeated throughout the report:

- MMEUR = million euros
- MEUR = thousand euros
- ROW = Rest of world

2012 SUSTAINABILITY REPORT


Explanation of the effect that restatements of information provided in earlier reports could have, and the reasons behind this restatement

[3.10] Gamesa has not found it necessary to restate information from previous reports, due to changes in its corporate structure. However, the quantitative information from 2011 and 2010 could deviate slightly from the information presented in those years, as a result being updated and adjusted.

Significant changes from previous reporting periods in scope, coverage, or measurement methods used in the report.

[3.11] Furthermore, there are no significant changes from previous reporting periods in scope, coverage, or measurement methods used in the report.

GRI Table of contents
Table identifying the location of the basic content in the report

[3.12] The table identifying the basic content of the report is referenced in section 6.3 of this 2012 sustainability report, page 85, in the annex section.

Verification

Policy and current practice for requesting external verification of the report. If the verification report is not included in the sustainability report, the scope and basis of any other existing external verification should be explained. The relationship between the reporting organization and the supplier(s) of the verification should be clarified.

[3.13] Gamesa works on policies and internal measures that allow it to ensure the accuracy, truthfulness and exhaustiveness of the information presented in this sustainability report.

The individual and consolidated annual accounts have been audited by PriceWaterhouseCoopers in accordance with the accounting standards applicable to each case.

For the seventh straight year, an independent organization has been required to verify information on the social and environmental practices contained in this 2012 sustainability report, its conformity with the Global Reporting Initiative (GRI) 2006 G3.0 guides and obtaining adequate traceability for all the information and data on the main and additional indicators of that guide.

In 2012, this task falls to the Spanish Association for Standardization and Certification (AENOR) and the verification report is included in section 6.1 of this report.

The methodology followed to conduct the verification is based on the AENOR's general rules for verifying sustainability reports.

The purpose of the assurance process is to analyze and verify that the report has been prepared in accordance with GRI guidelines and that the content of the report is true and complete.

Following the guidelines of the G3.0 Guide, Gamesa has self-rated this report as GRI A+, corresponding to expert organizations which have also externally verified their sustainability report.

Moreover, the audit firm has confirmed the A+ rating, and finally, the GRI review has granted this same level of implementation, as reflected in section 6.2 of this report.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G1 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed in Level C plus: 1.2 3.9, 3.11 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G2 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	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.	Report Externally Assured

*Sector supplement in final version

4.- GOVERNANCE, COMMITMENTS AND PARTICIPATION OF INTEREST GROUPS

Governance

The governance structure of the organization, including committees of the highest governance body responsible for tasks such as defining strategy or organizational oversight.

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

The General Meeting is the meeting of the shareholders who, assembled as a duly called General Meeting, shall decide by majority on all matters within its competence. All the shareholders, even those who have not participated in the General Meeting or who have expressed their dissent, are subject to the resolutions of the General Meeting, without prejudice to the rights of challenge to which they are legally entitled.

The General Meeting decides on all matters which, in accordance with the Law, the Bylaws and the Regulations of the General Meeting, are within its competence and especially:

- a) Appointment, reappointment and removal of Directors and Liquidators as well as ratification of Directors appointed by cooptation and determining the number of Directors within the limits set in the Bylaws;
- b) Approval, if appropriate, of the establishment of company compensation systems consisting of the delivery of shares or rights over shares that are linked to the value of shares;
- c) Appointment, reappointment and removal of Accounts Auditors;
- d) Censure of the management and approval, if any, of previous financial statements, the management report and the proposed use of the results;
- e) Increase and reduction of share capital, and delegation to the Board of Directors of the power to increase share capital, including the power of suppression or limitation of preferential subscription rights;
- f) Issuance of debentures and other marketable securities and delegation to the Board of Directors of the power to issue them;
- g) Authorization to acquire own shares;
- h) Adoption and amendment of the Rules of the General Meeting of Shareholders;
- i) Modification of the company Bylaws;

- j) Structural Modifications: Merger, division, transformation, dissolution, global transfers of assets and liabilities, transfer of registered offices abroad, subsidiarization and segregation of the company;
- k) Dissolution of the company;
- l) Operations whose effect is equivalent to the liquidation of the company;
- m) Approval of the final liquidation balance;
- n) Acquisitions or disposition of key operating assets whenever they involve an effective change of the corporate purpose.

The mission of the Board of Directors is to promote the company's interest, to represent the company and its shareholders in the management of its assets, to manage the business and to direct the business' administration.

Except for matters requiring the approval of the General Meeting of Shareholders, the Board of Directors is Gamesa's highest representative decision-making body, with no limitation of substance other than as provided for by law, in the company by-laws, and in particular by the objects of the company.

The Board of Directors performs the a general supervisory function and establishes overall strategies and policies. It also deals with issues relevant to the company and its liabilities (Article 5 of the Council Regulation).

The criteria that must prevail at all times over the Board's actions is Gamesa's corporate interest, specifically, maximizing the economic value of the company in a sustained manner (Art. 6 of the Regulation. In particular, it shall adopt the necessary measures to ensure, in such matters, that the company's management and the CEO are under the effective supervision of the Board and that no person or small group of people holds decision-making power who are not subject to checks and balances.

2012 SUSTAINABILITY REPORT

**Board of Directors Members (2012, Dec 31st):**

Name or corporate name or company	Position on the Board	Date first appointed	Date last appointed	Election procedure
Martín San Vicente, Ignacio	Chairman and CEO	23-05-2012	29-06-2012	General Meeting
Arregui Ciarsolo, Juan Luis	Deputy Chairman	28-01-1976	25-05-2007	General Meeting
Rodríguez-Quiroga Menéndez, Carlos	Director and Secretary	27-09-2001	25-05-2007	General Meeting
Vázquez Eguskiza, José María	Director	25-05-2007	25-05-2007	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, Jose María	Director	08-03-2011	08-03-2011	General Meeting
Rubio Reinoso, Sonsoles	Director	14-12-2011	29-06-2012	General Meeting
Aldecoa Sagastaloa, José María	Director	25-07-2012	25-07-2012	Cooptation Board of Directors
Castresana Sánchez, Ramón	Director	25-07-2012	25-07-2012	Cooptation Board of Directors

Information on the composition the Board of Directors and their professional experience and background can be found in the Annual Corporate Governance Report in section B.1.3 and on the webpage.⁵¹

Gamesa's Board of Directors has an Executive Committee with broad decision-making powers and two specialized committees for specific areas of activity with powers of information, advice and proposal, monitoring and control: the Audit and Compliance Committee and the Appointments and Remuneration Committee.

Information about the Committees can be found in the Annual Corporate Governance Report.

Executive Committee

The Board of Directors, at its meeting on January 10, 2012, following a favorable report from the Appointments and Remuneration Committee, agreed to the establishment of an Executive Committee of five (5) members, delegating all its powers except those it holds by law or corporate bylaws. Details about its regulation and performance can be found in article 17 of the Board Regulations.⁵²

Its membership is as follows:

Name	Position	Type	Representation
Martín San Vicente, Ignacio	Chairman	Executive	N/A
Arregui Ciarsolo, Juan Luis	Spokesman	Independent External	N/A
Aldecoa Sagastaloa, José María	Spokesman	Independent External	N/A
Lada Díaz, Luis	Spokesman	Independent External	N/A
Rubio Reinoso, Sonsoles	Spokesman	Proprietary External	Iberdrola, S.A.
Rodríguez-Quiroga Menéndez, Carlos	Non-Member Secretary	N/A	N/A
Cortajarena Manchado, José Antonio	Non-Member Deputy Secretary	N/A	N/A

Audit and Compliance Committee

The Auditing and Compliance Committee shall be made up of a minimum of three (3) and a maximum of five (5) external directors, with at least one of them independent. The Board of Directors shall ensure that the members of the Auditing and Compliance Committee and, in particular, the independent director who is appointed, have knowledge and experience in matters of accounting, auditing and risk management.

At present the membership of this commission, following best international practices which require a majority of independent members, is as follows:

Name	Position	Type	Representation
Vázquez Eguskiza, José María	Chairman	Independent External	N/A
Rubio Reinoso, Sonsoles	Spokesman	Proprietary External	Iberdrola, S.A.
Lada Díaz, Luis	Spokesman	Independent External	N/A
Rodríguez-Quiroga Menéndez, Carlos	Non-Member Secretary	N/A	N/A

⁵¹ Link: <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/informe-gobierno-corporativo/>

⁵² Link: <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/normativa-interna/>

2012 SUSTAINABILITY REPORT



The basic responsibilities of the Audit and Compliance Committee are specified in Article 18.4 of the Board Regulations and in articles 6 through 11 of the Audit and Compliance Committee Regulations. Both the new revised text of the Board of Director Regulations and the new revised text of the Audit and Compliance Committee Regulations have strengthened the powers of the Audit and Compliance Committee in compliance with the new responsibilities included in Law 19/1988, of July 12, on Accounts Auditing, due to the reform enacted by Law 12/2010, of June 30. Thus, new competences are required of the Audit and Compliance Committee, such as reviewing the weaknesses of the internal control system with the auditors, monitoring their effectiveness and the obligatory issuance an annual report, prior to the issuance of the audit report, expressing its opinion on the independence of the auditors.

To best comply with their functions, the Audit and Compliance Committee can seek external professional advice.

The Audit and Compliance Committee publishes its own publicly-available annual activities report on the company's webpage.⁵³

Appointments and Remuneration Committee

The Appointments and Remuneration Committee shall be formed by a minimum of three (3) and a maximum of five (5) external directors. The Board of Directors shall insure that the members of the Appointments and Remuneration Committee have adequate knowledge, skills and experience to carry out the duties of the Appointments and Remuneration Committee. The basic responsibilities of this committee can be found in Art. 19 of the Board Regulations.

At present the membership of this commission, following best international practices which require a majority of independent members, is as follows:

Name	Position	Type	Representation
Aracama Yoldi, José María	Chairman	Independent External	N/A
Arregui Ciarsolo, Juan Luis	Spokesman	Independent External	N/A
Castresana Sánchez, Ramón	Spokesman	Proprietary External	N/A
Rodríguez-Quiroga Menéndez, Carlos	Non-Member Secretary	N/A	N/A

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

[4.2] The Chairman of Gamesa is, in addition, the CEO, so he holds the position of chief executive.

Gamesa's Board of Directors, in its meeting of May 23, 2013, following a favorable report from the Appointments and Remuneration Committee, agreed unanimously to name as Chairman of the Board of Directors and CEO Ignacio Martín San Vicente, delegating him all the powers that correspond to the Board of Directors according to the Law and company Bylaws, except those identified by Law and Bylaws as non-delegable.

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 at least three Directors or the Lead Independent Director
- To guide the debates of the Board of Directors
- To organize and coordinate the periodic evaluation of the Board of Directors, as well as the CEO or highest-ranking company executive, with the Committee Chairmen
- Take the proposals deemed opportune for good company operations to the Board, especially those referring to the Board itself or other company bodies, as well as proposing the people to perform the offices of Vice-chairman, Secretary and Deputy Secretary of the Board.

The highest-ranking company executive is tasked with the effective management of the company's businesses in accordance with the decisions and criteria adopted by the General Meeting of Shareholders and the Board of Directors in their respective areas of competence. Such operations, if any, shall be submitted by him to the Board of Directors or the Executive Committee, as appropriate.

⁵³ Link <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/consejo-administracion/comision-auditoria-cumplimiento.html>

2012 SUSTAINABILITY REPORT



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

- 1 The Unified Code of Good Governance evaluates the advantages and disadvantages of recommending the unification or separation of the offices of CEO and Chairman of the Board of Directors. It does not oppose the uniting of the powers, but does recommend putting in place the necessary checks and balances (Recommendation 17⁵⁴).

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

- Appointing one of the Company's independent directors as Deputy Chairman.
- Naming one of the Company's independent directors as Lead Independent Director, in force until July 3, 2012, the date on which the post became vacant;
- Absence of the Chairman and CEO in meetings of the consultant Committees and Board supervision Committees (Audit and Compliance Committee and Appointments and Remuneration Committee);
- Competences of the Board of Directors and the reservation of certain powers for the Executive Committee as a collective body;
- Evaluation of the Chairman and CEO by the Board of Directors, a process led by the Appointments and Remuneration Committee.

- 2.- Reflecting the Spanish tradition, only 18% of companies on the Ibex-35 choose to separate the offices. The existence in Spanish companies of a high percentage of business, financial or family groups that act as controlling or main shareholders is at the origin of this. This situation is not foreign to Gamesa, where there is a shareholder (Iberdrola, SA) that acts as a controlling shareholder and limits the risk of a Executive Chairman having excessive executive power. (see details on page 17).

- 3.- The reality of the issue in some countries with highly developed corporate governance is not in favor of separating the positions in every case. In the U.S., of the companies in the S&P500, 57% have an Executive Chairman; and the Dodd-Frank Law of July 2010 requires –much in the way of the Spanish Unified Code of Good Governance– in section 972, that if the two positions are joined, the reasons or motivations that justify it must be explained. In France, the two main codes or principles of good governance that can be taken as

a reference (Gouvernement D'entreprise des Sociétés Cotées Code and Recommendations sur le Gouvernement d'entreprise) have taken different positions on recommending the separation or unification of positions though have not shown preference for either nor recommended the separation of positions, but in any event permit their unification provided their justification and explanation are included along with the appointment of a Lead Independent Director.

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

- a) A risk control system: Gamesa has a structured organization geared toward adding value through management and risk control efforts (See details in Control of Business Risks/Governance mechanisms, page 12).
- b) Adequate regulations and oversight of potential conflicts of interest and of transactions with important shareholders that require, on the one hand, an obligation of internal communication, abstention in all deliberation and decisions of the affected parties and finally, prior report from the Audit and Compliance Committee and justified decision of the Board of Directors (article 35 of the Board of Directors Regulations)

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

For organizations that have a unitary board structure, the number of members of the highest governance body that are independent or non-executive shall be indicated.

[4.3] Requested information included in point 4.1.

Under internal rules, the membership of Gamesa's Board of Directors shall be such that external directors represent the majority of the executives, with the presence of independents. The Board of Directors shall also ensure that within the majority group of directors there are proprietary and independent members.

The Board of Directors Regulations (art. 8.1.b) considers, as defined in the Unified Code of Good Governance, an external advisor to be:

- Proprietary Directors: directors who possess a shareholding interest equal to or above that which is legally considered significant or who has been appointed due to their shareholder status, although their shareholding interest does not reach the significant amount, or whose

⁵⁴ Recommendation 17 of the Unified Code of Good Governance for Companies Listed on the National Securities Market Commission (CNMV) establishes that, when the Chairman of the Board is also the CEO of the company, one of the independent directors is empowered to request a meeting of the Board to be called or of new items to be put on the agenda, in order to coordinate and voice the concerns of the external directors and to direct the Board's evaluation of its Chairman.
http://www.cnmv.es/DocPortal/Publicaciones/CodigoGov/Codigo_unificado_Esp_04.pdf

2012 SUSTAINABILITY REPORT



appointment has been proposed to the Company by shareholders in the former case. In this case it shall be presumed that a director has been proposed to the Company by a shareholder when: (i) they have been appointed in exercise of the right of representation, (ii) they are a director, senior officer, employee or regular supplier of services to said shareholder or companies belonging to their same group, (iii) the company records show that the shareholder assumes that the Director has been appointed by them or represents them, (iv) they are spouse, person related by a similar relationship, or second-degree family member of a significant shareholder.

- Independent directors: those who, appointed because of their personal and professional status, can perform their duties without being influenced by relationships with the Company, its significant shareholders or its senior management;
- Other external directors: those who do not have the status of proprietary or independent.

Additionally, in article 8.2 of the Board of Directors Regulations it is established that independents may not be, in any case, appointed as Directors if they:

- Have been employees or executive directors of Group companies, unless three (3) or five (5) years, respectively, have passed since the termination of that relationship.
- Receive from the company, or its Group, any amount or benefit for a reason different than Director compensation, unless it is not significant. For the purposes of the provisions of this section, dividends and pension supplements that the Director receives on the basis of their previous professional or employment relationship shall not be taken into account, provided that such supplements are unconditional and therefore the company that pays them cannot, on a discretionary basis, without a breach of obligations, suspend, modify or revoke their payment.
- Are or have been in the last three (3) years partners of the external auditor or responsible for the audit report, whether the audit was of company during this time or of other company in its Group.
- Be executive directors or senior executives of another company in which any Executive Director or member of the company's senior management is an external director.
- Maintain or have maintained over the past year a significant business relationship with the company or any other company in its group, either in their own name or as a significant shareholder, director or senior executive of an entity that maintains or has maintained that relationship. Business relationships are considered to be providing goods or services, including financial, advisement and consulting goods or services.

- Are significant shareholders, executive directors or senior executives of an entity that receives or has received significant donations from the company or its group over the last three (3) years. Mere patrons of a foundation that receives donations shall not be included in this section.
- Are spouse, person related by a similar relationship, or second-degree family member of an Executive Director or member of the company's senior management.
- Have not been proposed for appointment or renewal by the Appointment and Remuneration Committee.
- Are, with respect to any significant shareholder or shareholder represented on the Board of Directors, in any of the situations indicated in letters a), e), f) or g) of section 2 of article 8 of the Board of Directors Regulations. In the event of any of the family relationships indicated in section g) of that article, the limitation shall be applied not only to the shareholder, but also to the proprietary Directors they have proposed.

Proprietary Directors who lose that status as the result of the shareholder who proposed their appointment selling their shares, they may only be reelected as independent externals when the shareholder who proposed their appointment sold all their shares in the company.

A Director who has a shareholding in the company may have independent status provided they meet all the conditions of this section and their shareholding is not significant. Information about the membership of the governing body may be found in the Annual Corporate Governance Report, in section B.1.2 and B.1.3 and on the company's webpage.

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

[4.4] The company has a shareholder Information office that responds daily to questions from shareholders. It serves as a mechanism for shareholders to communicate recommendations or suggestions to the highest governance body.

The shareholder information office is coordinated by the department of investor relations which reports directly to the Chairman. Shareholders may pose their questions by telephone, mail or e-mail; details can be found on the company's website.

The day of the General Meeting of Shareholders, in accordance with article 22 of the General Meeting of Shareholders Regulations, the shareholder information office answers questions that shareholders or their representatives pose about the meeting itself before it begins, without prejudice to the rights of voice, proposal and vote that correspond to them legally and by the company bylaws, and provides information on the right to intervene, collecting the text of their statements if they are in written form.

Shareholders who represent at least five percent (5%) of share capital, in accordance with current legislation, can request that a supplement to the notice for the General

2012 SUSTAINABILITY REPORT



Meeting of Shareholders be published, including one or more points on the agenda. This right must be exercised through certified notification, to the attention of the secretary of the Board of Directors, and must be received at the company's registered address within five (5) calendar days following the publication of the notice calling the General Meeting of Shareholders.

The Board of Directors shall carry out such actions as may be required in connection with the verification, justification and publication of the supplement to the notice and shall answer such questions as may arise in relation to the supplement and its publication.

Likewise, shareholders who represent at least five percent (5%) the share capital may, in the same period indicated above in this paragraph, submit substantiated proposals on matters included or to be included on the agenda of the General Meeting of Shareholders.

In accordance with article 539.2 of the Corporations Law, for the calling of the General Meeting of Shareholders in 2012, the company provided an electronic shareholders forum in order to facilitate communication among Gamesa's shareholders surrounding the notice and up to each General Meeting. Registered users can send communications to be published on the forum with the exclusive purpose of:

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

It should also be noted that the required disclosures are available on the website's homepage as well as in the "Shareholders and Investors" section, according to Law 26/2003, of July 17, on transparency of listed limited companies and Circular 1/2004, of March 17, from the National Securities Market Commission (CNMV).

Link between the organization's performance and the remuneration of the members of the highest governing body, senior managers and executives.

[4.5] The company regulations governing the remuneration of the members of the Board of Directors are set forth in article 46 of the Bylaws and art. 31 of the Board of Directors Regulations.

The remuneration of Gamesa's Board of Directors members for their work as Directors consists of fixed annual compensation for sitting on the Board and on the Executive, Audit and Compliance and Appointments and Remuneration Committees, along with a daily allowance for attending Board meetings and the Committee meetings.

The remuneration payable to the Chairman and CEO for carrying out his executive functions includes the following: fixed remuneration and variable remuneration, both annual and long-term, and/or items specified in the bylaws and risk coverage.

The fixed remuneration will be commensurate with what is paid in the market and is based on the principle of moderation.

First, for the year 2012, External Directors do not receive remuneration as there has not been a positive result. As for the Chairman and CEO, part of his remuneration is linked to meeting the objectives established by the Board of Directors at the recommendation of the Appointment and Remuneration Committee, specifically 50% of his fixed remuneration, and thus in 2012 the Chairman and CEO does not receive annual variable remuneration.

This same policy has been followed for the group's senior management and executives regarding annual variable remuneration, and no variable annual contribution has been made for group objectives.

Gamesa's internal remuneration regulations are based on Law 2/2011, of March 4, on sustainable economy, which in article 27 indicates that listed companies shall increase transparency regarding the remuneration of their top management and their remuneration policies, in accordance of the provisions of article 61 bis of Law 24/1988, of July 28, of the Securities Market.

As a result, in 2012 Gamesa prepared an "Annual Report on Director remuneration for 2011," which was approved by the Board of Directors and put to an advisory vote at the 2012 General Meeting of Shareholders. The report was approved by the General Meeting of Shareholders with 99.44% of votes in favor. Both the report, which includes the individual remuneration of the members of the Board of Directors, and the detailed results of the advisory vote, are available on Gamesa's website, as part of the 2012 General Meeting of Shareholders documentation.⁵⁵

Procedures implemented to avoid conflicts of interest in the highest governing body.

[4.6] The 2012 Annual Corporate Governance Report, in section C.5, contains details about directors' conflicts of interest during 2012 and section C.6 contains the mechanisms established to detect and resolve potential conflicts of interest between Gamesa and its directors, executives and significant shareholders.

As a supplement to this information, the company has had a specific standard since 2009 called "Standard for preventing Conflicts of Interest and/or cases of Corruption and/or Bribery," revised in 2011, as included in section 3.7 (Combating fraud. Rejection of corruption and bribery) and 3.8 (Avoiding conflicts of interest) of the Code of Conduct. The standard consists of a set of guidelines regarding honesty, impartiality and professionalism, to serve as a guide for action for the

⁵⁵ See details: <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/general-meetings/>

2012 SUSTAINABILITY REPORT



people and entities of Gamesa, with special attention to relationships with third parties, and that enables gaining a permanently solid position on the markets, based on the respect and consideration of the company's shareholders, employees, customers, suppliers, contractors and collaborators, public authorities and the community at large as a result of Gamesa's actions.

As a general rule, the mechanisms for detecting, determining and resolving potential conflicts of interest between the company and/or its group and its directors, executives or significant shareholders are based on the following rules of competition:

- a) The basic responsibilities the Board of Directors include: authorizing operations or transactions that may involve conflicts of interest (i) with the company or the group's companies; (ii) with directors or their related parties; (iii) with shareholders holding significant stakes or who are represented on the Board, and their related parties; (iv) with senior management and executives; as well as (v) regarding any other relevant transaction concerning the same, except when 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, 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 reports on the operations it carries out with directors, shareholders with significant stakes and their related parties as part of its regular financial information, to the extent provided by Law. Likewise, the report includes information about the company' or group companies' operations with administrators and related parties and those who act on their behalf when they are outside of the ordinary or are not carried out under normal market conditions. This information is also available in section C.2 of the Annual Corporate Governance Report.

Information about the mechanisms for potential conflicts of interest may be found in section C.6 of the IAGC, with detailed considerations for:

- 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:.

Processes for determining the qualifications and expertise required of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.

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 competencies, to ensure that the proposal and appointment of candidates shall fall on individuals of renowned honor, solvency, competence and experience. They shall take special care regarding the individuals who are called upon to fill the positions of Independent Directors."

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

Gamesa's Board of Directors complies with the principle of diversity, as it is made up of women and men. Since 2011, there have been two (2) women who are a part of this body, representing 20% of its membership by 2012 December 31st.

As indicated in the "2012 Spencer Stuart Board of Administration Index for Spain," the number of women on the Boards of Directors of the Ibex-35 is only 10% of the total number of Directors, a percentage that Gamesa has doubled in 2011 and 2012.

The Board of Directors is made up of professionals of renowned prestige and expertise, as reflected in the details of their resumes, available on the corporate website. In addition, the members of Gamesa's Board of Directors have the experience and knowledge about corporate social responsibility that they get from belonging to companies recognized as leaders in this area by international sustainability indexes.

2012 SUSTAINABILITY REPORT



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

[4.8] Since 2010, Gamesa's values have been:

- Teamwork,
- Innovation,
- Excellence,
- Respect and
- Sustainability.

In addition Gamesa considers leadership, global reach and passion for the customer to be attitudes for success.

Gamesa's corporate principles and values apply to the entire company in all its various regions and for all the businesses it includes.

These values and Corporate Social Responsibility principles, set out in the code of conduct of Gamesa,⁵⁶ drive the behaviour of the companies comprising Gamesa group and related staff subject to it. It establishes the performance of their functions and their labour, trade and professional relations, so as to consolidate a universally accepted business ethics model.

The code of conduct is reviewed regularly (the latest revision of the text of the code of conduct and subsequent approval by the Board of Directors was held on 2011, November 10th) and is available to employees via the web and intranet, along with major news and scope of some of the rules, and through postings on the bulletin boards and specific explanatory talks between workers with no connection to the corporate intranet. The implementation status can be seen in greater detail in the [HR3] on page 71.

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

[4.9] Gamesa's governance model is structured on the following basis:

- The Board of Directors: highest governance body that sets and approves the company's general strategies and policies, and the business plan and annual budgets aimed at their achievement. The general policies approved by this body are related to crime and fraud prevention, risk and opportunity management and control, dividend policy, corporate social responsibility policy, treasury policy, investment and financing policy and corporate governance.
- The Executive Committee: collective body created within the Board of Directors to facilitate the effective management of the company's

businesses. This delegated body supports the work and decision-making of the Board of Directors, in a context of the company's growing internationalization, and is decisive, enabling it to make decisions more quickly, effectively and executively.

- Chairman and Executive Team (Executive Committee and Management Committee): the Chairman and CEO, with the support of the company's Executive Committee and senior management, assumes the role of organization and strategic coordination of the group through the diffusion, implementation and monitoring of the strategy and the basic management guidelines established by the Board of Directors. The Executive Committee, comprised of senior managers, meets to provide technical, informational, management and decision-making support both in defining, overseeing, organizing and monitoring the general management guidelines and in planning business strategy.
- The Audit and Compliance Committee and internal auditing (business risk control): the Audit and Compliance Committee monitors the internal control systems and risk management systems on a monthly basis, among other matters. The internal auditing division independently monitors the control system and reports to the Audit and Compliance Committee. The business risk control department (BRC) sets guidelines and coordinates with the risk controller network and with those in charge of controlling BRC risks in the various geographical areas, and also appears before the Audit and Compliance Committee.
- The Appointment and Remuneration Committee directs the process of selecting members of the Board of Directors and evaluates senior management appointments. It also proposes the remuneration policy for directors and senior management to the Board of Directors, and monitors it.

Noteworthy within the framework of monitoring social performance is the appearance of the human resources division before the Appointment and Remuneration Committee in 2012.

Especially in regards to compliance with the code of conduct and principles of Corporate Social Responsibility:

- The specific role of global compliance, the responsibility of the regulatory compliance unit (RCU), which aims to facilitate the monitoring of compliance with legal requirements under various regulations: civil-commercial, wind farm business, customs, competition, intellectual and industrial property, labor, safety and health, environment, transport, products and materials, capital markets, data protection and asset security, tax and accounting. Indicators have been established for the proper reporting of the degree of compliance and knowledge of each regulatory sector, as well as real or potential breaches that new standards may cause and the possible sanctions that could result. This role is in continuous coordination with the risk control department network.

⁵⁶ <http://www.gamesacorp.com/en/sustainability/principles.html>

2012 SUSTAINABILITY REPORT



- The semi-annual appearance of the regulations compliance unit before the Audit and Compliance Committee, in order to report on the degree of monitoring and the actions carried out over the corresponding period, in connection with the code of conduct and the internal conduct regulations for securities markets.

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

[4.10] Article 20.7 of the Board of Directors Regulations states that "prior to the end of each fiscal year, the Board shall prepare an annual plan for regular meetings. The Board of Directors shall dedicate at least one meeting a year to evaluating (i) the quality and efficiency of its operations; (ii) the performance of duties by the Chairman of the Board of Directors and by the CEO, based on the report submitted by the Appointments and Remuneration Committee; and (iii) the operations of the committees, based on the report they submit to the Board of Directors."

The Appointments and Remuneration Committee brought before the Board of Directors an assessment report that separately dealt with the Company's Chairman and Chief Executive Officer, the Board of Directors and the Appointments Committee itself, which was examined and approved by the Board of Directors at its meeting held on July 25, 2012. Likewise, the Appointments and Remuneration Committee brought before the Board of Directors a report on such committee's performance, which was examined and approved by the Board at its meeting held on July 25, 2012, as stated in section B.1.19 of the Annual Corporate Governance Report.

It should be mentioned that the Appointment and Remuneration Committee used assistance from external consultants during 2012 as provided for in section B.1.16 of the Annual Corporate Governance Report.

Commitments to external initiatives

Description of how the organization adopted a precautionary approach and principle.

[4.11] Gamesa abides by the principle of precaution regarding environmental protection, in accordance with the provisions of art. 15 of the Rio Principles, widely accepted as a fundamental concept in environmental laws and regulations aimed at protecting the environment.

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

The preservation of the environment is ensured through the adoption of sound environmental policy (integrated into health and safety, quality, environment and energy

efficiency) and the implementation of an environmental management system. It also requires that the persons concerned must, within the scope of their duties, know and accept this policy and act at all times in accordance with the respect and sustainability criteria that it inspires, adopt habits and behaviors related to good environmental practices and contribute positively and effectively to achieving the established objectives. They must attempt to minimize the environmental impact of their activities and of their use of the facilities, equipment and means of work available to them, ensuring their efficient use.

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

[4.12] At the global level, Gamesa assumes voluntary commitments in the areas of sustainability, climate change and the protection of human right and basic freedoms. These include:

United Nations Global Compact



Voluntary. Since 2005.

Commitment and support for promoting the ten principles of human and labor rights, environmental protection and the fight against corruption. Annually it publishes the Progress Report (COP) reviewing compliance with these principles. This document is public and available on the website of the United Nations Global Compact Spanish Network.

Caring for Climate: The business leadership platform

Voluntary. Since 2007.

A United Nations Global Compact initiative, that pursues the involvement of companies and governments in taking measures against climate change. The Corporation has remained faithful to its commitments of increasing energy efficiency, reducing GHG emissions and collaborating with other public and private institutions in a positive way.

**CARING FOR CLIMATE:
THE BUSINESS LEADERSHIP PLATFORM**

Global Reporting Initiative (GRI)

Voluntary. Since 2006.

Nongovernmental organization aimed at creating an environment of exchanging transparent and reliable information about sustainability through the development of a common implementation framework for all types of organizations.



Carbon Disclosure Project (CDP)

Voluntary. Since 2008.

Public access to information provided in the context of investors and the supply chain. CDP gathers information on the risks and opportunities identified for climate change, emission reduction plans and transparency of corporate actions in order to mitigate climate change.

CARBON DISCLOSURE PROJECT

2012 SUSTAINABILITY REPORT


**Prince of Wales
Business
Leaders for
Climate
Change.**


Voluntary. In 2008, 2009, 2010 and 2012.

Gamesa has added its signature to the Carbon Price (2012), Cancun (2010), Copenhagen (2009) and Poznan (2008) reports on climate change in the context of the United Nations Framework Convention on Climate Change (UNFCCC).

**FUNDACIÓN
ENTORNO**

Voluntary. Since 2009.

Spanish Business Council for Sustainable Development, an organization whose mission is to work with business leaders to address the challenges of sustainable development as business opportunities. Gamesa is actively involved in the Working Group on Energy and Climate Change, a multi-sectoral platform to achieve a low-carbon economy.


**Principles on
the
empowerment
of women**


Voluntary. Since 2010.

Gamesa has also formalized its commitment to the manifesto supporting the "Principles on the Empowerment of Women" promoted by UNIFEM and the United Nations.

This column has been left intentionally blank
(continues on next page)

**FSC-Inserta
ONCE
Foundation**


Voluntary. Since March 2010.

Gamesa formalizes an agreement that defines the framework, scheme and terms of the partnership between Gamesa and the ONCE Foundation, in order to coordinate the resources, knowledge and experiences of each of the parties, thus enabling the promotion of projects aimed at achieving the social and labor integration of persons with disabilities.

2012 SUSTAINABILITY REPORT


Main associations (such as industry associations) and/or national/international advocacy organizations to which the organization provides funding [4.13]

The main associations Gamesa belongs to in Spain 2012

- CASTILLA-LA MANCHA ENERGY MANAGEMENT AGENCY
- TOLEDO PROVINCIAL ENERGY AGENCY
- GUIPÚZCOA- ADEGI BUSINESS ASSOCIATION
- GALICIA ASSOCIATION OF WIND ENERGY DEVELOPERS
- ARAGON ASSOCIATION OF WIND ENERGY DEVELOPERS
- CASTILLA Y LEÓN ASSOCIATION OF WIND ENERGY DEVELOPERS
- ANDALUSIA ASSOCIATION OF WIND ENERGY DEVELOPERS AND PRODUCERS (APREAN)
- WIND ENERGY ASSOCIATION (AEE)
- CANARY ISLANDS WIND ENERGY ASSOCIATION
- CANTABRIA WIND ENERGY ASSOCIATION
- SPANISH ASSOCIATION FOR QUALITY
- ASSOCIATION FOR PROGRESS IN MANAGEMENT
- CATALONIA WIND ENERGY ASSOCIATION
- BRAZIL-SPAIN CHAMBER OF COMMERCE
- BRITISH CHAMBER OF COMMERCE IN SPAIN
- U.S. CHAMBER OF COMMERCE IN SPAIN
- CICENERGIGUNE
- BASQUE BUSINESS CIRCLE
- ENERGY CLUSTER
- VISCAYA BUSINESS CONFEDERATION (CEBEK)
- DIRCOM
- EUSKALIT BASQUE QUALITY FOUNDATION
- TECHNOLOGY CENTER FOUNDATION OF THE GOVERNMENT OF CANTABRIA
- SPAIN-CHINA COUNCIL FOUNDATION
- SPAIN-INDIA COUNCIL FOUNDATION
- SPAIN-U.S. COUNCIL FOUNDATION
- FUNDACIÓN ENTORNO
- MADRID FOUNDATION INSTITUTE FOR ADVANCED ENERGY STUDIES (IMDEA ENERGÍA)
- MADRID FOUNDATION INSTITUTE FOR ADVANCED ENERGY STUDIES (IMDEA MATERIALES)
- NAVARRA FOUNDATION FOR EXCELLENCE
- INNOBASQUE BASQUE INNOVATION AGENCY
- IZAITE, ASSOCIATION OF BASQUE COMPANIES FOR SUSTAINABILITY
- POLO DE ECODISEÑO
- SPAIN GLOBAL COMPACT NETWORK

- CREIA (CHINA RENEWABLE ENERGY INDUSTRY ASSOCIATION)
- ENERGY INSTITUTE OF SOUTHEAST EUROPE
- EUROPEAN PHOTOVOLTAIC INDUSTRY ASSOCIATION (EPIA)
- EUROPEAN UNION CHAMBER OF COMMERCE IN CHINA (EUCCC)
- EUROPEAN WIND ENERGY ASSOCIATION
- GLOBAL REPORTING INITIATIVE (GRI)
- GREEK ASSOCIATION OF RES ELECTRICITY PRODUCERS
- HELLENIC WIND ENERGY ASSOCIATION (HWEA)
- INDIAN WIND ENERGY ASSOCIATION (INWEA)
- MID-ATLANTIC RENEWABLE ENERGY COALITION (MAREC)
- NEW ZEALAND WIND ENERGY ASSOCIATION (NZWEA)
- OLEC (ENERGY CLUSTER OF OLDENBURG)
- POLSKIESTOWARZYSZENIEENERGETYKI - POLISH WIND ENERGY ASSOCIATION
- RENEWABLE UK ASSOCIATION, LTD
- ROMANIAN WIND ENERGY ASSOCIATION (RWEA)
- RUSSIAN ASSOCIATION OF WIND POWER INDUSTRY (RAWI)
- SCOTTISH RENEWABLES
- SOUTH AFRICAN WIND ENERGY ASSOCIATION
- SPANISH CHAMBER OF COMMERCE (CHINA)
- SPANISH CHAMBER OF COMMERCE IN GREAT BRITAIN
- STY - SUOMENTUULIVOIMAYHDISTYSRY - FINNISH WIND POWER
- ASSOCIATION (FWWPA)
- SUBSCRIPTION OF CHAMBER OF COMMERCE (GREECE)
- SUBSCRIPTION SPANISH HELLENIC CHAMBER OF COMMERCE
- SVENSKVINDENERGIEKONOMISKFÖRENING
- RENEWABLE ENERGY UNION
- TECHNICAL CHAMBER SUBSCRIPTION (GREECE)
- THE CZECH WIND ENERGY ASSOCIATION (CZWEA)
- TIANJIN WIND ASSOCIATION

No. of associations

	2012	2011
Number of associations in Spain	34	49
Number of international associations	42	34
Total	76	83

Association costs (€)

	2012	2011
Association costs in Spain	195,470	331,744
Association costs internationally	272,927	403,894
Total	468,397	735,638

The main associations Gamesa belongs to in Spain 2012

- AMERICAN WIND ENERGY ASSOCIATION (AWEA)
- CHILEAN RENEWABLE ENERGY ASSOCIATION (ACERA)
- MEXICAN WIND ENERGY ASSOCIATION (AMDEE)
- URUGUAYAN WIND ENERGY ASSOCIATION (AUÉE)
- BRAZILIAN WIND ENERGY ASSOCIATION (ABEEÓLICA)
- PORTUGUESE ASSOCIATION OF INDEPENDENT PRODUCERS OF ELECTRIC ENERGY
- FROM RENEWABLE SOURCES (APREN)
- NATIONAL WIND ENERGY ASSOCIATION (ANEV)
- BULGARIAN WIND ENERGY ASSOCIATION
- BUNDESVERBAND WIND ENERGY (BWE)
- CAEFI (CHINA ASSOCIATION OF ENTERPRISES WITH FOREIGN INVESTMENT)
- LUSO-SPAIN CHAMBER OF COMMERCE
- CANADIAN WIND ENERGY ASSOCIATION (CANWEA)
- CLEAN ENERGY COUNCIL AUSTRALIA (CEC)

2012 SUSTAINABILITY REPORT



Commitments to stakeholders

List of interest groups engaged by the organization.

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

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

- Shareholders, investors and analysts.
- Customers
- Employees
- Providers, contractors, competition and collaborators.
- Competition
- Community, government and public authorities

Basis for the identification and selection of interest groups with whom to engage the organization.

[4.15] The identification of Gamesa's interest groups as well as the relationship models is described in the code of conduct, establishing the following commitments:

Stakeholder	Commitments
Relationship with shareholders, investors and analysts	<ul style="list-style-type: none"> • Gamesa expresses its intention to continuously create value for its shareholders, and therefore shall conserve, protect and enhance the assets, rights and legitimate interests of shareholders, respecting its commitments and at all times combining social integration and respect for the environment. The information conveyed to shareholders shall be truthful, complete and shall properly reflect the company's status.
Relationships with customers	<ul style="list-style-type: none"> • Gamesa and the companies that form its group aim to meet the needs and expectations of customers in an optimum, reliable and competitive manner. • It promotes establishing durable commercial relationships with its customers, based on a consistent attitude of service, trust and providing value, developing solutions that exceed their expectations and that do not imply risks to their health or safety, respecting its commitments, announcing any changes in agreements beforehand, and maintaining honesty, transparency and professional responsibility with them, beyond any legal requirements. • Gamesa and the companies that form the Gamesa Group shall ensure the confidentiality of its customers' data, committing to not disclose them to third parties except under customer consent or when required by law or in compliance with judicial or administrative decisions.

Relationships with employees	<ul style="list-style-type: none"> • Gamesa shares the goal of improving quality of life, and believes in social and professional development as an implicit element for its future and professional success. To do this it shall foster the education of its human capital through the creation of employment opportunities, avoiding any kind of discrimination, and respecting diversity, promoting a safe and healthy environment and facilitating communication with the workforce.
Relationships with suppliers, contractors and collaborators	<ul style="list-style-type: none"> • Gamesa and the companies that form the Gamesa Group aim to create relationships with its suppliers, contractors and collaborators that are based on trust, information transparency and the sharing of knowledge, experiences and capabilities. • From the perspective of choosing suppliers, it commits to a supplier, contractor and external collaborator selection process that is impartial and objection. • Regarding conduct, Gamesa is committed to establishing the proper channels for obtaining information regarding the ethical behavior of its suppliers, contractors, and collaborators, committing itself to take the measures required in the case that said behavior infringes on the values and principles of the Code of conduct.
Relationships with competitors	<ul style="list-style-type: none"> • Gamesa is committed to competing fairly in the markets, driving free competition, with full respect for current regulations and avoiding any conduct that constitutes collusion, abuse or restriction of free competition.
Relationship with the community, government and public authorities	<p>Gamesa aims to contribute to improving quality of life and creating wealth, both through providing services and promoting and launching new business activities and through the promotion of socio-economic development through non-business channels. The principles of its relationship with the Community at large are as follows:</p> <ul style="list-style-type: none"> • Sensitivity to social change in order to better understand how the needs of society in general evolve and as such anticipate future demands in the sector. • Systematic fluid, and truthful information that generates a climate of trust and credibility. • Respect for the environment, complying with prevailing law and collaborating for the conservation and improvement of same. • Creation of employment leading new competitive business developments. • Support and development of disadvantaged groups and sectors. • Contribute to raising the scientific and technological level of our environment by supporting research and promote the use of environmentally friendly technologies and methods. • Collaborate with institutions as platforms of activity for improvement and development of the Community. • Relationships with Public Authorities must be guided institutional respect and legal compliance.

2012 SUSTAINABILITY REPORT


Approaches taken in engaging interest groups, including the frequency of their participation by type and by interest group.

[4.16] Maintaining constant communication and open lines of dialog with the various interest groups is a constant in the group:

Dialog with customers

Customer Satisfaction Project (PSC): biannual interviews with customers in order to find out their assessment of Gamesa's activities first hand in the promotion, construction and maintenance phases and overall as a company. In 2012, 53 personal interviews were conducted; 44 customers in 13 countries.

Customer visit: one of the main objectives of the visits is to inform customers about Gamesa's manufacturing and technology processes. During 2012 more than 50 visits were made.

For the third year in a row, Gamesa has also held product seminars with customers in the U.K. (Bellshill, Scotland), Italy (Rome) and India (Mumbai, Hyderabad, Indore and Chennai), which represented a significant increase in this type of activity compared to 2011.

Participation with our own stand in 19 international trade fairs on all five continents.

Gamesa's 2012 stand for international trade fairs includes the Gamesa Innova product display, which goes through the various Gamesa wind turbine platforms with innovativeness as the common thread. It also includes a specific area for presentations on the Gamesa G9X-2.0 MW and Gamesa G10X-4.5 MW platforms in large stands. Information about Gamesa's operation and maintenance service offering was strengthened with the creation of a specific display.

Improvements have been made to the exclusive portal for operation and maintenance customers in order to offer more services: real-time tracking of spare part orders, one-click access to all the wind farm management tools, including GIC (actions carried out on the wind turbine), SCPE (information on the status of each wind turbine in real time), MEGA (weather prediction and ray tracing), technical documentation, etc.

MEGA System, an integral wind farm management tool (hourly wind and production predictions for a wind farm over 7 days) that mitigates the economic and labor risks caused by weather changes. The system enables ray tracing, minimizing consequences (noise, lost production and additional repair costs).

Training: certified courses and technical seminars on wind energy and prevention. More than 1,800 people trained in Gamesa facilities.

We installed the Gamesa Premium Availability improvement in 1,900 wind turbines through 2012, and expect to reach 256 more installations in 2013, representing an upgrade to 68% of the Gamesa 2.0 MW platform fleet.

Gamesa sells a life extension for G47 – 660 kW wind turbines, guaranteeing 10 years of additional income and stabilizing O&M costs at current levels through a long-term O&M contract.

Gamesa has signed €600 million worth of O&M contracts in 2012, maintaining more than 19,000 MW in 30 countries on 5 continents. In Europe, Gamesa Services maintains more than 86% of its installed MW as well as wind turbines from other manufacturers, affirming its leadership in maintenance technology. Through its refurbishment activity, Gamesa is able to repair and improve more than 90 models of gearboxes and generators from different manufacturers, providing a high-value service to customers who have integrated some or all of the O&M activities of their wind farms.

Dialog with employees

Gamesa People Survey: Following the results of the survey conducted in 2011, in 2012 a survey was conducted on the stress level of Gamesa Electric's management personnel (108 people).

Gamesa intranet: 142,954 visits in 2012 (+24%) with an average time on the site of 4:36 minutes for a total of 509,947 (+18.5%) page views. One hundred eighteen (118) news items published in 2012 compared to 134 in 2011 (-12%)

E-mails received to the internal mailbox and dealt with: 295 comments and/or requests

Launch of a new corporate intranet: the new corporate intranet was launched on June 27, and all employees were invited to participate in the contest to name the new platform. 151 proposals were received and the name Galn was finally chosen.

Employment portal: No. of employment offers published on the employment portal in 2011: 521; No. of internal candidates who applied for offers published on the employee portal: 578.

Gamesa share plan and equity plan: for all Gamesa employees; 3,025 employees trusted the company and participated in this program in 2011-2012. Given that the number of employees when the initiative was launched was 7,721, 39.17% participation has been reached. In June 2012, after the maintenance period, the company awarded free shares to 2,679 participants.

Gamesa-Equity mailbox has dealt with 155 queries.

Gamesa Club for purchases with special services and discounts for employees. 9,286 visits to the Gamesa Club portal, 22,084 page views, average time on site of 1:44 minutes.

Gamesa Flex mailbox for procedures and information on Gamesa's flexible remuneration plan. 529 employees decided to acquire a Flex product or service in this most recent slot. The Gamesa-Flex mailbox handled 1,193 questions of interest from employees.

2012 SUSTAINABILITY REPORT



Human capital management mailbox for general issues related to human capital management, the GMBO process, the welcome process and other processes. 301 records were received, of which 89 are in an assignment or response process.

The Gamesa employee portal has been available to approximately 2,800 employees since February 2012, after the pilot phase was completed in January. The employee portal lets people perform internal management tasks simply and efficiently online, generating significant savings on the administrative tasks associated with these efforts.

Corporate University generic mailboxes: leadership school, languages school, etc.

Training activity: 3,752 training activities in 2012 (60% classroom and 40% online).

Self-development resource center: 5,000 abstracts available and 9,432 downloads made.

Online language platforms: learning modules in 7 different languages and more than 7,400 hours of learning in 2012.

Welcome and new-entrants procedures.

Internal campaign: 5-minute Health&Safety talks in offices.

Contact with worker representatives and social dialog:

- Meetings with union representatives: 130 regular meetings in 2012, 61 contract negotiation meetings and 67 other meetings.
- Meetings with the Record 612/2012 Committee: 10 negotiating meetings.

Meetings of the Diversity and Equality Committee: 2 in 2012.

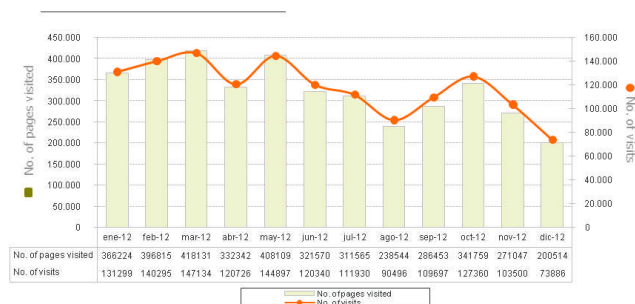
Dialog with the community and administrations

As for the media, there were 60 press releases sent to the media in 2012. Likewise, 1,800 media requests were handled and the company appeared in the media 33,124 times, of which 27,000 appearances were in online media.

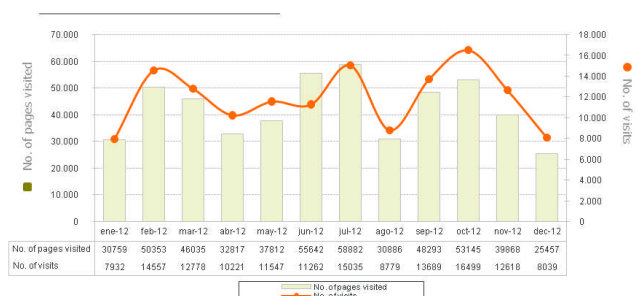
Gamesa webpage received 1,421,560 visits with a total of 3,893,073 page views.

There were 142,194 visits to the Gamesa intranet, with more than 500,000 page views.

2012 Gamesa Website



2012 Gamesa Intranet



Participation in business associations and other social organizations: presence in a total of 76 associations in 2012 (34 in Spain and 42 international).

Participation in forums, conferences, community events and collaborations.

Environmental impact assessment processes. Total of 50 environmental studies in 2012.

Presidency of the Navarra Foundation for Excellence, a non-profit public body formed by the Government of Navarra in 1999 in order to promote and spread the culture and principles of business excellence in all Navarran public and private organizations.

Dialog with shareholders, investors and analysts

Corporate website with a specific space for investors and shareholders: 180,000 views in 2012

Results presentations: followed by 823 people.

Presentation of the 2013-2015 Business Plan: followed by 353 people.

Shareholder information office: 560 calls.

Investor relations department: Visits to financial centers in Andorra, Barcelona, Madrid, London, Frankfurt, Zürich and New York. Total investors in 2012: 78.

Presence at institutional investor conferences: London, Zürich and Madrid. Total investors: 43

General Meeting of Shareholders: Presence of 32.1% of the share capital. Followed by 120 people and 188 people via webcast.

Shareholder information mailbox: 400 queries.

2012 SUSTAINABILITY REPORT



Institutional investors and analyst information mailbox: 328 queries.

Permanent contact with 30 analysis firms during the fiscal year (2012, December 22nd).

Dialog with suppliers

Event with suppliers in Tianjin (China) attended by 100 local and global suppliers in order to expose them to the company's challenges at the global level and the challenges of the Chinese market, and to convey them the need to contribute to Gamesa's achieving its business plan.

Supplier portal, for exchange of product technical documentation, quality documentation, and documentation for delivery management.

Gamesa webpage: contains general purchase conditions and quality manual for suppliers.

Evolution of the stock market

Gamesa's stock market evolution during 2012 reflects, as it did in 2011, reduced demand and electricity prices resulting from global economic weakness and cutbacks in investment in renewables due to lower project IRR. The reduction in IRR is in large part a result of declining support for renewable energies in key markets, mainly in southern Europe and the U.S., due to the high indebtedness of those markets. Also, continuing manufacturing overcapacity keeps pressure on industry profitability. In this context, Gamesa ended the year with a 46.6% decline in a period when the Spanish market's benchmark index, the IBEX 35, fell by 4.7%.

Alongside macro- and microeconomic trends from previous years, which state that the downturn will begin right from the beginning of the year, we must emphasize two key milestones during 2012: the change to the management team and the presentation of a new 2013-2015 Business plan which replaces the previous plan (2011-2013 BP).

Thus Gamesa began the year with the annual maximum of €3.24 (January 2, the first business day of 2012), while the minimum of €1.01 (July 25) preceded the announcement of the results of the first half of 2012. During this announcement and in an environment of weak demand and pressure on margins, the company let the markets know about an adjustment to the economic and financial guidelines adopted for 2012. So, the first presentation of the new management team to the market on July 26 marked the turning point in the company's stock market performance.

During the first quarter, share performance was impacted primarily by the announcement of the 2011 results and guidelines for 2012, and by regulatory uncertainty, ending the quarter with a 25.8% drop. Despite positive financial results for 2011 and in line with the guidelines adopted by Gamesa for the year, the announcement of the 2012 guidelines, guidelines that reflect the uncertainty of demand and pressure on margins in the industry, and that are well below market expectations, resulted in a downward pressure on the share price.

Noteworthy within the regulatory environment were the negative impact of uncertainty regarding renewable incentives in the U.S.⁵⁷ and India⁵⁸, new technical requirements approved for wind turbines and farms in China as well as new procedures for project approvals there⁵⁹, and the moratorium in Spain on the special scheme for new installations not included in the preassignment register (RD 1/2012). This negative impact on price performance has occurred because of expectations of how these factors will impact the evolution of demand in 2012 and 2013.

One of the most important milestones of the year occurred during the second quarter, the change of Executive Chairman, with the entry of Ignacio Martín, on May 23rd, to replace Jorge Calvet. This change was viewed positively by the market, with a jump in share price of 2.9% following the announcement.

The evolution of Gamesa and the sector during this quarter is marked by continued regulatory uncertainty in key markets and a significant slowdown in new orders, a slowdown partly explained by that regulatory uncertainty and which is in contrast to the strength of the first quarter. The weakness of the sector environment is reflected in results for the January-March quarter that were disappointing to the market in general. In this regard Gamesa incurred its first operating loss after five years of positive results.

Additionally, Gamesa's performance is affected by capital outflows of southern European countries given the risk of Greece leaving the euro, the potential contagion of Spain and the rescue of Bankia. In this sense, the IBEX 35 fell by 11% during the quarter, with declines experienced by 28 of its 35 members.

Gamesa ended the second quarter by holding the General Meeting of Shareholders, where the payment of the dividend out of 2011 results (equivalent to €0.05 per share) was approved. For the third time the dividend payment was offered, at the shareholder's choice, in bonus shares (88% acceptance) or in cash.

Gamesa ended the first half 2012 with a decline of 56.1%.

During the third quarter of 2012 Gamesa reached its annual minimum of €1.01 on July 25, which was the turning point in the downward trend. The share price recovered 19.9% of its value during the quarter and ended the first nine months of the year with a cumulative fall of 47.4%.

Gamesa presented the results of the first half of 2012, results that are in line with the company's expected progression, recovering the operating losses of the first quarter of 2012. During the presentation of the half-year results, the first market results of the new management

⁵⁷ Doubts on the extension of production incentives (Production Tax Credit/PTC) and investment incentives (Investment Tax Credit/ITC) that expire in December 2012.

⁵⁸ Doubts about the impact on demand of the March 2012 expiry of the production incentive (Generation Based Incentive/GBI) and accelerated depreciation incentive (80% of the investment in the first year of operation).

⁵⁹ Intervention of the central government of Spain in the approval of all wind projects (including those with a capacity less than 50 MW)

2012 SUSTAINABILITY REPORT



team, an adjustment to the approved guidelines for 2012 was announced, with a reduction in sales volume and in profitability for the year. This adjustment reflects a new economic and industrial environment of slower growth in which Gamesa has defined strengthening the balance sheet as the priority objective for 2012. This objective requires a strict alignment of production and deliveries, which, in an environment of slower growth, results in a reduction in production volumes with a consequent impact on the expected return for the year.

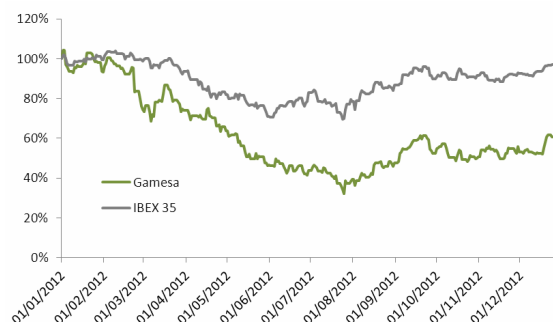
Gamesa also announced the development of a new business plan, replacing the 2011-2013 plan, which enables it to operate profitably in an environment of moderate demand; the company communicated this to the market during the fourth quarter of 2012.

On October 25 Gamesa presented its business plan for 2013-2015 to the market, a plan that hinges on three pillars: operational excellence, Gamesa's unique presence across the wind value chain, and strengthening the balance sheet. These pillars will allow the company to return to the path of profitability in an environment of lower demand and generate net free cash during the period, creating shareholder value. As part of achieving operational excellence, Gamesa announces the implementation of measures to reduce fixed costs by 26% compared to 2011, or €100 million, and the improvement to the wind turbine contribution margin by 4 percentage points during 2013-2015 by optimizing variable costs.

During the fourth quarter, Gamesa announced the results for the first nine months of the year, results that are in line with the new guidelines for the year and the performance anticipated by the company for the first nine months of the year. This performance includes a temporary rebound in the group's net financial debt over the year's guidelines, a rebound that reflects the need for investment in wind farms whose delivery and payment takes place during the last quarter.

Gamesa ended the year by leaving the IBEX 35. The company's exit, which has no effect on price performance, is mainly due to a reduction in trading volumes, a reduction that is largely the result of a capital outflow from the European renewable sector. A change to the criteria to remain on the IBEX 35, which now incorporates both market capitalization and trading volume, also contributed to the company's leaving the index.

So, Gamesa ended the fourth quarter of 2012 with a slight 1.5% increase, ending 2012 at €1.66, 46.6% below the year's opening value. This reflects, on the one hand, the impact of the weak global economy, especially the financial difficulties of southern European countries, in developing the demand for wind turbines in an environment of manufacturing overcapacity that exerts continued downward pressure on industry margins. On the other hand, the recovery that occurred during the second half of the year reflects, in part, the implementation of a new industrial plan (2013-2015 BP) in order to regain profitability in an environment of moderate growth without losing the flexibility to grow in the future. This plan is in line with plans submitted by various manufacturers in the sector during the second half of the year and confirms the industry's strong commitment to creating shareholder value.



Gamesa also makes itself permanently available to financial analysts, NGOs, trade unions, consumer associations, economic journalists, opinion leaders and experts in CR, for inclusive journalistic processes for evaluating responsible companies. Gamesa's level of performance in the area of corporate social responsibility is subjected to constant analysis and evaluation by rating agencies, investment banks, certification bodies and opinion leaders, the results of which form a very useful source of information for learning and continuous management improvement.

	2012	2011	2010	2009
Dow Jones Sustainability Indexes (DJSI) ⁶⁰				
Global certification	72	73	68	62
Sector leader	72	77	68	62
Sector average	52	50	43	37
CSR Observatory ⁶¹				
IBEX-35 position	13	22	10	9
Overall result	53	45	51	46
Information, transparency and management systems	50	56	57	54
Management policies and results	56	34	45	38
Spanish Corporate Reputation Monitor (Merco) ⁶²				
Position in the Top 100	39	48	62	21
General score	5,744	5,564	3,658	4,210

⁶⁰ "The Sustainability Yearbook 2013" . RobecoSAM.
<http://www.robecosam.com/en/sustainability-insights/library/the-sustainability-yearbook.jsp>

⁶¹ "Responsibility culture, politics and practice in IBEX 35 companies".
 CSR Observatory. (<http://www.observatorio-rse.org.es>)

⁶² Spanish Corporate Reputation Monitor (MERCOS).
<http://www.merco.info/es/countries/4-es>

2012 SUSTAINABILITY REPORT



Key topics and concerns that have been raised through the involvement of interest groups, and how the organization has responded to those key topics and concerns through its reporting. [4.17]

Climate change: Key issues

- Development of specific policies and strategies for fighting climate change
- Identification of financial, regulatory and operational risks associated with climate change.
- Inclusion of climate change in the design of products as an environmental element.
- Publication of historical CO₂ emissions trend (Direct from Scope 1 and indirect from Scope 2).
- Publication of intensified CO₂ indicators.
- Objectives for GHG emissions reduction and progress on compliance.
- Evaluation of GHG emission in the supply chain (Scope 3).
- Promotion of the application of climate change best practices among suppliers.
- Support of and commitment to public initiatives in the fight against climate change.

Environment and diversity: Key issues

- Identification and management of environmental risks and impact.
- Environmental and energy efficiency in company activities.
- Analysis of environmental impact of product life cycles.
- Internal sensitization and communication regarding environmental issues.
- Promotion of best practices for environmental management in the supply chain.
- Conservation and biodiversity policy
- Risk map, identification of operations in sensitive areas
- Adoption and public support of international standards regarding biodiversity (e.g. Convention on biological Diversity).
- Species monitoring programs (impact on ecosystems) (KPI).
- Recovery and restoration policies for damaged ecosystems.

Communities and social investment: Key issues

- Policies and management systems for community relations
- Identification and social impact management for company projects
- Policy for contribution to local development through social investment programs
- Promote technology transfer with developing countries.
- Increase social acceptance with sensitization regarding the benefits of wind power.
- Promote corporate volunteers.

Corporate Governance: Key issues

- Formal policies of corporate governance in accordance with international standards.
- Commitment to the Independence and diversity of the Board of Directors.
- Director compensation linked to achieving ESG objectives.
- Director performance evaluation.
- Sustainability Committee or CSR on the Board of Directors.
- Inclusion of ESG know-how in the Investor Relations Department.

Ethics and integrity: Key issues

- Public commitment to business ethics.
- Adoption of ethics and integrity initiatives.
- Adoption of codes of conduct and compliance systems.
- Report of the degree of compliance with the code. Publication of significant breaches.
- Implementation of policies against bribery and corruption.
- Commitment to transparency in commercial relationships and with public administrations.
- Information regarding corporate practices at they relate to political contributions and application of principles of good governance to lobbying practices.
- Employee training and awareness-raising regarding issues of business ethics.

Human Rights: Key issues

- Formal policies regarding Human Rights issues in line with leading international standards.
- Mechanisms for evaluating and managing risk associated with infringement of human rights (identification, evaluation, communication channels, research).
- Risk maps in accordance with benchmark standards.
- Indicators to monitor compliance and performance.
- Promotion of practices that respect human rights among employees.
- Promotion of human rights in areas where the company has influence, especially among partners and suppliers.
- Active participation and collaboration with governments and NGOs regarding human rights.

People: Key issues

- Human Resources Policy based on leading international standards (i.e. ILO).
- Policy of diversity, inclusion, equality, and opportunity.
- Commitment to work stability and employability.
- Corporate culture and values that reinforce the commitment.
- Professional development based on competencies
- Talent attraction and retention policy.
- Compensation based on merit recognition (performance evaluation systems).
- Inclusion of external perception metrics (risk of reputation loss, client satisfaction, stakeholder feedback, and environmental metrics for reduction of corporate emissions) as well as variable compensation indicators for senior management.
- Commitment to freedom of association especially in countries where it is denied by law.

Safety and Health: Key issues

- Health and safety policies.
- Identification, evaluation and mitigation of risk in the area of work health and safety.
- Adequate mental health assistance (adopt measures for controlling stress, implement flex-time system, provide psychological assistance, etc.).
- Training and Sensitization regarding work safety.
- Trend of employee and contractor accident indicator (KPI)
- Trend of absenteeism indicator (KPI).
- Objectives for reducing work accidents and degree of progress.

A fair and balanced response to the concerns and issues of interest identified through dialog and participation of stakeholders are reflected in this 2012 Sustainability Report and can be found described in section 5 below.

5.- MANAGEMENT APPROACH AND PERFORMANCE INDICATORS FOR SUSTAINABILITY

2012 SUSTAINABILITY REPORT



5.1.- ECONOMIC DIMENSION

Economic management approach ⁶³

The group's consolidated revenue considered the activity of development and sale of wind farms in the U.S as continued was €2,844 million (6.2% below 2011 sales), the result of a strategy of aligning production to deliveries and payment in the wind turbine business, in an environment of slowing demand. This slowdown reflects the weakness of developed economies and regulatory changes and network limitations in emerging markets like India and China.

The group's EBIT before extra ordinaries was €5 million and losses amounted to €659 million. The group's losses were impacted by exceptional items for a net amount of taxes of €600 million, a result of the alignment of the company's balance sheet to the new market reality and to the 2013-2015 business plan, which was presented and put into operation during the fourth quarter of 2012.

The wind turbine division closed with a sales volume of 2,119 Mwe. The operations and maintenance unit (O&M) grew despite the weak economic environment, with sales of €344 million. As a result, total sales of the wind turbine division dropped by 13% to €2,492 million. The decrease in wind turbine activity coupled with continued pressure on prices, and the cost of launching the new 2 MW and multi-MW platform have had a clear impact on the division's profitability, with a loss of three percentage points of EBIT margin before special items for the year.

The profitability of Wind Farms has also suffered from the downturn in the markets where it operates, closing 2012 with operational losses before extraordinary items of €48 million. These losses occurred despite a significant increase in activity, with 694 MW of deliveries in 2012, nearly four times greater than 2011 deliveries. The market downturn has been particularly significant in the U.S., driven by low gas prices and regulatory volatility, which has led to Gamesa to cease its development activity in that market and put it up for sale, while maintaining its wind turbine manufacturing and sale operations and its O&M services in the U.S.

In order to return to the path of profitability and value creation in a market environment with slower growth, and after bringing on a new management team, Gamesa defined a new business plan for 2013 - 2015 ⁶⁴. The plan was put into operation in the fourth quarter of 2012, and significant progress has been made on two fronts: financial deleveraging and the resizing of the group's structure.

As part of its financial deleveraging, and in line with its commitment, Gamesa ended 2012 with net financial debt of €495 million, complying with banking covenants. Strong cash flow was supported by a significant decline in working capital in sales of both wind turbines (up to 12% compared to 24% in 2011) and wind farms (up to €184 million compared to €670 million in 2011), and by control of capital expenditure (€190 million, 17% below 2011), all aligned with the strategy in the new business plan.

As part of resizing the group structure in line with an efficient business model and a market with lower growth, Gamesa has put in place measures to reduce spending that cover 90% of the objective established for 2013. Agreements were reached in the fourth quarter in all geographic areas to adapt internal and external staff numbers to the company's new size. Those agreements led to 1,418 lay-offs in the fourth quarter and 2,218 in 2012, with associated gross annualized savings of €987 million and restructuring costs of €34 million.

In addition to lay-offs, Gamesa closed 24 facilities in 2012, or 15% of the total number of operating facilities at the beginning of the year: 14 offices, 4 regional operations and maintenance centers and 6 manufacturing plants. Closing those facilities will enable Gamesa to save around €5 million gross per year.

Implementation of the 2013-2015 business plan also required that the company's balance sheet be redimensioned in line with the new size of the organization, the new operating model and product strategy, and also with an environment of slower market growth. This redimensioning led to a number of adjustments in the balance sheet with a net total impact of €600 million on the bottom line.

Accordingly, Gamesa ended 2012 having fulfilled the targets to which it was committed – 2,119 MWe sales, positive EBIT at group and wind turbine level, and net financial debt (NFD) before extra ordinaries of €495 million, 2.5 times group EBITDA – fulfilling its covenants with the banks and laying the foundations for the new 2013-2015 business plan to work.

⁶³ Extract from the 2012 activity report and results presentation
Accurate and complete results are included in the results presentation and the Activity Report, all available on the website.
<http://www.gamesacorp.com/es/accionistas-inversores/informacion-financiera/>

⁶⁴ More details on page 10, "2013-2015 Business objectives and strategy". Full access to the 2013-2015 is also available at the website
<http://www.gamesacorp.com/recursos/doc/accionistas-inversores/presentaciones/2012/plan-de-negocio-2013-2015-esp.pdf>

SUSTAINABILITY REPORT 2012



Economic Performance

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. [EC1]

Economic value (in thousands of euros)

	2012	2011	2010	2009
Direct economic value generated	2,870,928	3,050,220	2,782,635	3,241,461
Economic Value Distributed	2,569,595	3,145,568	2,863,470	2,471,507
Operational costs	2,078,579	2,660,934	2,434,327	2,056,394
Employee compensation and expenses	371,674	354,751	295,116	292,354
Payments to suppliers of Dividends-capital ⁶⁵	0	12,600	12,750	29,000
Financial costs	81,321	80,886	67,318	58,642
Payments to public administrations	35,043	31,076	52,346	34,241
Investments to benefit the community ⁶⁶	2,978	5,321	1,613	876
Economic Value Retained	301,333	(95,348)	(80,835)	769,954

Financial statements. Profit and loss statement (in millions of euros)

	2012	2011	2010	2009
Billing	2,673	3,012	2,764	3,229
Fixed asset improvement	93	114	68	71
Consumption	(1,883)	(2,044)	(1,850)	(2,326)
Personnel costs	(366)	(349)	(295)	(292)
Other operating expenses	(318)	(356)	(359)	(287)
EBITDA	201	377	328	394
Amortization and depreciation	(97)	(99)	(103)	(99)
Provisions	(319)	(131)	(106)	(118)
Downturn	(289)	-	-	-
Operating result	(504)	131	119	177
Financial results	(60)	(37)	-54	-53
Gains on disposal of non-current assets	(1)	2	(1)	(2)
Net Losses from financial asset deterioration	(25)	(25)	(30)	(2)
Results in equivalent pesetas	(1)	-	2	2
Profit before Tax	(589)	87	35	122
Taxes	88	(18)	15	(7)
Profit after taxes	(501)	69	50	115
External partners	-	(1)	-	-
Gains or losses from discontinued operations	(158)	(18)	-	-
Parent company results	(659)	51	50	115

Financial implications and other risks and opportunities for the organization's activities 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.

Recently, the company has signed a number of agreements such as the "Carbon Price Communiqué" provided by the group of corporate leaders on climate change at the University of Cambridge⁶⁷, and adding to its support for agreements signed in Cancun, Copenhagen and Poznan in previous years, which strengthen its commitment to a call to action for, among other things:

- Promoting energy efficiency in all sectors including financial support and energy efficiency policies applicable to buildings, transport and industry;
- Promoting low-carbon emission power systems and development of infrastructures and research in these areas;
- Promoting emission capture and storage systems;
- Strengthening efforts in the fight against emissions of other greenhouse gases such as methane and nitrous oxide.

These objectives constitute a position on the promotion of technological change and encourage energy generation with cleaner technologies. Gamesa is therefore in line with a global commitment to tackle climate change by reducing CO₂ emissions, supporting other initiatives such as the European Union's 20/20/20 objective, and others.

Gamesa operates in a continually growing global market that demands mature technology. The global market for wind power installations increased by 44.7 GW in 2012, according to figures released by the Global Wind Energy Council (GWEC). This makes a 2012 total installed wind power capacity of 282.4 GW, a 18.7% increase over the 238 GW installed at the end of 2011.

The transition to low-carbon economies positions wind energy, and Gamesa in particular, as a key player in world economies, providing energy that is free of CO₂ emissions, reducing dependence on fossil fuels, increasing energy security and contributing to the stability of energy prices. Gamesa also helps provide income for local economies, develop local suppliers and create sustainable jobs while introducing its technology onto the market.

⁶⁵ In 2009, 2010, 2011 and 2012, a new system of shareholder compensation was included called "Gamesa Flexible Dividend," referenced to its market value.

⁶⁶ Includes expenses in associations, sponsorships, and patronage.

⁶⁷ More information at <http://www.climatecommuniques.com/>

SUSTAINABILITY REPORT 2012


Coverage of the organization's obligations due to social benefit programs.

[EC3] Gamesa's philosophy considers social benefits to be instruments that provide protection and ensure the standard of living of its employees, establishing different levels of coverage, products and services by professional category. Noteworthy among the elements included in the company's Compensation Policy are:

- Preventative Medical Service and Periodic Health Surveillance: corporate medical service that manages annual medical examinations, health programs and prevention programs.
- Life Insurance for Executive Personnel: Gamesa offers its executives life insurance, as part of their compensation, whose guaranteed capital is based on different remuneration levels.
- Flexible Remuneration Plan (Gamesa Flex): option for Gamesa's management personnel in Spain to make part of their remuneration flexible, benefiting from tax savings and cost advantages. The products offered as part of this plan are health insurance, housing rental, restaurant vouchers, computer equipment and childcare vouchers.
 - The group of people who can benefit from this Plan was progressively expanded in 2012.
 - In 2012, 529 employees have contracted 1 or more products in this latest window.
 - The 3 products offered in the flexible remuneration plan which were most contracted in the most recent window were health insurance, followed by childcare vouchers and meal vouchers.
 - The average annual tax savings per participant is €900.
- Purchasing Club (Gamesa Club): This is an area of social benefits for Gamesa employees offering special conditions on certain products and services. These benefits included discounts at financial institutions, rental cars, hotels, gyms, etc. In 2012 41 different products were offered.
- Family Plan: fostering collaboration with companies that facilitate the work-life balance of each employee, specific to the development and sale of wind farms.
- Company Dining Areas: restaurant services in some of the main work centers that are wholly or partly subsidized by the company.
- Flex Time: flexibility in the work start and stop times in order to facilitate better work-life balance.
- Share Plan: In 2011, the Gamesa Shareholding plan offered all its employees –from any of the companies in the Gamesa group whose contracts would expire before the end of the June 1, 2012 plan – the opportunity to become a company shareholder. The amount that each employee decided to allocate to purchasing shares, up to a maximum of €1,200 euros, was funded by Gamesa and was deducted proportionally from their net salary in their monthly paychecks from the date the plan was launched on April 28, 2011 until the end of the period. In return for this employee commitment, under this plan, for each two (2) shares acquired by an employee, the company awarded them one (1) free share in June 2012, provided the employee remained part of the Gamesa team and held onto the shares until the plan was completed. As a result of the Plan, free shares were awarded to 2,679 shareholders in June 2012.
- Retirement/Pension Plans: as a general rule, the company does not offer pension/retirement plans beyond those specified by their employment obligations arising from commercial acquisitions. In particular it is stated that:
 - Gamesa manages pension plans as provided for by law in some geographical areas, with contributions made by the company based on salary
 - For executives in Spain, the company offers the opportunity for salary tax optimization through contributions to a pension plan by the employee;
 - In the particular case of the United States, employees can make contributions to their retirement plans in the investment funds of their choice, with the corresponding tax benefits. In this case, the company matches employee contributions 100% up to a maximum of 4% of their salary. Employees are immediately vested in the company contribution, which means that they can withdraw the contributions made by the company in the event they decide to leave the company. Also, all employees in the United States have access to medical, dental and life insurance services. In this case workers make contributions amounting to 16% and Gamesa covers the remaining 84%. For other services, employees pay 24% and the company the remaining 76%.

- Long-Term Incentive (LTI). Gamesa Appointments and Remuneration Committee agreed in its meeting of May 30, 2011:
 - The share delivery program linked to achieving the objectives of the Company's 2011-2013 Business Plan, approved by the General Meeting of Shareholders on May 25, 2011, (relevant fact 144470), which was established to strengthen the commitment of the key management team and align it with Gamesa's objectives, aimed at achieving the main objectives of the 2011-2013 Business Plan. The Plan is an extraordinary multi-annual incentive, payable in shares of the company, which consists of an initial allocation to the beneficiary of a number of "theoretical shares" that, after the application of certain coefficients and based on the degree of achievement of strategic objectives, may result in the actual delivery of Gamesa shares on the scheduled payment date. No minimum value of the allocated shares is guaranteed. If necessary or advisable for legal or regulatory reasons or for other similar reasons, in specific cases the share delivery mechanisms may be adjusted in without altering the maximum number of shares linked to the Plan, or the basic conditions upon which their delivery depends. These potential adaptations include substituting the delivery of shares for cash amounts of an equivalent value on the date of delivery. In this case, the cash equivalent will be calculated by multiplying the number of shares that would have been payable on the date of payment by the closing price of the share on that date.

Significant financial assistance received from governments

[EC4] The volume of new investment subsidies in R&D and production awarded to Gamesa in 2012 was €6.3 million. These concessions have come from European, national and regional bodies, both Spanish and from other countries, in particular: European Commission under the FP7, Center for the Development of Industrial Technology, Ministry of Economy and Competitiveness, Government of Navarra, Basque Government, Regional Development Society of Cantabria, Government of Castile and Leon, and Community of Madrid.

In addition, in 2012 Gamesa obtained low-interest loans worth over €18 million from the Center for the Development of Industrial Technology, the Ministry of Industry, Energy and Tourism, and the Government of Castile and León.

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

Market presence

Range of ratios of standard entry-level salary compared to local minimum wage in significant locations of operation

[EC5] The Gamesa remuneration and compensation policy is a key management tool for the necessary alignment of the actions and behavior of our leaders with the organization's culture and objectives.

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

In this context, the compensation system ensures that company remuneration matches the professional level and the market, guaranteeing that employees are offered fair and competitive remuneration in every case.

With regards to the range of ratios corresponding to standard entry-level salaries in comparison with the local minimum wage, we demonstrate that, based on the following calculations, groups that are not expressly covered by collective agreements are taken into consideration, in view of the fact that the requirements and guarantees agreed with the union are included in that.

So, this ratio is 2x in Spain, 1.8x in the United States, 2.3x in China and 1.2x in Brazil. As for India, given that it is a highly competitive market, standards are applied based on the market, sector and specific positioning.

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

[EC6] Thanks to its presence on various continents, the company has continued to consolidate its global supply chain. This has required addressing a range of challenges that entailed technological development and supplier competitiveness in 2012:

- overall supplier growth, with them having the possibility of supplying not only within the region where they are located but also to other areas where Gamesa is present.
- working hard on the competitiveness of its supply chain. Within an increasingly competitive market in terms of cost, Gamesa has worked closely with its suppliers on the cost basis of products as well as on the suppliers' internal operating costs.
- ensure a rapid response to market needs and implement new machine configurations in regions that demand it. This has been a major challenge for suppliers and contributes to their ever-higher capacity in terms of technology, flexibility and competitiveness.
- reduction of time to market. As key actors, the suppliers collaborate on the development of new components for new platforms. This has been the

SUSTAINABILITY REPORT 2012



case throughout 2012, for example their involvement in developing the offshore machine

To achieve this, we have worked with the suppliers to attain maximum performance quality, to achieve a significant reduction in response times and to structurally lower costs on the components and services they use in their business.

In 2012 Gamesa made near €1.8 million in purchases from suppliers around the world. In areas where it has industrial activity, the company contributes to the generation of wealth and achieving a stable local economy. It allocates its own resources to work on suppliers' facilities in order to ensure their technological development and competitiveness. For example, in 2012 in India it supported smelters such as Larsen & Toubro and ST Autocast and machining companies like Classic Tools, the latter through a technology transfer process with the Spanish machining company Indae.

It has continued to promote local training through locating its supply chain in different regions. This is how it managed to globalize the supply profile: global suppliers with local presence, new local suppliers and the internationalization of current suppliers.

The degree of localization (local buying) achieved in 2012 was:

Degree of localization by Country/Platform

	2012	2011	2010
United States (U.S.+Asia)	79% (G97)	62% (G8X)	60% (G8X)
China	98% (G8X) 99% (G97)	95% (G8X) 82% (G5X)	89% (G8X) 76% (G5X)
India	74% (G97)	46% (G5X)	35% (G5X)
Brazil	52% (G8X)	48% (G8X)	-

In line with the Business Plan, supply management substantially contributes to reducing Cost of Energy (CoE) by working with the quality and technology areas and with the supplier itself. Actions are defined through workshops for product redesign as part of the "Costwise Product Evolution" and "Development Critical Components" programs, which promote the suppliers' technical contribution and culminate in component cost reduction. In addition, 267 projects for generating alternative suppliers have been successfully completed in 2012, versus 133 in 2011.

Both factors have contributed to the significant cost reduction in 2012.

No. generation projects with alternative suppliers

Platform	G5X	G8X	G97	G10X	2012 Total	2011 Total
Europe	10	25	38	12	85	36
United States	2	11	9	-	22	22
China	7	26	28	-	61	43
India	28	-	51	-	79	28
Brazil	-	13	7	-	20	4

Direct purchase supplier base ⁶⁸

(by business area)

	2012		2011		2010	2009
	Nº	%	Nº	%	%	%
Nacelles	447	31%			71%	56%
Transmissions	184	13%	698	79%		
Converters	77	5%				
Services	474	33%				
Blades	190	13%	134	15%	23%	36%
Towers	86	6%	49	5%	5%	8%

(by geographical area)

	2012		2011		2010	2009
	Nº	%	Nº	%	%	%
Europe & ROW	553	55%	446	50%	64%	53%
United States	105	11%	117	13%	12%	22%
China	224	22%	261	30%	21%	25%
India	93	9%	44	5%	3%	-
Brazil	27	3%	13	1%	-	-

Indirect purchase supplier base ⁶⁹

	2012		2011		2010	
	Nº	%	Nº	%	Nº	%
Europe & ROW	2,601	64%	1,772	50%	2,783	62%
United States	656	25%	256	26%	801	28%
China	160	1%	224	3%	211	1%
India	805	8%	562	20%	422	9%
Brazil	223	2%	10	1%	15	<1%
Total	4,445	100%	2,824	100%	4,232	100%

⁶⁸ Materials and supplies directly associated with or part of the wind turbine. In percentage of total suppliers.

⁶⁹ The percentage column states the % of indirect purchasing expense over the total.

SUSTAINABILITY REPORT 2012


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

[EC7] The company has a set of recruitment policies and processes, global in nature, based on well-established management processes, with the aim of meeting the needs of the people from the various organizational units in line with their strategies and operational plans, ensuring their relevance and alignment with corporate values. At the same time, it makes it possible to identify and define all the milestones of the selection process in order to ensure the optimization of its various phases: recruitment, candidate assessment tools and recruiting and bringing aboard professionals who are excellent in their roles. Within this process, it is ensured that no applicant shall be discriminated against in any phase of the selection process based on gender, age, race, religion, belief or opinion. The evaluation criteria cater exclusively to professional standards, ensuring an assessment of their knowledge, skills and abilities. It also ensures compliance with current legislation on the hiring of people affected by disabilities and takes actions toward the elimination of all forms of forced or compulsory labor, the abolition of child labor and forced labor for the repayment of debt, and the elimination of any other form of coerced work.

A priority of Gamesa's selection policy is to seek and attract local talent in the countries in which it operates. It also promotes internal mobility within the company, whether local or international, driving globalism and knowledge transfer.⁷⁰

Local management personnel ⁷¹	2012	2011	2010
Spain	100%	94.2%	96%
Rest of Europe	100%	83.3%	100%
United States	60%	83.3%	67%
China	66%	66.6%	71%
India	100%	100%	100%
Rest of the world	0%	20%	67%

Within Gamesa University there is a wide range of activities founded on integrally managing the talent cycle, including organization, selection and evaluation, knowledge management, training and complete professional experiences.

The international cabinet supports the human resources role in managing people's international mobility, ensuring standard conditions, internal fairness among people, process quality and achieving criteria. In 2012, this cabinet managed a total of 643 assignments, both

short- and long-term, in all the geographical areas in which the company operates.

Indirect Economic Impacts
Development and impact of infrastructure investment and services provided primarily for public benefit through business commitments, pro bono or the like. Impact of investments in communities

[EC8] In addition to generating and distributing economic value, Gamesa has influence in the communities where it operates that goes further than its own business operations, and which extends as a long-term commitment.

Especially in the region of India, the company has undertaken initiatives in the fields of health, education, care for the environment and developing support infrastructure for the community.

Educational activities: In December 2011 a unique waste management and recovery program was started. The Wood Recycling Unit (WRY) was created with the aim of managing waste by converting scrap wood into useful school furniture.



The packaging materials from the products, parts and materials arriving at Gamesa's Nacelles Unit in Redhills, India are transferred to the wood recycling unit where benches, desks and tables are made for the public schools near the wind farms in which the company operates.

In India, there is a large gap between the educational attainment of students who live in rural and built-up areas. Among the various reasons for this, education experts have identified the lack of suitable infrastructures (school furniture) as one of the main causes. This project therefore covers an important social function.

According to a national report on the state of education in India drawn up by the National Educational Planning and Administration University, less than 40% of school children have access to higher education at colleges/universities. Enabling rural pupils to read and write comfortably ensures the learning path is more promising for these pupils when it comes to continuing with higher education after graduating from school.

⁷⁰ See internal mobility program on page 68 for more details.

⁷¹ Note: For the purposes of this indicator, management will be considered to be members of the group that sets the general strategies and policies, advising on strategic concerns and on defining the business objectives, and whose work is focused in the long term on having ultimate responsibility for Gamesa's key processes, as well as the profit and loss statement. They also design and oversee the implementation of the general defined strategies, with responsibility for developing specific strategies, policies, regulations and procedures for their business unit or division.

SUSTAINABILITY REPORT 2012



The first lot of school furniture was donated to the Maruthamputhur Village secondary school in Tirunelveli District, Tamil Nadu, which depends on the Tamil Nadu state government. The donation consisted of 40 benches, 16 desks and 2 tables. Since this project was initiated, 32 benches, 50 tables and 2 platforms have been made, which have been donated to eight children's schools in the villages of Kuthapanchan, Puthupatti (two schools), Kasinthapuram, Kandapatti, Thulukkappatti, Karumpuliyuhtu and Maranthai.

Wooden toys have also been made, which have been donated to 17 *balvadis* (child care centers) in the Ram Nagar wind farm in Tirunelveli District. This program is geared at children under 6 years of age. *Balvadis* are the only way to stimulate and develop these children in rural areas. As a general rule, rural mothers send their children to a *balvadi* and then do agricultural work. Children remain in the *balvadi* from the morning until the afternoon (3:00 pm) and learn how to sing, dance, identify letters, numbers, shapes, colors, do common school tasks and other group activities. The *balvadis* are under the aegis of the central government's Integrated Child Development Scheme (ICDS). They however lack good services, infrastructures, school materials, electricity, etc., which affects the registration of children at *balvadis* and has a negative effect on their learning. Gamesa therefore aims to take advantage of this opportunity to support children in rural *balvadis* through the following objectives:

- To improve infrastructures and create a positive learning environment during the years they spend in a *balvadi*
- To provide support to primary learning skills and child development
- To support rural mothers' means of earning a living
- To improve registration at *balvadis* in rural areas

In order to so, Gamesa has donated 70 tables and 40 sets of toys to 20 *balvadis* in Alangulam Block and Block Mukkoodal, Tirunelveli District.



Materials made	Amount	Schools which have benefitted	School children who have benefitted
Benches	72	Six schools in Alangulam Taluk, Tirunelveli District	3,200 students
Benches	16	One school in Alangulam Taluk, Tirunelveli District	
Tables	200	Seven schools in 17 <i>balvadis</i> in Alangulam Taluk, Tirunelveli District and four schools in Bhendewadi, Satara District	
School materials and toys	40	Seventeen <i>balvadis</i> in Alangulam Taluk, Tirunelveli District	
Benches	335	One school in Theni District, one school in Rampur, Sangli District and four schools in Bhendewadi, Satara District	
Benches and desks	175	One school in Theni District and three schools in Rampur, Sangli District	
Benches and desks	50	One school in Kombhalne, Ahmad Nagar District	

Approximately 152,600 kilos of wood have been recycled to achieve this to date.

Environmental activities: Gamesa India conducted the "Green Wind Turbine" campaign in 2012 in order to place several environmental protection initiatives into practice. A student rally under the motto "The individual's role in the fight against climate change" was organized as part of this campaign. Its aim was to educate university students about global warming and its effects on the existence of life on earth, promote keeping plants in homes and to demonstrate ways for the general public to fight against global warming.

Contact was established with the National Service Model of the University of Madras to draw up a joint action plan through which the event was supported financially and in which Gamesa volunteers took part. The event took place on February 15, 2012 in Chennai, Marina Beach.

Likewise, World Environment Day was held. It involved planting trees in order to improve the green surroundings of the school.

Educational and inclusiveness development activities: The "Inclusiveness" program drawn up by Gamesa India is aimed at children with a disability, such as children suffering from sight or hearing difficulties, children who cannot walk or children who have learning difficulties. It also includes all children who have not gone or who have been excluded from school as they cannot speak, are ill or belong to another religion or caste. Gamesa provided support to Adarsh, an institute whose mission resides in enhancing the inclusiveness of children who Gamesa has supported, by donating Rs 50,000 to improve infrastructures in the classrooms which are under Adarsh's management.

Seeing as education is one of the main areas of action for CSR at Gamesa, the company strengthened this undertaking with an additional Rs.5 Lakhs in 2012 for its expansion programs, along with organizing a cultural program.

SUSTAINABILITY REPORT 2012



Educational health and safety activities: The company has carried out an awareness raising program on domestic health and safety for children in rural schools.

As part of the three-hour program, special protectors were handed out to motivate school children and to highlight academic excellence. Around 60 pupils took part in the "Gamesa Academic Excellence Award". Safety demonstrations were carried out through an interactive training program aimed at learning how to efficiently handle emergency situations. Five thousand pupils were reached through six training programs.



Infrastructure support activities: Gamesa forms part of the Thane help group. It is the only volunteer from the wind energy industry involved in these help tasks. As a result of the devastation caused by a cyclone, normal life in Cuddalore was seriously affected. Electricity supplies were cut off and roads were damaged and rendered useless. A team comprised of 16 Gamesa technicians with experience in infrastructure works worked for over a week (ten days) to provide electricity to ten villages in Kurinjipadi, placing their knowledge and resources at the service of these communities.

Voluntary activities. Other campaigns carried out by Gamesa India have involved voluntary work done by its employees. For instance, the diary, notebook and book distribution campaign for school children in rural areas carried out by Gamesa employees, who have worked on this campaign in two ways: by providing money and donating notebooks and other school materials. A total of 10,000 notebooks were donated to 2,000 pupils studying at schools in Alangulam Taluk, Tirunelveli District.



Gamesa India has scheduled the following for 2013:

- To produce 1,500 sets of benches and tables and reach 4,500 pupils in rural villages
- To carry out eight specialized medical camps to benefit 2,500 inhabitants in rural areas of India
- To carry out eight veterinary camps in remote villages located in Maharashtra, Rajasthan and Gujarat
- To provide support to 5,000 pupils that are studying in rural villages close to sites where wind energy projects and manufacturing facilities are located with educational materials and other kinds of aid.
- To disseminate basic knowledge on computer science among rural pupils by scheduling seven computer science laboratories in remote villages
- To raise awareness among school children about health and safety and to prepare them for emergencies by carrying out ten programs to reach 5,000 pupils

Lastly, outside India, the company has joined the ONCE Foundation in its "**No te rindas nunca**" campaign, which is aimed at making it easier for young people under the age of 30 suffering from disabilities to join the labor market. This group has suffered greatly from the crisis and has an activity rate which is forty points lower than the rate for other Spanish youths. The project consists of a set of 34 measures ranging from personalized training and promoting entrepreneurship to intermediation actions with companies which include disability in their corporate social responsibility policies, as is the case of Gamesa. The plan aims to reach a more than 9,000 disabled youths over the next three years, and the target is to ensure that no less than 3,000 find a job⁷².

Similarly, Gamesa has signed a collaboration agreement in Mexico with the Universidad Tecnológica de los Valles Centrales de Oaxaca (UTVCO), which is aimed at providing grants to students doing renewable energy degrees. This will enable new professionals to be trained and gain access to the labor market, increase investment and social development, and drive the local economy forward.

⁷² Further information can be found at: <http://www.noterindasnunca.org>

SUSTAINABILITY REPORT 2012



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

[EC9] The Gamesa 2013-2015 Business Plan is based on three main pillars: operating excellence, reducing the cost of energy (CoE) through technological leadership and a presence across the entire wind energy value chain and a solid balance sheet. 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 through the outsourcing of blade and cast components by December 2012.

Level of component outsourcing

	2012	2011	2010
Blades	44%	41%	28%
Gearboxes	44%	38%	35%
Generators	10%	3%	12%
Power electronics	52%	60%	62%

This column has been left intentionally blank
(continues on next page)

Additionally, Gamesa is continuing to invest in the principal wind energy markets with a level of investment which amounted to €190 million in 2012:

- R&D investment linked to new products and platforms (G97-2.0 MW, G114-2.0 MW, Gamesa 4.5 MW and offshore)
- Blade plant in India for the Gamesa 850 KW and Gamesa 2 MW platforms
- Adapting production capacity to the G97-2.0 MW turbine
- Investment linked to the manufacture of the Gamesa 4.5 MW platform
- Setting up activities in Brazil

5.2.- ENVIRONMENTAL DIMENSION

Environmental management approach

Continuous improvement and collaboration in the attainment 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, Environmental and Quality 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.

This 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.

Concerning performance in 2012, a 10% reduction in waste generation was attained and greenhouse gas emissions were verified for the second year in a row in accordance with the ISO 14064 standard. Likewise, a project was drawn up on the ways to recover fiber glass waste from scrapped blades. This project is also looking into the ways to handle the different waste flows from blade manufacturing.

Furthermore, all the documentation of the integrated management system has been reviewed. The requirements of all departments were analyzed and the issuance of new procedures is foreseen. The process-driven approach was strengthened through external audits and the blade plant in Gujarat, India was certified pursuant to three standards, OHSAS 18001, ISO14001 and ISO 9001.

A series of strategic objectives for the period covering 2013 to 2015 were defined:

	2013	2014	2015
Cultural change	Setting the EHS culture Development of EHS continuous improvement indicators and responsibility		
Hazardous substances	Minimization of the substances generating used in Gamesa products a high level of concern		
Supply chain	Movement towards implementation of health and safety and environmental management systems Movement towards carbon footprint environmental disclosures and ecodesign		
Product responsibility	Life cycle assessment and environmental product declarations for new developments Ecodesign certification of new products		
Waste management	Waste reduction. Generation, cost and end of life in landfill Definition of a management system for end of life		

They will focus on the following in 2013:

- Consolidating the environmental management system's implementation in turnkey construction activities.
- Moving forward in the implementation of the EMAS Regulations, an environmental management system with a standard exceeding the ISO 14001 standard.
- Finding new ways to recover the waste generated by activities and reducing their associated management costs.
- Continuing with the program to reduce waste management costs by 10% compared to 2012 levels.
- Reducing effluents by 10%, increasing waste recycling and recovery,

SUSTAINABILITY REPORT 2012



- Moving forward to a zero carbon footprint by collaborating with operating units in reducing energy consumption and costs through the implementation of energy efficiency measures.
- Finalizing the implementation of the chemical products application (Globally Harmonized System of Classification and Labeling of Chemicals) developed in SAP.
- Making internal progress in ecodesign by conducting life cycle assessments and product environmental declarations for the new multi-megawatt platforms.
- Making progress in environmental risk assessments of new processes linked to manufacturing, assembly and maintenance of the new multi-megawatt turbines and modifying existing assessments.

In order to do this, the company is equipped with an integrated management system (IMS) that includes environmental management in accordance with ISO14001 standard, quality management in accordance with the ISO 9001 standard and a health and safety management system in accordance with the OHSAS 18001 standard.

There are therefore systems in place to identify the environmental and energy-related aspects of the activities, products and services the company monitors and can influence within the scope defined for its integrated management system, taking into account new or planned developments, as well as new or modified activities, products and services. 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 actions and the extension of any lesson learned to the rest of the organization result from this root cause analysis. Detecting areas needing improvement and launching preventive actions 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 the health and safety, environmental and quality systems (PBE-1-002).

Responsibility for this activity's operational management lies with the Business Excellence Unit, which reports directly to the Operations Division. This unit's mission is to promote, strengthen and oversee occupational health and safety, the environment and quality through each area's management.

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.

Division	Location	ISO 9001	ISO 14001	OHSAS 18001
Europe and the rest of the world				
Nacelles	Ágreda, Soria	2005	2005	2009
Nacelles	Tauste, Zaragoza	2001	2005	2009
Nacelles	Sigüeiro, A Coruña	2001	2005	2009
Gearboxes	Bergondo, A Coruña	2005	2005	2009
Gearboxes	Lerma, Burgos	2005	2006	2009
Gearboxes	Asteasu, Gipúzcoa	2004	2005	2009
Gearboxes	Mungia, Vizcaya	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 Promo. & Sales	Madrid	-	2011	-
United States				
Nacelles	Fairless Hills, (PA)	2008	2009	2009
Blades	Ebensburg, (PA)	2008	2009	2009
China				
Generators	Tianjin	2008	2008	2009
Gearboxes	Tianjin	2008	2008	2009
Nacelles	Tianjin	2008	2008	2009
India				
Nacelles	Chennai	2009	2010	2010
Blades	Gujarat	2012	2012	2012

In 2012 Gamesa closed its blade manufacturing facility in Tianjin (China) and 3 centers and sub-nacelle assembly in Tianjin, Inner Mongolia and Jilin (China). It also proceeded to close the nacelle manufacturing center in Medina del Campo (Spain). Likewise proceeded to close four regional centers of operation and maintenance and 14 offices during the year.

SUSTAINABILITY REPORT 2012



Materials

Materials used by weight or volume. [EN1]

Consumption of raw materials (t)

	2012	2011	2010	2009
	119,687	137,254	113,364	129,601

Consumption of raw materials by geographic area (t)

	2012	2011	2010	2009
Europe & ROW	82,274	92,090	79,754	107,007
United States	3,319	11,974	13,019	9,821
China	3,378	17,386	16,137	12,774
India	15,745	15,983	4,554	-
Brazil	9,571	-	-	-
Total	119,687	137,254	113,364	129,601

Most significant consumption of raw materials (t)

	2012	2011	2010	2009
Oils	370	961	702	544
Solvents	169	308	295	94
Paints	147	266	271	24
Steel and sheeting	4,960	7,559	4,650	2,613
Scrap	5,073	9,835	9,234	8,038
Casting	10,587	13,944	10,049	7,871
Prepreg	14,109	12,555	14,081	13,083
Coatings	234	354	472	604
Adhesives	432	1,009	1,148	881
Total of most significant raw materials:	36,081	46,810	40,900	33,752
% Total consumption	30.15%	34%	36%	26%

Consumption of raw materials by product line (t)

	2012	2011	2010	2009
Gearboxes	18,959	19,503	17,022	19,470
Frames	11,230	15,540	13,154	17,144
Generators	5,154	9,860	8,519	10,804
Axels	7,532	6,430	5,325	6,920
Transformers	4,071	6,040	4,006	4,963
Electrical panels	745	1,462	1,554	1,982
Total semi-finished products:	47,691	58,745	49,580	65,523
% Total consumption	40%	43%	43%	47%

Eco-efficiency in raw material consumption

	2012	2011	2010	2009
(t/employee)	18	16	16	20
(t/Mill. €)	42	45	41	40

Percentage of materials used that 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 10,033 tons of scrap metal were recycled as part of the casting process at Gamesa Burgos.

Energy

Direct energy consumption by primary energy source. [EN3]

Direct energy sources (in Gigajoules-GJ)⁷³

	2012	2011	2010	2009
Natural gas (GJ)	154,087	174,033	229,742	197,994
Europe & ROW	114,661	111,653	165,940	174,407
United States	28,715	34,868	34,759	21,510
China	10,711	27,512	29,044	2,077
India	-	-	-	-
Brazil	-	-	-	-

	2012	2011	2010	2009
Propane (GJ)	7,710	9,815	16,647	14,306
Europe & ROW	6,845	8,751	15,749	13,953
United States	832	1,056	891	353
China	1	9	7	-
India	-	-	-	-
Brazil	32	-	-	-

	2012	2011	2010	2009
Diesel (GJ)	64,621	63,575	58,466	12,931
Europe & ROW	41,602	48,404	52,646	9,679
United States	11,601	3,373	2,622	1,779
China	1,040	2,934	2,629	1,473
India	10,319	8,957	569	-
Brazil	58	-	-	-

	2012	2011	2010	2009
Gasoline (GJ)	141	3,373	341	207
Europe & ROW	-	-	-	-
United States	141	3,373	341	207
China	-	-	-	-
India	-	-	-	-
Brazil	-	-	-	-

	2012	2011	2010	2009
Energy acquired	226,559	250,797	305,195	225,438
Energy produced	0	0	0	0
Energy sold	0	0	0	0
DIRECT Consumption⁷⁴	226,559	250,797	305,195	225,438

Direct energy consumption (in Gigajoules-GJ)

	2012	2011	2010	2009
Europe & ROW	161,109	168,808	234,334	198,039
United States	41,288	42,577	38,612	23,849
China	11,752	30,455	31,680	3,550
India	10,319	8,957	569	-
Brazil	91	-	-	-
TOTAL	226,559	250,797	305,195	225,438

⁷³ 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).

⁷⁴ Direct energy consumption= (Energy acquired)+(Energy produced)-(Energy sold)

SUSTAINABILITY REPORT 2012


Indirect energy consumption by primary energy source.
[EN4]
Intermediate energy acquired and consumed-Electricity (MWh)

	2012	2011	2010	2009
Europe & ROW	73,314	75,712	67,875	51,142
United States	10,730	10,976	10,382	7,719
China	6,915	16,535	16,111	12,540
India	5,563	1,243	380	-
Brazil	142	-	-	-
Total electricity:	96,664	104,466	94,749	71,401

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, biofuels, etc.

Indirect energy consumption (in Gigajoules-GJ)

	2012	2011	2010	2009
Europe & ROW	699,419	722,290	627,985	576,471
United States	107,384	109,850	103,909	89,197
China	75,431	180,369	175,743	147,625
India	73,900	16,515	5,044	-
Brazil	1,882	-	-	-
INDIRECT Consumption	958,016	1,029,023	912,681	813,294

Eco-efficiency in energy consumption (total)

	2012	2011	2010	2009
(GJ/employee)	178.2	153.1	145.7	163.3
(GJ/MILL. €)	416.5	421.9	401.5	321.6

Energy saved due to conservation and efficiency improvements.

[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. In 2012, Gamesa allocated 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 actions performed by the energy efficiency team during the year avoided the consumption of 393,382 kWh/year, which is equivalent to a saving of 94 tons of CO₂.

Initiatives to provide energy-efficient products and services or products and services based on renewable energies, and reductions in energy consumption resulted from these initiatives.

[EN6] The company has managed to certify the first wind turbine in the world, the G128-4.5 MW turbine, for ecodesign in accordance with the ISO14006/2011 standard. This ensures this wind turbine will have minimal environmental impacts throughout its entire life cycle: ranging from the design stage of all its components – a stage in which 80% of the impacts generated by a product, process or service are designed – to the materials selection, industrialization, packaging and delivery, installation, operating, maintenance and dismantling stages. Ecodesign is a tool that improves a product, both in terms of its environmental impact as well as in efficiency and costs. It facilitates processes and provides greater possibilities when taking design decisions.

As is indicated in the 2013-2015 Business Plan, the wind turbine division will also continue focusing on the development of products that are in line with market needs, have a competitive cost of energy (CoE) and needing R&D investments which are in keeping with the business's size. In this regard, future product development whose time to launch does not exceed 18 months from prototype assembly will focus on the evolution of the two current platforms, the 2 MW platform which will evolve to 2.5 MW and the multi-megawatt platform which will evolve from 4.5 MW to 5.5 MW. This evolution will ensure the Gamesa product portfolio remains being one of the most competitive portfolios in the market (AEP/THM)⁷⁵.

It is worth noting the important role the multi-megawatt platform will play in the company's long-term future due to both its function within the offshore market (common onshore and offshore platform) and its competitive edge in northern European markets, one of the most stable areas where repowering may come about earlier than in other markets, especially in Germany. Gamesa expects that the multi-megawatt segment will account for 50% of onshore demand in 2020. The Gamesa 5.5 MW turbine offers clear advantages in this segment to developers by optimizing the use of common infrastructures, reducing the cost of civil works (by between 10% and 45% per MW) and environmental impacts, while making it possible to concentrate power at the best energy-producing sites (minimizing wake losses by 10% depending on the site).

All of this leads to a greater NPV⁷⁶ of investments in markets with space limitations for 2020 and a higher IRR⁷⁷ in markets where the concentration of power and higher towers offer advantages.

⁷⁵ AEP/THM: Annual Energy Production/Top Head Mass as a product competitiveness parameter

⁷⁶ NPV: Net Present Value

⁷⁷ IRR: Internal Rate of Return

SUSTAINABILITY REPORT 2012


Initiatives to reduce indirect energy consumption and reductions achieved.

[EN7] A variety of actions aimed at reducing energy consumption were implemented and carried out throughout 2012 in a variety of the organization's areas. Reactive energy optimization, turning off cooling pumps at non-productive periods, turning off kiln extractors at non-productive periods, minimizing energy losses in curing kilns, installing metal halide lamps, among many others, are included among these actions. As a result, the consumption of almost 400,000 kWh of electricity has been avoided, which is equivalent to 94 equivalent tons of CO₂ (tCO₂-e).

Furthermore, in order to offset the carbon footprint, the "1,000,000 Trees" project was carried out in India. This project consists of planting different species of trees that are suitable for each area, like Gliricidia and Jatropha, in collaboration with the Tamil Nadu Government 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.

(This chapter has been expanded in the 2012 Gamesa Greenhouse Gas Emissions Report attached hereto on page 95)

Water
Total water withdrawal by source [EN8]
Total water consumption (m³)

	2012	2011	2010	2009
Europe & ROW	30,241	33,605	29,839	35,148
Water supply networks	24,384	27,938	24,974	30,835
Groundwater	5,857	5,667	4,865	4,313
United States	3,520	3,185	3,465	3,461
China	47,512	61,144	58,002	52,616
India	13,987	3,171	1,833	-
Brazil	-	-	-	-
Water consumption	95,261	101,105	93,140	91,225

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

Eco-efficiency in water consumption

	2012	2011	2010	2009
(m ³ /employee)	14	12	13	14
(m ³ /Mill €)	33	33	34	28

Water sources significantly affected by withdrawal of water.

[EN9] No water sources were recorded in 2012 to have been significantly affected by withdrawals which amounted to more than 5% of the total annual average of any water mass or withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or because they are a threatened or endangered system (or because they shelter protected plants or animals), or from Ramsar wetlands or from any other local or international protected area.

Percentage and total volume of water recycled and reused.

[EN10] 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.

Biodiversity
Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. Indicate the location and the size of land owned, leased or managed with a high biodiversity value in areas outside protected areas.

[EN11] Gamesa did not have any owned, leased or managed facilities which were adjacent to, located in or containing protected and unprotected areas having a high biodiversity value in 2012. This statement likewise covers wind farms built over the year, none of which are located in any natural protected space.

SUSTAINABILITY REPORT 2012


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

[EN12] The projects Gamesa developed, built and operated in 2012 were assessed as follows regarding their average impacts on their surroundings. The location of such impacts and the measures taken to offset them, along with their assessment are shown in the table below:

Most important impacts on biodiversity in 2012 (by type of impact)

Type of impact	Severe or critical?	Location	Corrective measures
VEGETATION: Occupation of natural vegetation, generally mountain spaces.	No	Galicia, Spain	Cleaning of vegetation along lines pursuant to Act 3/2007 on the prevention and defense of forest fires in Galicia.
		Mexico	Relocation of flora specimens inside a conservation area or an area of ecological importance.
FAUNA: Occupation of aerial spaces by structures.	Yes	Germany	Installation of automatic ultrasonic bat identifiers to identify the risk of collision.
		Galicia, Spain	Prospecting for collision/electrocution accidents on a monthly basis, seasonal review of flight interactions with overhead lines and/or towers and quarterly monitoring of bird of prey populations.
		Mexico	Relocation of fauna threatened by the building works performed on several work sites. Fostering the proliferation of fauna associated to the vegetation.
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	No		
ATMOSPHERE	No	-	-

Habitats protected or restored [EN13]
Physical area occupation levels

Project	Status	Surf. Area	Protected Area affected	Distance	Value	Protection
Rings TEDT II	Operation	0.6 km2	NSG "Mietenmoor"	Ca. 550 m	National Protected Area	Nature reserve
			NSG "Windbrackenholz"	Ca. 1,500 m	National Protected Area	Nature reserve
			Important birds named "Hohe Falle"	Ca. 2,500 m	Natura Network 2000	SPA
Stipa Nayaa	Construction finalized in 2012	0.9 km2	"Isthmus Regional Ecology Park"	7.8 km	National Protected Area NPA	National Park
Zopi-loapan	Construction	1 km2	"Isthmus Regional Ecology Park"	7.8 km	National Protected Area NPA	National Park
Cabezo Negro R6D	Operation	0.008 km2	"Río Huerva y las Planas" Special Bird Protection Area	Inside it	Natura Network 2000 protected area	SPA
R6D Jaulin	Operation	0.008 km2	"Río Huerva y las Planas" Special Bird Protection Area	Inside it	Natura Network 2000 protected area	SPA
La Cámara	Construction finalized in 2012	0.046 km2	La Sierra y Peñarrubia	2 km	Protected area	Public forest land
			Guadalhorce Reservoir Protected Area	2 km	Protected area	Public forest land
			Desfiladero de los Gaitanes		Protected area	
Cando LAT	Operation	0.38 km2	Serra do Cando SCI	166 ml inside it	Natura Network 2000 protected area	SCI
Ameixeiras-Cando LAT	Operation	0.39 km2	Serra do Candán SCI	Partly inside	Natura Network 2000 protected area	SCI
Ameixeiras-Masgalán LAT	Operation	0.18 km2	Serra do Candán SCI	Inside it	Natura Network 2000 protected area	SCI
Goia-Penote LAT	Operation	0.15 Km2	Serra do Xistral SCI	Inside it	Natura Network 2000 protected area	SCI
BNS II-SE Ixtepec Potencia CFE LAT	Operation	0.38 km2	"Isthmus Regional Ecology Park"	7.8 km	National Protected Area NPA	National Park

SUSTAINABILITY REPORT 2012


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.

Biodiversity Studies

	2012	2011	2009
Development phase			
Preliminary environmental impact assessments	1	10	17
Archaeology	-	1	-
Environmental imp. assessment	12	15	25
Bird fauna and bats	15	33	7
Noise	1	15	-
Specific studies	9	31	23
Construction phase			
Environmental monitoring	5	1	7
Archeological monitoring	-	1	-
Other	-	3	-
Operations phase			
Environmental monitoring	7	19	7
Other	-	6	14
TOTAL	50	135	99

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. [EN15].
Species⁷⁸

	IUCN CAT	Wind farms	High voltage lines
Tetrax tetrax	NT	3	0
Pleurodeles waltl	NT	1	0
Neophron percnopterus	EN	1	1
Milvus milvus	NT	4	1
Hieraetus fasciatus	NT	3	0
Dioon merolae	VU	2	0
Sylvia undata	NT	5	2
Pelobates culprites	NT	2	0
Chalcides bedriagai	NT	2	1
Vipera latastei	VU	2	1
Eliomys quercinus	NT	2	6
Oryctolagus cuniculus	NT	2	1
Numenius arquata	NT	1	1
Lutra lutra	NT	1	5
Galemys pyrenaicus	VU	0	4
Oryctolagus cuniculus	NT	0	1
Barbastella barbastellus	NT	1	0
Arvicola sapidus	VU	0	6
Chioglossa lusitanica	VU	0	3
Iberian frog	VU	0	6
Tiemon lepidus	NT	0	5
Lacerta schreiberi	VU	2	5
Achondostroma arcasii	LC	0	2
Cyprinus carpio	VU	0	1
Anguilla anguilla	EC	0	5

Legend: LC=Least concerned; NT=Near threatened; VU=Vulnerable; EN=Endangered; CE=Critically Endangered; EW = Extinct in the Wild; EX = Extinct; (*): Under special protection (national)

The species affected by operating wind farms are located in the Cabezo Negro, Jaulin, La Plana I and Les Forques II wind farms and are the following: Tetrax tetrax, Hieraetus fasciatus and Sylvia undata. The high voltage overhead power lines are all in operation at the moment.

Emissions, effluents and spills
Total direct and indirect greenhouse gas emissions by weight.

[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.

Scope 1 (Direct CO₂ emissions) in 2012 (in tCO₂-e)⁷⁹

Combustibles	Combustión gases			Total
	CO ₂	CH ₄	N ₂ O	
Natural gas	7,777	3	4	7,784
Propane	490	0.16	0.24	490
Diesel	984	0.84	2.48	987
Dry ice	64	0.00	0.00	64
Diesel A	2,719	2.32	7	2,728
Gasoline	575	0.66	15	589
Subtotal:	12,609	7	28	12,644
Refrigerant gases	R404a			97.50
	R22			86.22
	R407c			314.10
	R410a			121.80
	R417a			0.0
	R422d			0.0
	R134a			938.08
Dielectric	R401 a			0.0
	SF ₆			0.00
Subtotal				1,557
Total direct CO ₂ emissions 2012 (Scope 1)				14,202

Direct emissions of Gamesa in 2012 amounted to 14,202 tCO₂-e. Moreover, the history of direct CO₂ emissions of the company (scope 1) is as follows

	2012	2011	2010	2009
Europe & row	9,872	10,714	13,976	11,382
United States	2,215	2,599	2,213	1,375
China	661	2,012	1,696	226
India	1,454	666	44	-
Historical CO ₂ direct emissions (Scope 1):	14,202	15,991	17,929	12,983

⁷⁸ Link to: <http://www.iucnredlist.org/>

⁷⁹ See Exhibit 6.4 on page 88 for details.

SUSTAINABILITY REPORT 2012

**Scope2 (Indirect CO₂ emissions) in 2012** (in tCO₂-e)

	MWh	tCO ₂ -e/KWh	tCO ₂ -e
Europe & row	73,456	2.38E-04	17,483
United States	10,730	5.22E-04	5,601
China	6,915	7.66E-04	5,297
India	5,563	9.12E-04	5,074
Total indirect CO₂ emissions 2012 (Scope 2)			33,454

The historical trend of indirect CO₂ emissions from the company (scope 2) is as follows:

	2012	2011	2010	2009
Europe & row	17,483	22,548	22,127	19,690
United States	5,601	5,576	5,555	4,276
China	5,297	12,286	12,003	9,756
India	5,074	1,182	367	-
Historical CO₂ indirect emissions (Scope 2):	33,454	40,756	40,053	33,722

Total CO₂ emissions (Scope1+Scope2) ⁸⁰
(expresado en tCO₂-e)

	2012	2011	2010	2009
Total CO₂ emissions	47,656	56,747	57,982	46,705

Other relevant indirect greenhouse gas emissions by weight. [EN17]

In 2012 have been accounted emissions from transport of wind turbine components to their final destination in the wind farm, including combinations of road and maritime transport.

Scope 3: Other indirect emissions 2012 (in tCO₂-e)

	CO ₂ emissions form logistics transport	tCO ₂ -e
Road transport		4,023
Maritime transport		259,394
Total CO₂ emissions (scope3)		263,416

Initiatives to reduce greenhouse gas emissions and reductions achieved.

[EN18] Gamesa's activity is crucial in the fight against climate change, as the more than 26,500 MW it has installed prevent air emissions amounting to 40 million tons of CO₂ 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.

GHG emission savings (effect of installed MW)

	2012	2011	2010	2009
Inst. MW -annual	2,265	3,309	2,586	2,231
Inst. MW -cum.	26,768	24,143	20,834	18,249
GWh / year ⁸¹	66,920	60,357	52,084	45,616
tCO₂ prevented ⁸²	40,151,715	36,214,050	31,250,550	27,371,550
tNO _x prevented	460,072	414,953	358,079	313,632
t SO ₂ prevented	254,294	229,356	197,920	173,353
TEP prevented	5,755,079	5,190,681	4,479,246	3,923,256

Emissions of ozone-depleting substances by weight.

[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.

Ozone-depleting substances (ODS) ⁸³

	2012	2011	2010	2009
R12	0	0	0	0
R22	3.26	15.95	21.7	54.7
R409	0	0	0	0
R401	0	0	1.1	0
Total Kg eq CFC-11	3.26	15.95	22.8	54.7

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

[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.

Other emissions

	2012	2011	2010	2009
CO (t)	1.9	1.9	15.4	58.4
NO _x (t)	2.6	2.2	7.6	21.3
SO _x (t)	0.1	1.0	1.0	1.1
VOC (t)	4.0	3.9	3.6	3.9
Particles (t)	1.0	0.5	1.0	1.5
HCx (t)	0	0	0	0
Total Organic Carbon - TOC (t)	14.7	11.2	6.6	6.9

⁸⁰ For Gamesa Brazil, the activity is very recent and its contribution associated to CO₂ emissions is low for both direct and indirect. Therefore they have been included under the "Europe & row" section. It is estimated that in 2013 it will be accounted separately.

⁸¹ Considering a number of effective hours = 2,500

⁸² Considering the following conversion factors per year of wind turbine operation. Source IEA: 2009 CO₂ emissions from fuel combustion: 0.6 tCO₂/MWh; 0.006875 t NO_x/MWh; 0.0038 t SO₂/MWh; 0.086 TEP/MWh

⁸³ The amounts of R12, R22, R409 and R401 are expressed in equivalent kg of CFC-11

SUSTAINABILITY REPORT 2012

**Total water discharge by quality and destination.**

[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 (OCA) in Spain and by approved inspection bodies in China and India - and the flows discharged at each center. The value shown is obtained from the statistical average of all the measurements.

Volume discharged (m³)

	2012	2011	2010	2009
Europe & row	13,955	26,884	23,871	29,118
United States	2,816	2,548	2,772	2,769
China	32,750	29,519	28,003	25,402
India	9,811	2,357	1,466	-
Brazil	-	-	-	-
Total discharges	59,332	61,488	56,113	56,289

Pollutant concentrations in discharges

	2012	2011	2010	2009
pH	7.68	7.90	7.95	7.61
Susp. solids (mg/l)	58.54	51.49	77.10	76.91
COD	90.66	99.29	121.82	198.92
BOD5	36.84	27.48	35.20	73.42
Oils and fats	9.42	15.39	16.16	19.56
Total phosphorus	3.64	3.66	4.40	5.25
Total nitrogen	24.45	27.92	16.16	57.43
Total chromium	0.37	0.74	0.73	0.02

Eco-efficiency of discharge

	2012	2011	2010	2009
(m³/employee)	8.92	7.35	7.72	8.85
(m³/Mill. €)	20.86	20.27	20.30	17.43

Total weight of waste by type and disposal method.

[EN22] The reduction in waste generation in the United States and Europe is linked to falls in production in the regions. Similarly, in China it is due to the fall in production and the closure of the Tianjin blade plant. The rise in India is due to the commissioning of the new blade manufacturing plant in Halol.

Waste (expressed in tons)

	2012	2011	2010	2009
Hazardous	1,896	2,522	2,603	3,429
Europe & row	1,800	1,844	1,995	2,887
United States	0.875	29	22	13
China	65	589	573	529
India	266	61	14	-
Brazil	3.6	-	-	-
Non-hazardous	9,294	13,814	13,349	12,631
Europe & row	8,810	9,357	9,616	10,182
United States	74.5	2,439	2,319	1,582
China	220	1,368	1,197	867
India	183	649	181	-
Brazil	6.1	-	-	-
Total waste	11,191	16,336	15,952	16,060

Destination of waste (by treatment method)

	2012	2011	2010	2009
Recovery				
Hazardous	3.34%	3.28%	4.15%	3.9%
Non-hazardous	0.12%	0.03%	0.14%	0.4%
Disposal				
Hazardous	82.26%	81.52%	71.89%	69.3%
Non-hazardous	55.73%	53.78%	51.13%	34.5%
Reuse				
Hazardous	1.87%	0.62%	1.93%	1.9%
Non-hazardous	1.86%	1.00%	2.48%	2.9%
Recycling				
Hazardous	12.53%	10.51%	15.33%	18.0%
Non-hazardous	42.29%	44.81%	42.61%	42.0%
Held on deposit				
Hazardous	0.00%	4.07%	6.70%	6.9%
Non-hazardous	0.00%	0.37%	3.64%	20.0%

Eco-efficiency in waste management

	2012	2011	2010	2009
(t/employee)	1.68	1.95	2.19	2.52
(t/Mill. €)	3.93	5.38	5.77	4.97

SUSTAINABILITY REPORT 2012

**Waste commonly transported (t)**

	2012	2011	2010	2009
Hazardous				
Prepreg	818	1,177	1,364	1,669
Catalyzed	115	114	162	119
Contaminated metal containers	63	91	59	259
Contaminated materials	181	362	333	602
Semi-solid resins	61	81	66	97
Used oil	92	97	102	120
Contaminated plastic containers	54	77	116	59
Non-hazardous				
General garbage	1,860	3,313	2,940	3,893
Paper and cardboard	336	553	623	701
Wood	685	2,016	1,903	1,313
Casting sand	2,689	2,387	2,137	2,296
Scrap	2,868	3,935	4,081	3,280
Polyethylene	426	632	754	795

Total number and volume of most significant accidental spills.

[EN23] The environmental management system currently in place 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.

There were no significant spills in 2012. 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, one hundred and five (105) small spills of hydraulic and lubrication oil having a total volume of 3.5 m³ (3,532 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.

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

[EN24] In order to recycle carbon fiber, Gamesa exported 14 tons of prepreg carbon fiber waste to the United Kingdom in 2012 and complied with the provisions set forth in the Basle Convention and the regulations arising thereof.

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

[EN25] No spills or run-offs into aquatic habitats that could have a significant impact on water resource availability were recorded in 2012.

Products and Services**Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.**

[EN26] Gamesa consolidated its leadership in environmental and energy efficiency matters by certifying the Gamesa G10X-4.5 MW wind turbine for ecodesign 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 an ecodesign certification in the world.

This process ensures minimal environmental impacts, greater energy efficiency and a lower cost of energy throughout the wind turbine's life cycle, including: design, raw materials and components procurement, manufacturing, delivery, installation, operation, maintenance and dismantling.

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

The wind turbine multiplies clean energy production by 3.4 times compared to an average 2 MW turbine, as well as CO₂ atmospheric emissions prevented and tons of equivalent petroleum. Annual production of a single G10X-4.5 MW turbine provides:

- Electricity to 4,727 households a year: for example, the population of El Escorial in Madrid;
- Replaces 1,400 tons of equivalent petroleum (TEP/year);
- Prevents the emission into the atmosphere of 9,900 tons of CO₂/year;
- Prevents the emission of 57 tons of SO₂ and 103 tons of NO_x;
- The annual production of a wind turbine allows emissions that would be produced by 3,300 cars in a year to be prevented or the equivalent that 1,650 hectares of trees would prevent in a year.

The prototype of this wind turbine (Alaiz, Navarre) attained the wind turbine energy production record in Spain on March 1, 2012, when it generated 104.6 MWh.

Future lines of work will be aimed at integrating the supply chain, ecodesign of new products, such as offshore platforms, and integrating this methodology into the management system so that all Gamesa products and services in the market use this label.

Additionally, Gamesa Venture Capital has been set up as an alternative source of growth. This is a corporate fund through which the company will buy minority stakes in start-ups or growing companies developing technologies with future potential. Six main technologies of interest have been identified upon which investment analyses and decisions will be based in the international markets. These include: tide energy (conversion of currents and

SUSTAINABILITY REPORT 2012



tides into energy), new generation photovoltaic energy (conversion of solar photons into energy), mini-wind energy, green mobility (electric motor vehicles), energy efficiency (maximization of energy use) and off-grid energy (small renewable generation units not connected to the grid for remote sites), along with any other technology that may have an impact on the energy generation industry through renewable sources of energy.

Percentage of products sold and their packaging materials that are reclaimed at the end of their useful lives by category.

[EN27] Each wind generator 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)

	G80-2.0 MW	G52-850 MW
Steel	275.5 t (90.1%)	101.6 t (91.7%)
FRP	22.7 t (7.4%)	7.7 t (6.9%)
Elect. comp.	2.9 t (1.0%)	0.2 t (0.2%)
Other	4.6 t (1.5%)	1.35 t (1.2%)

Compliance with environmental regulations

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

[EN28] Gamesa has no record of any significant fines or sanctions for failing to comply with environmental regulations in 2012.

Transport

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

[EN29] 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 2012 are the most significant and constitute more than 75% of the total amount of goods carried.

Main dangerous goods (breakdown by UN classification) in tons (t)

	UN NO.	2012	2011	2010	2009
Liquefied natural gas	1972	613	741	9,726	1,635
Paint and paint-related materials	1263	222	95	278	184
Toxic organic liquids	2810	403	62	62	232
Corrosive liquid amines or polyamines	2735	19	18	59	50
Flammable liquids	1993	11	21	55	41
Diesel oil	1202	35	15	199	58
Chem rez 2023/2016	2586	77	17	18	52
Commercial propane	1965	115	107	216	18
Contaminated materials	1373	21	19	23	51
Potentially environmentally hazardous solid materials	3037	59	3	10	41
Acetone	1090	4	7	30	19

General environmental

Total environmental protection expenditures and investments by type. **[EN30]**

Environmental expenses (type of expense in €)

	2012	2011	2010	2009
Facility refurbishment	3,208	7,825	138,083	238,573
Analyses	3,721	9,216	21,107	34,356
Safety consultants	5,249	3,872	9,479	20,816
Consulting /Advice	733,246	2,270,788	966,096	1,510,773
Waste management	1,043,783	1,175,181	1,467,752	1,648,092
Environmental monitoring plan	1,029,311	1,260,327	286,955	319,295
Environmental management system	49,974	101,408	42,764	14,768
Training	194,384	191,115	27,033	3,754
Other	-	-	-	8,350
TOTAL	3,062,875	5,020,542	2,959,268	3,798,677

5.3.- LABOR PRACTICES

Management Approach

The company's Human Resources model is 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 the 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, and sufficient resources are expressly allocated for such purpose. The constant reduction in the accident frequency and seriousness rates form part of the targets which apply to all people who manage their targets in accordance with the Gamesa Management by Objectives (GMO) procedure.

Gamesa promotes the equality of people. The actions set out in the Equality Plan continued to be carried out⁸⁴ in 2012. 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 the means to ensure the inclusion 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 mobbing⁸⁵. The United States have laid down their 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. This agreement has remained in force since then. The agreement has allowed any disabled people with suitable professional backgrounds, 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 resources value proposition has imbued our processes. It is the best synthesis of our policies, which are based on the creation of a 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.

Gamesa redefined its corporate values in 2010⁸⁶ 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 behavior as a global organization having a vocation for leadership and driven by customer needs.

Gamesa manages the Performance Assessment Process affecting 3,883 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 (GMO) 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 the 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.

⁸⁴ See <http://www.gamesacorp.com/recursos/doc/capital-humano/nuestras-personas/plan-de-igualdad-gamesa.pdf>

⁸⁵ See <http://www.gamesacorp.com/recursos/doc/capital-humano/nuestras-personas/protocolo-de-actuacion-en-caso-de-acoso-laboral.pdf>

⁸⁶ See indicator [4.8] on page 30

SUSTAINABILITY REPORT 2012



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. 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 into 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 option 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.

Employability is another of the 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 has had its own Corporate University since 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 and 2012 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. Special milestones that should be highlighted include: the employability management initiatives in Spain, the process of phasing out the EMS plant in Pamplona, the structural adjustment process which took place in April, the closing down of the nacelle plant in Medina del Campo, the laying off of structural staff in December, the different suspensions carried out at several centers, as well as the Equality and Diversity Committees and the total guarantees provided to trade union elections and negotiations to renew specific agreements at our work centers.

Employment

Total workforce by type, employment contract and regions.

[LA1] Gamesa carried out an important reorganization plan in 2012 with the agreement of trade union representatives and the individual agreement of the people affected by it.

Employment by geographic areas:

	2012	2011	2010
Spain	4,233 (64%)	4,853 (58%)	4,629 (64%)
United States	613 (9%)	930 (11%)	912 (12%)
China	537 (8%)	1,156 (14%)	1,083 (15%)
India	813 (12%)	920 (11%)	332 (5%)
Brazil	78 (1%)	67(0.8%)	3
Rest of Europe	298	368	256
Germany	23	36	40
Bulgaria	6	5	4
Denmark	-	-	1
France	32	36	29
Greece	21	24	23
Hungary	5	4	2
Ireland	1	-	-
Italy	95	114	97
Poland	31	35	24
Portugal	17	17	19
United Kingdom	44	72	10
Romania	13	14	6
Sweden	6	4	1
Turkey	4	7	-
Rest of the world	74	63	67
Australia	4	-	-
Egypt	16	17	10
Honduras	-	1	-
Japan	1	1	1
Morocco	8	9	6
Mexico	38	26	11
Singapore	6	7	1
Tunisia	-	1	18
Dominican Rep.	1	1	-
Total:	6,646	8,357	7,262

SUSTAINABILITY REPORT 2012

**Type of employment**

	2012	2011	2010
Direct workers	1,878 (28%)	2,201 (26%)	2,239 (31%)
Indirect workers	2,175 (33%)	3,088 (37%)	2,569 (35%)
Structure workers	2,593 (39%)	3,068 (37%)	2,454 (34%)
Total workforce:	6,646	8,357	7,262

Type of contract

	2012	2011	2010
Permanent workers	6,156 (93%)	7,315 (88%)	6,316 (87%)
Temporary workers	490 (7%)	1,042 (12%)	946 (13%)
Total workforce:	6,646	8,357	7,262

Balances including external staff

	2012	2011	2010
Internal staff	6,646 (99%)	8,357 (94%)	7,262 (95%)
External staff	64 (1%)	528 (6%)	400 (5%)
Total workforce:	6,710	8,885	7,662

The percentage of workers who currently work less than a complete working day is 4.5% of the total workforce (6,646 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 at the end of 2012.

Net annual job creation

	2012	2011	2010
Spain	-624 (-13%)	224 (5%)	238 (5%)
United States	-317 (-34%)	18 (2%)	142 (18%)
China	-612 (-53%)	73 (7%)	207 (24%)
India	-106 (-11%)	588 (177%)	332 (395%)
Brazil	12 (16%)	64	-
Rest of Europe	-70 (-19%)	112 (44%)	33 (15%)
Rest of the World	-27 (-43%)	-4 (-6%)	43 (179%)
Net creation	-1,699 (-20%)	1,095 (15%)	902 (14%)
Total workforce:	6,646	8,357	7,262

Total number and rate of employee turnover by age group, gender and region. [LA2]**Employees leaving employment**⁸⁷**By gender** (No. leaving employment & percentage)

	2012	2011	2010
Men	1,648 (77%)	297 (80%)	162 (77%)
Women	497 (23%)	72 (20%)	48 (23%)
Total no. leaving employment	2,145	369	210

By geographic areas (No. leaving and percentage)

	2012	2011	2010
Europe & row	923 (43%)	110 (2%)	81 (1.7%)
United States	414 (19%)	68 (7.1%)	42 (5.1%)
China	609 (28%)	126 (10.9%)	76 (7.8%)
India	168 (8%)	61 (8.8%)	11 (5.3%)

Brazil	31 (1%)	4 (10%)	-
Total no. leaving employment	2,145	369	210

By age groups (No. leaving and percentage)

	2012	2011	2010
<25 years	164 (7%)	54 (14.6%)	13 (6.1%)
25-30 years	638 (30%)	128 (34.6%)	84 (40%)
31-35 years	551 (26%)	84 (23%)	62 (29.5%)
36-40 years	373 (17%)	55 (15%)	20 (9.6%)
>40 years	419 (19%)	48 (13%)	31 (14.8%)
Total no. leaving employment	2,145	369	210

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

[LA3] In accordance with the company compensation and benefits policy, the social benefits 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 benefits packages in order to adapt itself to best market practices in each country. That is why a single benefits package does not exist, but rather as many packages as countries where the company 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 the EC3 indicator of the report (page 43).

Labor/Management Relations**Percentage of employees covered by collective bargaining agreements.**

[LA4] Gamesa conceives the freedom of association and collective bargaining as essential tools in its relationships with stakeholders, which help to build stable frameworks for institutional relationships and possibly consolidating the key pillars of any prosperous society.

⁸⁷ Calculation used for the turnover ratio: total number of voluntary departures / year's average workforce

SUSTAINABILITY REPORT 2012

**Employees covered by collective agreements**

	2012	2011	2010
Europe and rest of the world	1,658 (36%)	2,069 (38.6%)	2,046 (41.4%)
United States	186 (30.3%)	332 (35.6%)	382 (41.8%)
China	-	-	-
India	-	-	-
Brazil	22 (28.2%)	-	-
Total covered	1,866	2,401	2,428
% of total	28.28%	28.73%	33.43%

Two trade union election processes were held in Spain in 2012. In addition, a company agreement was signed (Reinosa) and another was extended (Benissanó -VPC). Furthermore, seven production plant suspensions were negotiated with the trade union representatives' agreement, along with the shut-down of activities at the Medina del Campo plant and three partial lay-off processes.

The process of adapting to demand has also affected the blade and nacelle plants in the United States and four plants (a blade plant, a gearboxes assembly plant and two nacelle assembly plants) in China.

Trade union representation in Spain

	No. of trade union representatives	% representation
UGT	84	38.5%
CCOO	81	37.2%
ELA	33	15.1%
LAB	8	3.7%
CIG	5	2.3%
Independents	2	0.9%
USO	2	0.9%
ESK-CUIS	2	0.9%
CSIF	1	0.5%
Total	218	100%

In Spain, 37 works councils or trade union delegates have been constituted and the company holds regular meetings with these representatives. More specifically, a total of 147 ordinary meetings were held with all committees and trade union representatives in 2012.

Sixty-five negotiation meetings and an additional 31 monitoring meetings were held in connection with the different suspension and lay-off processes the company had to negotiate in 2012.

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 as in repair, maintenance and assembly services companies. (STIM- Camaçari).

In São Paulo, the counterparts are the Sindicato das Indústrias 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.

Minimum notice period(s) regarding operational changes, including notifications are specified in collective agreements.

[LA5] Concerning the minimum periods of prior notice for organizational changes, particularly in Europe and Spain, legislation lays down very strict criteria concerning the serving of notice about such organizational changes. Despite this, Gamesa goes beyond its statutory obligations and gives notice of such changes before the statutory minimum periods. In the United States, the only legal requirement is to give two months' prior notice in the event of group layoffs. This entitlement has not only been recognized but improved upon in the collective agreement.

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

[LA6] 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 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 govern 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.

The setting up of these committees ensures joint participation in the design of the occupational risk prevention policy and in control over the execution of measures aimed at promoting improvements in working conditions. The following functions, among others, are the responsibility of the Health and Safety Prevention Committees:

- Play a role in identifying any risks that should be assessed and controlled.
- Provide advice on the preparation, implementation, assessment and review of prevention plans and programs.

SUSTAINABILITY REPORT 2012



- 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.
- Play a role 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.

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

[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, management indicators and identify opportunities for preventive action and continuous improvement.

Gamesa recorded the lowest accident rates in its history in 2012. Along with attaining the health and safety targets which had been set, a significant fall of 37% in the accident frequency rate came about during the year and, more importantly, there was also a 18% reduction in the associated seriousness rate.

The Frequency and Seriousness 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.

Frequency rate of accidents involving sick leave (FR)

	2012	2012 Targets	2011	2010
Europe & ROW	2.13		4.63	5.30
United States	3.57		4.90	1.28
China	5.45		1.12	0.71
India	0.00		0.00	0.00
Grupo Gamesa	2.39	3.32	3.84	4.19

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.

Frequency rate of accidents involving sick leave (FR) ⁸⁸

	2012	2012 Targets	2011	2010
Europe & ROW	0.43		0.92	1.06
United States	0.71		0.98	0.25
China	1.09		0.22	0.14
India	0.00		0	0
Grupo Gamesa	0.48	0.66	0.76	0.83

Accident seriousness rate (SR)

	2012	2012 Targets	2011	2010
Europe & ROW	0.072		0.11	0.161
United States	0.120		0.16	0.047
China	0.124		0.004	0.016
India	0.00		0.00	0.00
Grupo Gamesa	0.073	0.089	0.090	0.127

Seriousness 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.

Sick leave incidence index (II)

	2012	2012 Targets	2011	2010
Europe & ROW	3.90		7.84	9.32
United States	9.78		9.67	2.19
China	9.31		1.73	0.92
India	0.00		0.00	0.00
Grupo Gamesa	4.51	ND	6.34	6.74

Sick Leave 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.

⁸⁸ Benchmarked to 200,000 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.

SUSTAINABILITY REPORT 2012

**Hazard rate (HR)**

	2012	2012 Targets	2011	2010
Europe & ROW	33.78		42.89	43.18
United States	47.55		56.04	38.99
China	19.63		7.29	8.56
India	10.37		3.56	96.04
Grupo Gamesa	32.04	ND	36.85	38.71

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.

Rate of days lost per accident

	2012	2012 Targets	2011	2010
Europe & ROW	14.32		21.28	32.13
United States	24.01		32.43	9.33
China	24.86		0.78	3.28
India	0.00		0.00	0.00
Grupo Gamesa	14.70	ND	18.38	25.48

Lost Days Rate (LDR) = (No. of days lost / Total hours of exposure) x 200,000

Total occupational disease rate (ODR)

	2012	2012 Targets	2011	2010
Grupo Gamesa	0.048	ND	0.057	0.034

Occupational Disease Rate (ODR) = (number of occupational disease / Total hours lost) x 200,000

No labor-related fatalities were recorded among Gamesa employees or unsupervised contractors in 2012.

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 13.7 million hours in 2012:

External personnel: Accident rates

Construction and projects	2012	2011
Frequency rate of sick leave accidents (FR)	4.39	6.07
Frequency rate of sick leave accidents (FR) ⁸⁹	0.878	1.21
Accident seriousness rate (SR)	0.09	0.13

Maintenance services	2012	2011
Frequency rate of sick leave accidents (FR)	5.21	7.38
Frequency rate of sick leave accidents (FR) ⁹⁰	1.041	1.47
Accident seriousness rate (SR)	0.12	0.28

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 37 integrated audits in 2012 to reach an attainment level of 71.2% with regard to the annual schedule;
- 1,948 specific training actions on occupational health and safety out of a total of 2,018 actions scheduled for 2012, amounting to an overall attainment level 96.5%. The assessment of the training actions' efficiency reached 86.7%;
- The efforts made to investigate all accidents and incidents led to a total of 2,553 health and safety improvement actions in 2012 through programs in different stages of completion, of which 88.1% were fully completed.
- A total of 18,452 safety inspections and 3,068 preventive observations were scheduled which, together with the risk notifications and audits conducted in 2012 identified 4,797 new improvement actions, whose attainment rate stands at 86.2%.
- 98.7% of scheduled 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 seriousness rates.
- A weighted attainment level of 89% of the annual health and safety management plan – which contemplates 63 lines of work around the globe – for each of the operating and geographic areas.

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 "Working together for risk prevention" a program focused on management leadership and worker participation.

⁸⁹ Benchmarked to 200,000 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.

⁹⁰ Benchmarked to 200,000 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.

SUSTAINABILITY REPORT 2012



Absenteeism

Absenteeism rate (AR)

	2012	2011	2010
Europe & row	4.28%	5.49%	7.05%
United States	5.94%	4.57%	3.53%
China	1.50%	1.86%	1.64%
India	1.52%	3.11%	0.90%
Brazil	6.62%	-	-

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.

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

[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.

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

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

Additionally, there is trade union representation through the Prevention Committees explained in indicator LA6

when the labor framework allows it (e.g. Spain) or, failing that, there is always a workers' representative to deal with matters and agreements which include among others:

- 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.

Training and Education

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

[LA10] The fall in training hours in 2012 compared to 2011 amounted to 43.40%, which is line with the workforce adjustment carried out in the year and with the current circumstances of the business, the industry and the company.

Total hours of training

	2012	2011	2010
Total hours	183,184	323,694	220,861
Executives	1%	1%	1%
Managers	9%	15%	18%
Specialists	36%	45%	42%
Supervisors	3%	2%	3%
Technicians & experts	51%	37%	36%
No. of training actions	3,752	6,166	3,736

Training rates

	2012	2011	2010
Training rate ⁹¹	23.59	39.57	32.27
Europe & row	27.85	40.35	N.A.
United States	30.52	55.73	N.A.
China	5.31	36.34	N.A.
India	10.52	19.93	N.A.

For its part, the Gamesa University fostered two self-learning tools for its management employees in 2012:

- 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 7,400 hours of learning in 2012.

⁹¹ Average number of hours of training per year and per employee.

SUSTAINABILITY REPORT 2012



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 is available at several training centers in Spain, the United States and China. It is shortly expected to be expanded to the United Kingdom and India. Forty-six different courses were available in 2012, when 157 registration processes were held, 2,097 internal students took part and a total of 2,400 hours of training were given. With regard to the training of external personnel, 13 companies received training during 2012 and 313 attended training actions.

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

[LA11] Gamesa has had a strategic human resources 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 535 courses was released in 2012. 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 managers and specialists. The methodology and depth of knowledge of each of the management skills are tailored to each group (total number of hours of training in this area amounted to 9,275).

The internal mobility program took on special relevance in 2012, when 890 processes were managed (18% more than in 2011), which can be broken down as follows:

Mobility program 2012. Gender balance (M/W) M=Men; W=Women; W=Woman

	Transversal mobility		Vertical mobility		International mobility	
	2012	2011	2012	2011	2012	2011
Europe & ROW	245 (164/81)	306 (214/92)	265 (205/60)	190 (129/61)	61 (54/7)	70 (63/7)
United States	19 (14/5)	26 (20/6)	34 (23/11)	46 (38/8)	23 (19/4)	1 (1/-)
China	31 (22/9)	42 (25/17)	48 (29/19)	53 (38/15)	3 (3/-)	1 (1/-)
India	61 (58/3)	15 (13/2)	98 (98/-)	2 (2/-)	2 (2/-)	0 (-/-)
Total mobility	356 (258/98)	389 (272/117)	445 (355/90)	291 (207/84)	89 (78/11)	72 (65/7)

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

- Closure of the EMS plant Tajonar. Upon the end of activities at the tooling workshop in February 2012, we proceeded to negotiate lay-offs affecting 16 of the work centre's employees. As a measure to accompany the procedure, 14 work posts were offered at Gamesa, which were accepted by 12 of those affected;
- End of activities at the nacelle assembly plant in Medina del Campo: market circumstances led to the need to broach lay-offs at the Medina del Campo plant which affected 74 employees in May. The accompanying plan for the lay-offs meant that in the end only 53 employment contracts were rescinded, as 21 workers were relocated in other of Gamesa's activities. Furthermore, the lay-off procedure's relocation plan involved the external relocation of another 12 workers;
- Twenty-seven employees of the blade plant in Somozas, Spain were assigned to India in the first quarter of 2012 to provide training and support the launch of activities at the Gujarat plant at a time when the Somozas plant had a very light work load;
- 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).

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 resources specialist and the person wishing to leave the company.

SUSTAINABILITY REPORT 2012


Percentage of employees receiving regular performance and career development reviews.

[LA12] The company has policies and procedures (i.e. standard PRH-1-004) in place that determine the framework and criteria for actions within the integrated performance management process. 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.

On the one hand, this process enables performance to be assessed based on a small number of competencies and, on the other, GMB0 target attainment levels to be evaluated, linking the outcome to the remuneration variable.

Staff subject to performance assessment

	2012	2011	2010
People assessed	3,883	4,540	3,641
Europe & ROW	2,613 (67%)	2,952 (65%)	2,599 (71%)
United States	212 (6%)	326 (7%)	310 (9%)
China	302 (8%)	473 (11%)	428 (12%)
India	707 (18%)	789 (17%)	304 (8%)
Brazil	49 (1%)	-	-
% employees assessed:	58%	54%	50%

Diversity and equal opportunities
Composition of governance bodies and breakdown of employees by category according to gender, age group, minority group membership and other indicators of diversity. [LA13]
Average no. of employees:

	2012	2011	2010
	7,603	7,920	6,723

Directors

	2012	2011	2010
Distribution by gender			
Men	8	9	9
Women	2	1	1
Breakdown by sex and age group			
<30 years	0	0	0
30-50 years	2	1	1
>50 years	8	9	9
Average no. of Directors	10	10	10

Employees (average workforce data)

	2012	2011	2010
Directors	102	99	93
Men	92 (91%)	87 (88%)	83 (89%)
Women	10 (9%)	12 (12%)	10 (11%)

	2012	2011	2010
Managers and specialists	4,164	4,146	3,058
Men	3,122 (75%)	3,126 (75%)	2,294 (75%)
Women	1,042 (25%)	1,019 (25%)	765 (25%)

Employees	2012	2011	2010
	3,337	3,642	3,571
Men	2,594 (78%)	2,788 (77%)	2,678 (75%)
Women	743 (22%)	854 (23%)	893 (25%)

The workforce reduction corresponding to managers and specialists is a consequence of the restructuring plan set out in the 2013-2015 Business Plan which, in a situation of contracting demand, designs a basic process-based organization whose size is in keeping with the new market environment and prepared for future growth. It is essentially a lean, transversal, flexible and results-driven organization.

Workforce diversity indicators

By gender	2012	2011	2010
Men	5,068 (76%)	6,420 (77%)	5,479 (75%)
Women	1,578 (24%)	1,937 (23%)	1,783 (25%)
Total	6,646	8,357	7,262

Age segment	2012	2011	2010
< 25 years	166 (2%)	460 (6%)	416 (6%)
26-30 years	1,408 (21%)	2,201 (26%)	1,900 (26%)
31-35 years	1,932 (29%)	2,303 (28%)	2,017 (28%)
36-40 years	1,471 (22%)	1,620 (19%)	1,332 (18%)
>40 years	1,669 (25%)	1,773 (21%)	1,597 (22%)
Total:	6,646	8,357	7,262

Professional group	2012	2011	2010
University graduates	3,795 (57%)	4,477 (54%)	3,290 (45%)
Non-university graduates	2,851 (43%)	3,880 (46%)	3,972 (55%)
Total:	6,646	8,357	7,262

The average number of people employed by the Gamesa group suffering a disability equivalent to or greater than 33% amounted to 23 in 2012, of which 18 are employees and 5 management staff. This figure is 21% greater than in 2011, which came to an end with 19 (18 employees and 1 management staff member).

There are over 50 nationalities at Gamesa, mostly Spanish, Indian, Chinese and Americans, corresponding to the geographic areas where the greatest number of employees are located.

Major nationalities	2012	2011
Spanish	64.9%	58%
Chinese	7.7%	13%
Indian	12.2%	11%
American	6.9%	10%
Brazilian	1%	0.7%
Others	7.4%	7.3%

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

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

SUSTAINABILITY REPORT 2012



5.4.- 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 guidelines of the OECD, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labor Organization (OIT/ILO) and the Women's Empowerment Principles of the United Nations Development Fund for Women (UNIFEM).

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 compulsory labor to pay back 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 conduct⁹², 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. 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

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

[HR1]⁹³ There were no significant investment agreements in 2012 that could endanger the protection of human rights, affect the company's reputation or the stability of such investments. For further details, see the 2012 Legal Report, section 2g).

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

[HR2] Likewise, Gamesa's general procurement conditions⁹⁴ explicitly include provisions on the respect for human rights and labor practices, as well as an evident stance against fraud and corruption. The company is now working to ensure they are fully implemented across its entire 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);
- Lay down the supplier's commitments to refrain from employing forced or compulsory labor, to avoid punishing or threatening 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 business relationship with suppliers through its general procurement conditions or agreements. The coverage levels of direct procurement volumes and of related suppliers serving the nacelle, blade and tower units were as follows in 2012:

⁹² 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). Available at: <http://www.gamesacorp.com/es/accionistas-inversores/gobierno-corporativo/normativa-interna/>

⁹³ Significant investments are construed to be any that must be disclosed as Relevant Disclosures to the National Securities Market Commission (CNMV), and any information the knowledge of which could reasonably affect an investor to buy or transfer securities or financial instruments and which could therefore noticeably affect their listing in the secondary market will be deemed as such.

⁹⁴ See link: <http://www.gamesacorp.com/es/sostenibilidad/compromisos/proveedores/informacion-condiciones.html>

SUSTAINABILITY REPORT 2012

**Implementation of General Procurement Conditions in the supplier base.**

	2012		2011		2010	
	% Vol	% Prov	% Vol	% Prov	% Vol	% Prov
Europe	91%	45%	96%	52%	98%	66%
United States	100%	100%	100%	100%	100%	100%
China	97%	77%	96%	77%	97%	86%
India	87%	72%	75%	50%	80%	57%
Brazil ⁹⁵	86%	72%	73%	15%	-	-

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

One of the priority lines of work in 2011 and 2012 consisted of assessing compliance with matters connected to human rights in the global supply chain. This ongoing 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.

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

[HR3] Furthermore, Gamesa has conducted a significant ongoing training activity on the code of conduct in general and on human rights in particular since 2009.

More specifically, in 2012 the training was focused on two highly important and complex geographic areas: India (489 employees) and ROW⁹⁶ (359 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.

Training on human rights

	2012	2011	2010
Information provided to employees on human rights	100%	100%	100%
Specific human rights training targets	750	1,000	1,000
Number of employees trained	848	1,040	1,073

In 2012, 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.

Non-Discrimination

Total number of incidents of discrimination and actions taken.

[HR4] The company is equipped with mechanisms aimed at detecting potential incidents of discrimination:

- Regulatory Compliance Unit (LCU): During the course of 2012, 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. In the first few days of 2012, a complaint was received through the reporting channel⁹⁷ of an incident which could constitute discriminatory behavior. In this 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: No notices of incidents were received in 2012 through the reporting channel linked to the Sexual Harassment Prevention Protocol to prevent sexual or moral harassment and mobbing for Europe and Asia.
- 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 also began to collaborate with the ONCE Foundation in 2011 through an awareness raising program on disability and the recruitment of

⁹⁵ The data on Brazil were affected by the start-up of operations in 2011.

⁹⁶ ROW: Rest of the world. Includes Brazil.

⁹⁷ The reporting channel is available through the company's website at: <http://www.gamesacorp.com/es/capital-humano/canal-de-denuncia.html> and intranet for employees.

SUSTAINABILITY REPORT 2012



disabled people at Gamesa. By entering into the agreement, the aim is 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.

This collaboration agreement is still in force.

- 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 covers 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 30 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.

Freedom of association and collective bargaining

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

[HR5] 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.

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;

SUSTAINABILITY REPORT 2012



Child labor

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

[HR6] Gamesa has no knowledge of any activities carried out within its corporate boundaries that involve a potential risk of exploiting child labor. 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 pay back 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 provisions on this issue.

Forced labor

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

[HR7] Gamesa has no knowledge of any activities carried out within its corporate boundaries that involve a potential risk of forced or compulsory labor. 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 pay back 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 provisions on this issue.

Security Practices

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

[HR8] The main task of Gamesa's integrated corporate security department is to plan and set policies and techniques to protect the integrity of the company such as tangible and intangible assets, people, goods, information and knowledge. This department has a permanent staff of eight employees geographically distributed in Spain, Brazil and India.

The rest of the staff are 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.

The hiring of security guards varies on the basis of the business's needs. There was an average of 172 security guards in 2012.

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.

Responsibility for contracting and managing security services lies with Gamesa's integrated corporate security department, which provides security staff with the instructions and training needed to perform their duties, particularly with respect to human rights. Proof of this is the fact that all 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 corporate security department.

Security guard personnel

	2012	2011	2010
Spain	60	100	87
United States	14	22	21
China	41	52	55
India	55	43	23
Brazil	2	-	-
Total:	172	217	186

Experience of security guard personnel

	2012			2011		
	< 1 year	1-2 years	> 2 years	< 1 year	1-2 years	> 2 years
Spain	5%	10%	85%	10%	15%	70%
United States	10%	20%	70%	15%	20%	65%
China	50%	10%	40%	60%	20%	20%
India	30%	30%	40%	50%	20%	30%
Brazil	100%	-	-	-	-	-

Other global initiatives on security issues in 2012 well worth mentioning include:

- Drawing up special safety and evacuation plans in countries having areas at risk;
- Drawing up a risk map by country and region;
- Deployment of a corporate security course in geographic areas through the e-learning platform.

E-learning courses on corporate security 2012

	No. of registration procedures	Total No. of employees trained
Spain	5	1,920
United States	8	556
China	14	472
India	8	711
Brazil	2	76
Rest of the World	3	66
Total:	40	3,801

The service is equipped with permanent communication channels and queries can be made by employees. In Spain alone, 15,339 actions concerning integrated security issues were dealt with (anti-social behavior, occupational accidents, information, awareness raising, functioning of security teams, etc.).

Likewise, the alerts notified to expatriate staff and travelers resulting from political affairs, natural disasters or health alerts should be highlighted:

SUSTAINABILITY REPORT 2012

**Alerts managed in 2012**

	No. of alerts	Evacuations due to natural disaster
Spain	-	-
United States	1	1
China	2	-
India	2	2
Brazil	-	-
Rest of the World	11	1
Total:	16	4

Indigenous Rights**Total number of incidents of violations involving rights of indigenous people and actions taken.**

[HR9] No violations of the rights of indigenous people were detected by the regulatory compliance unit during 2012.

This column has been left intentionally blank
(continues on next page)

5.5.- SOCIETY

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 on page 46 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 fraud⁹⁸ 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

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

[SO1] As is indicated in the management approach on labor practices, an essential pillar of the company's human resources management policy resides in the philosophy of maintaining social relationships with workers' representatives, namely the model of social dialogue.

As a result of the company's rapid global 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 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 2012 followed specific analyses on adapting to local compensation and were applied to the establishment of its operations in Australia.

Cooperative actions with universities in the development of engineering projects also played 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;

⁹⁸ The crime and fraud prevention policy is available on the company's website: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/politica-de-prevencion-penal-y-conta-el-fraude.pdf>

SUSTAINABILITY REPORT 2012



- 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.

Corruption

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

[SO2] The internal rules, procedures, processes, and action and decision-making protocols on the matters or areas set out below continued to be reviewed and updated in 2012: 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 internal 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.

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

[SO3] 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. 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 (*see indicator HR3 on page 71 for further details*).

Actions taken in response to incidents of corruption

[SO4] No reports on alleged breaches of the provisions set forth in the code of conduct were received through the reporting channel in 2012.

No. of reports received

	2012	2011	2010
Spain	0	16	15
United States	0	1	3
China	0	4	0
Europe and row	0	1	1
Total:	0	22	19

Public policies

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

[SO5] Gamesa takes part in the design of public policies on wind energy by belonging to industry associations in the countries in where it has a presence. The interests of wind energy are defended through such associations and work is being done to consolidate it as a response to the energy and climate crisis, in addition to being a key option to meet polluting gas reduction targets.

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

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

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

[S06] At Gamesa, relationships with public authorities are guided by institutional respect and strict compliance with the law, as set forth in section 3.14 of the company's 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 Database⁹⁹.

Anti-competitive behavior

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

[S07] Gamesa states that it has not brought or been accused by any legal actions for anti-trust and monopoly practices.

Regulatory compliance

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

[S08] 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.

This column has been left intentionally blank
(continues on next page)

⁹⁹ <http://soprweb.senate.gov/index.cfm?event=selectfields>

SUSTAINABILITY REPORT 2012



5.6.- 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.

The company is equipped with its own wind turbine design and technology development capacity and it is vertically integrated, including the manufacturing of blades and molds, root joints, gearboxes, generators, converters and towers to manufacture turbines, in addition to assembling them. This ensures Gamesa is able to plan and control product design and development, along with the operation and maintenance services it offers.

From the perspective of **customer health and safety**, Gamesa determines the steps, reviews, assurances and validations of each stage of the design and development process when it is planned. It also assigns responsibilities and authorities for 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 incorporated into 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 the company is being customer-driven. The flexibility to offer customers technologies, products, services and innovative ideas aimed at improving their competitiveness is a determining factor. The company undertakes to ensure the long-term success of its customers by **adapting to the market situation** through dialog, mutual trust and a firm wager placed on innovation. Gamesa's relationship with its customers is therefore based on fully responding to their requirements and meeting their needs through ongoing communications with customers for the purposes of measuring 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 up-to-date design standards and type certifications. It includes the following design and type approval 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

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

[PR1] 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. The very first LCA was conducted on a G80-2.0 MW wind turbine in 2009. The value and great potential of this innovative tool was demonstrated, which allows one to have a total overview of the product or process throughout all the stages of its life cycle and to focus on improvement and efficiency opportunities and on increasing competitiveness.

Once the Ecwind project (Life Cycle Assessment of a Gamesa G90-2.0 MW wind turbine) was concluded, 99.8% of the entire wind turbine was inventoried, covering 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 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.

SUSTAINABILITY REPORT 2012



- 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 Requirements Documents (RDs), the relevant Environmental Design Assessments (EDA), Environmental Design Observations (EDO), and lastly the Manufacturing Process Environmental Impact Assessment Report (MPEIAR). Support and supervision of the first wind farm prototype designs;
- Raw materials and components procurement: working with the supply chain and gearing it those whose activity is more respectful to the environment in order to drive its suppliers forward and have access to more sustainable supplies.
- Manufacturing: the focus has mainly been placed on reducing waste, raw material consumption and VOC¹⁰⁰ emissions. Success has been achieved at eliminating unnecessary processes, like applying protective tape to the leading edges of blades and 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;
- Distribution: 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: a dismantling and inertization manual has been drafted for the G10X-4.5 MW wind turbine. There are plans to update the generic manual drafted in 2005 for the preceding G5X-850 kW and G9X-2.0 MW platforms.

There are management elements in place 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.

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

[PR2] Gamesa has no record of any incidents in 2012 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.

Product and Service Labeling

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

[PR3] 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.

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

[PR4] 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 that it has been the subject of complaints nor has it received any penalties in 2012 arising from the marketing tools used to advertise its products.

¹⁰⁰ Volatile organic compounds (VOCs)

SUSTAINABILITY REPORT 2012


Practices related to customer satisfaction, including results of surveys measuring 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. In order to do so, it 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 which allows it to establish direct communications and measure the quality of its products and services.

To do so, topics linked with the development, construction and operating stages of projects are assessed, along with overall perceptions on the company.

In the last CSP conducted in 2012, 44 customers in 13 different countries took part, which represented 80% of customers¹⁰¹ (based on % MW sold/contracted in the period under study). Games obtained scores in all the phases assessed in the CSP 2012 indicating that the company's customers are satisfied. The construction and overall stages are the most highly valued.

Characteristics of CSP 2012

Methodology	Allows to	Profile of interviewees
<ul style="list-style-type: none"> o Face to face interview with each customer. o Questionnaire divided into four areas with open and closed questions having slight variations to allow for traceability. o The level of importance and satisfaction are assessed in closed questions. o A section where Gamesa is compared to its competitors is included among the open questions. o Questionnaire focusing on the customer's activities, setting an improvement on their processes as a priority. 	<ul style="list-style-type: none"> o Strengthen focus on customers o Focus on key aspects of the business o Define a framework to gather highly valuable information for the company o A format that facilitates more dynamic interviews to be used. o Gather data with a view to improving future questionnaires. 	<ul style="list-style-type: none"> o Forty-four companies from 13 different countries. o 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 1 to 4) 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 comments on Gamesa's activities as well as the perception they have about Gamesa in the different stages compared to its competitors are requested through various open questions.

Methodology of CSP 2012

Area	No. of closed questions	No. of open questions	Comparison with competitors
Development stage	15	11	1
Construction stage	14	7	1
Operating stage	13	8	1
Overall satisfaction	7	11	-
Total	49	37	3

¹⁰¹ Despite the 137% increase in the number of customers interviewed as part of this project when compared to 2010 (19 customers), the percentage representativeness has fallen due to the diversification of Gamesa's customer portfolio.

SUSTAINABILITY REPORT 2012



The results obtained indicate that Gamesa customers are satisfied. The construction stage and overall satisfaction are the most highly valued.

Conclusions of CSP 2012

Stage	Strengths	Aspects needing improvement
Promotion	<ul style="list-style-type: none"> o Delivery deadline offered o Product range 	<ul style="list-style-type: none"> o Grid codes
Construction	<ul style="list-style-type: none"> o Compliance with assembly deadlines o Compliance with ex-works delivery deadlines o Level of safety and observation of safety protocols 	<ul style="list-style-type: none"> o Quality and compliance with time limits CAP-dependent termination.
Operation	<ul style="list-style-type: none"> o Quality of work when modifying design on site o Quality and tasks during operation 	<ul style="list-style-type: none"> o Relationship with those responsible for maintenance
Gamesa as a company	<ul style="list-style-type: none"> o Establishing agreements that create value for both parties o Health and safety undertaking 	<ul style="list-style-type: none"> o Technology and innovation

Marketing communications

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

[PR6] Gamesa took part in 19 international trade fairs in five continents with its own stand in 2012.

During the year, the company took part for the very first time in important trade fairs in markets like Mexico and Brazil, as well as in specific offshore trade fairs in Europe.

In addition, awareness about Gamesa was boosted in new markets (Finland, Chile, the Philippines and New Zealand) by sponsoring ten 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 third year in a row, Gamesa has taken the decision to hold product seminars for its customers. These took place in the United Kingdom (Bellshill, Scotland), Italy (Rome) and India (Mumbai, Hyderabad, Indore and Chennai). There was a notable increase in this activity when compared to 2011.

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

[PR7] Gamesa has no record of incidents connected with the marketing and advertising of its products in 2012. Gamesa states it has not filed or been subject to a third-party claim.

Customer privacy

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

[PR8] Gamesa has no record of any incidents concerning respect for customers, their privacy and the leaking of their personal data in 2012. Gamesa states it has not filed or been subject to a third-party claim.

Regulatory compliance

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

[PR9] There is no record of any significant fines or penalties in 2012 related to breaches of health and safety requirements affecting the products and services offered or breaches of product information requirements.

Neither was there a record of any fines in 2012 arising from marketing actions, including advertising and promotion.

Lastly, there is no record of any penalties in 2012 related to breaches of contractual conditions or definitive administrative or court rulings resulting in penalties due to such cause.

6.- ANNEXES



6.1.- EXTERNAL ASSURANCE

AENORAsociación Española de
Normalización y Certificación**SUSTAINABLE VERIFICATION REPORT****VMS-Nº 004/13**

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

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Entitled: ***GAMESA SUSTAINABILITY REPORT 2012***

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 G3.0 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 15th March, 2013 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-011/13 dated 30th January, 2013 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, S.A., in the "GRI Reports List" which is published in its Web <http://www.globalreporting.org/GRIReports/GRIReportsList/>.

Issued on: 18th March 2013

AENORAsociación Española de
Normalización y CertificaciónAvelino BRITO
Chief Executive Officer



6.2.- GRI APPLICATION LEVEL



Statement GRI Application Level Check

GRI hereby states that **GAMESA** has presented its report "Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 3 April 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because GAMESA has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

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

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 20 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

6.3.- GRI CONTENTS INDEX

Standard disclosures Part I
PROFILE DISCLOSURES

1.- Strategy and analysis		LR	Page
■	1.1	F	3
■	1.2	F	1-15

2-Organizational profile		LR	Page
■	2.1	F	16
■	2.2	F	16
■	2.3	F	16
■	2.4	F	17
■	2.5	F	17
■	2.6	F	17
■	2.7	F	18
■	2.8	F	18-19
■	2.9	F	19
■	2.10	F	19

3-Report parameters		LR	Page
■	3.1	F	20
■	3.2	F	20
■	3.3	F	20
■	3.4	F	20
■	3.5	F	20-21
■	3.6	F	21
■	3.7	F	21
■	3.8	F	21
■	3.9	F	21
■	3.10	F	22
■	3.11	F	22
■	3.12	F	22; 85-88
■	3.13	F	22

4-Governance, Commitments and Stakeholder Engagements		LR	Page
■	4.1	F	23-25
■	4.2	F	25-26
■	4.3	F	26-27
■	4.4	F	27-28
■	4.5	F	28
■	4.6	F	28-29
■	4.7	F	29
■	4.8	F	30
■	4.9	F	30-31
■	4.10	F	31
■	4.11	F	31
■	4.12	F	31-33
■	4.13	F	33
■	4.14	F	34
■	4.15	F	34
■	4.16	F	35-39
■	4.17	F	39

Standard disclosures Part II DISCLOSURES ON MANAGEMENT APPROACH (DMAs)

DMA EC	Disclosure on management approach (EC)	LR	Page
Aspects	Economic performance	F	41-44
	Market presence	F	44-46
	Indirect economic impacts	F	46-49

DMA EN	Disclosure on management approach (EN)	LR	Page
Aspects	Materials	F	52
	Energy	F	52-54
	Water	F	54
	Biodiversity	F	54-56
	Emissions, effluents and waste	F	56-59
	Products and services	F	59
	Compliance	F	60
	Transport	F	60
	Overall	F	60

DMA LA	Disclosure on management approach (LA)	LR	Page
Aspects	Employment	F	61-63
	Labor/management relations	F	63-64
	Occupational health and safety	F	64-67
	Training and education	F	67-69
	Diversity and equal opportunity	F	69

DMA HR	Disclosure on management approach (HR)	LR	Page
Aspects	Investment and procurement practices	F	70-71
	Non-discrimination	F	71-72
	Freedom of association	F	72-73
	Child labor	F	73
	Forced and compulsory labor	F	73
	Security practices	F	73-74
	Indigenous rights	F	74

DMA SO	Disclosure on management approach (SO)	LR	Page
Aspects	Community	F	75-76
	Corruption	F	76
	Public policy	F	76-77
	Anti-competitive behavior	F	77
	Compliance	F	77

DMA PR	Disclosure on management approach (PR)	LR	Page
Aspects	Customer health and safety	F	78-79
	Product and service labeling	F	79-81
	Marketing communications	F	81
	Customer privacy	F	81
	Compliance	F	81

Standard disclosures Part III PERFORMANCE INDICATORS

ECONOMIC

Economic performance	LR	Page
■ EC1 Direct economic value generated and distributed.	F	42
■ EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	F	42
■ EC3 Coverage of the organization's defined benefit plan obligations.	F	43
■ EC4 Significant financial aid received from government.	F	44

Market presence	LR	Page
■ EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	F	44
■ EC6 Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	F	44-46
■ EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	F	46

Indirect economic impacts	LR	Page
■ EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	F	46-49
■ EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	F	49

ENVIRONMENTAL

Materials	LR	Page
■ EN1 Materials used by weight or volume.	F	52
■ EN2 Percentage of materials used that are recycled input materials.	F	52

Energy	LR	Page
■ EN3 Direct energy consumption by primary energy source.	F	52
■ EN4 Indirect energy consumption by primary energy source.	F	53
■ EN5 Energy saved due to conservation and efficiency improvements.	F	53
■ EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	F	53
■ EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	F	54

Water	LR	Page
■ EN8 Total water withdrawal by source.	F	54
■ EN9 Water sources significantly affected by withdrawal of water.	F	54
■ EN10 Percentage and total volume of water recycled and reused.	F	54

Biodiversity		LR	Page
■	EN11	F	54
■	EN12	F	55
■	EN13	F	55
■	EN14	F	56
■	EN15	F	56
Emissions, effluents and waste		LR	Page
■	EN16	F	56-57; 89-96
■	EN17	F	57
■	EN18	F	57
■	EN19	F	57
■	EN20	F	57
■	EN21		58
■	EN22	F	58-59
■	EN23	F	59
■	EN24	F	59
■	EN25	F	59
Products and services		LR	Page
■	EN26	F	59-60
■	EN27	F	60
Compliance		LR	Page
■	EN28	F	60
Transport		LR	Page
■	EN29	F	60
Overall		LR	Page
■	EN30	F	60

SOCIAL: Labor Practices and decent work

Employment		LR	Page
■	LA1	F	62-63
■	LA2	F	63
■	LA3	F	63
Labor/management relations		LR	Page
■	LA4	F	63-64
■	LA5	F	64
Occupational health and safety		LR	Page
■	LA6	F	64-65
■	LA7	F	65-67
■	LA8	F	67
■	LA9	F	67
Training and education		LR	Page
■	LA10	F	67
■	LA11	F	68
■	LA12	F	69
Diversity and equal opportunity		LR	Page
■	LA13	F	69
■	LA14	F	69

SOCIAL: Human rights

Investment and procurement practices		LR	Page
■	HR1	F	70
■	HR2	F	70-71
■	HR3	F	71

Non-discrimination			LR	Page
■	HR4	Total number of incidents of discrimination and actions taken.	F	71-72
Freedom of association and collective bargaining			LR	Page
■	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	F	72
Child labor			LR	Page
■	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	F	73
Forced and compulsory labor			LR	Page
■	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	F	73
Security practices			LR	Page
■	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	F	73-74
Indigenous rights			LR	Page
■	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	F	74

SOCIAL: Society

Community			LR	Page
■	S01	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	F	75
Corruption			LR	Page
■	S02	Percentage and total number of business units analyzed for risks related to corruption.	F	76
■	S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	F	76
■	S04	Actions taken in response to incidents of corruption.	F	76
Public policy			LR	Page
■	S05	Public policy positions and participation in public policy development and lobbying".	F	76
■	S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	F	77
Anti-competitive behavior			LR	Page
■	S07	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	F	77
Compliance			LR	Page
■	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	F	77

SOCIAL: Product responsibility

Customer health and safety			LR	Page
■	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	F	78-79
■	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	F	79
Product and service labeling			LR	Page
■	PR3	Type of product information required by procedures, and percentage of significant products and services subject to such information requirements.	F	79
■	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	F	79
■	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	F	80-81
Marketing communications			LR	Page
■	PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	F	81
■	PR7	Total number of incidents of non-compliance with regulations and voluntary codes of conduct concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	F	81
Customer privacy			LR	Page
■	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	F	81
Compliance			LR	Page
■	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	F	81

Legend:

- Core indicator
- Optional indicator

LR: Level of reporting
(F: Fully; P: Partially; NR: Not reported)



6.4.- GREENHOUSE GAS REPORT FOR 2012 IN ACCORDANCE WITH THE ISO 14064 STANDARD

1.- FOREWORD

The aim of this report is to set out the greenhouse gas (GHG) inventory of Gamesa Corporación Tecnológica and of the subsidiaries which comprise it, thereby providing a response to the different requirements set out by the ISO 14064-1 standard.

Gamesa Corporación Tecnológica (hereinafter "Gamesa") has drawn up this GHG report in order to facilitate the greenhouse gas 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 sets out the greenhouse gas inventory for 2012 covering Gamesa's global activities; that is to say in each of the continents where it operates and performs its activities.

The report has been drawn up in accordance with the requirements set forth in UNE-ISO 14064-1: "Greenhouse Gases. Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals".

All the information required is included, apart from any information the standard does not consider as obligatory and which has not been deemed relevant following the principle of pertinence.

The person responsible for the GHG Report at Gamesa is Mr. Iñaki López Baiñ, EHS director corporate.

The verification of the greenhouse gas inventory was conducted through a certified assurance entity in accordance with ISO 14064-3: "Specification with guidance for the validation and verification of greenhouse gas assertions".

The verification of greenhouse gases has been conducted with a limited assurance undertaking.

2- DESCRIPTION OF THE ORGANIZATION

With more than 18 years of experience in the wind energy sector, Gamesa is one of the world's market leaders in the design, manufacturing, installation and maintenance of wind turbines. It has already installed over 26,000 MW in 40 countries spread out over four continents and more than 19,000 MW are under its maintenance.

Gamesa has 40 production centers in Europe, the United States, China, India, and Brazil.

Gamesa is also a leading organization in the wind farm development, construction and sales market. It has installed more than 5,000 MW and has a wind farm portfolio of 18,000 MW in Europe, America and Asia.

The annual equivalent of the more than 26,000 installed MW amounts to more than 5.7 million tons of equivalent petroleum (TEP)/year and prevents the emission into the atmosphere of almost 40 million tons of CO₂ /year.

3- POLICIES AND STRATEGIES

Continuous improvement and collaboration in the attainment of sustainable development are among Gamesa Corporación Tecnológica's commitments by developing and applying good practices geared at environmental protection and by encouraging the availability of information and training on this culture.

The general standards of professional conduct also state 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.

4.- BOUNDARIES OF THE ORGANIZATION

An operational control approach has been chosen to define the organization's boundaries, as it is the approach which best represents the organization's activities with respect of the centers where it exercises operational control over the activity. It is also the approach which allows for a greater potential reduction in GHG.

Gamesa is comprised of a large number of companies. After an exhaustive analysis, it was observed that many of these companies are tax addresses and do not have any technical resources or personnel. They therefore do not emit any GHG.

Gamesa companies and centers with in-house staff are specifically considered in this approach to account for GHG emission within the scope. They therefore have GHG consumptions or emissions, which are set out in detail in this report.



5.- NON-INVESTEE COMPANIES INCLUDED IN THE EMISSIONS REPORT:

Company	Registered	Date of Incorporation
Gamesa Corporación Tecnológica, S.A. Parque Tecnológico de Bizkaia Edificio 222, 48170 (Vizcaya)	Vizcaya (Spain)	28/01/1976
Gamesa Energía, S.A. Unipersonal (GESA) Parque Tecnológico de Bizkaia Edificio 222, 48170 (Vizcaya)	Vizcaya (Spain)	19/11/1992
Gamesa Electric, S.A. Unipersonal Parque Tecnológico Edificio 100 , 48170 Zamudio (Vizcaya)	Vizcaya (Spain)	06/06/2005
Cantarey Reinoso, S.A. Unipersonal Paseo Alejandro Calonge 3, 39200 Reinoso (Cantabria)	Cantabria (Spain)	17/03/1997
Enertron, S.L. Unipersonal Avda. Fuentemarr, 5, 28823 Coslada (Madrid)	Madrid (Spain)	12/11/1979
Valencia Power Converters, S.A. Unipersonal (VPC) Parque Empresarial Turianova, Ctra. A Olcoai, 46181 Benissano (Valencia)	Valencia (Spain)	05/10/2005
Gamesa Energy Transmission, S.A. Unipersonal (GET) ; Parque Tecnológico Edificio 100, 48170 Zamudio (Vizcaya)	Vizcaya (Spain)	11/06/2004
Transmisiones Eólicas de Galicia, S.A. Unipersonal (TEGSA) ; Parque Tecnológico de Bizkaia Edificio 222, 48170 (Vizcaya)	Vizcaya (Spain)	04/10/1996
Especial Gear Transmissions, S.A. Unipersonal (EGT) ; Polígono Ind. Trobika, 48100 Mungia (Vizcaya)	Vizcaya (Spain)	15/12/1997
Gamesa Burgos ; Pol. Ind. Villalonquejar, C/Condado de Treviño, 09001 (Burgos)	Burgos (Spain)	09/02/2001
Gamesa Eólica, S.L. Unipersonal (GEOL) ; Polígono Ciudad de la Innovación, C/ Ciudad de la Innovación 9-11 31621, Sarriñena (Navarra)	Navarra (Spain)	10/11/2006
Gamesa Wind Energy Services, Ltd "Barbaros Mah. Halk Cad. No.8/A Palladium Ofis ve Residence Binası Kat:2-3 34746 Atasehir, Istanbul	Turkey	28/05/2010
Gamesa Innovation & Technology, S.L. Unipersonal (GIT) Ciudad de la Innovación, 9-11, 31621 Sarriñena (Navarra) GIT-Sarriñena 1; GIT-Sarriñena 2; GIT-Plaza Europa 12-14-15; GIT-Edif. Ortiz / Alaiz; GIT-C/Olite; La Facultad NOAIN; GIT-Ramirez Arellano 35 y 37	Navarra (Spain)	26/06/2006
Estructuras Metálicas Singulares, S.A. Unipersonal (EMS) ; Polígono Industrial Belanbutxu, Parcela 8, Tajonar	Navarra (Spain)	02/03/2005
Gamesa Wind GmbH Wailandstrasse 7, D-63741 Aschafenburg	Germany	05/09/2003
Gamesa Eólica Francia, SARL Parc Mail 6, Allée Irene Joliot Curie Bâtiment B 69791 Sant Priest	France	27/07/2001
Gamesa Eólica Italia, S.R.L. (GEOLITA) Via Mentore Maggini 48/50 00143 Roma	Italy	06/07/2004
Gamesa Eólica Greece, M.E.P.E. 9, Adrianeiou, 115 25, Atenas	Greece	21/12/2006
Gamesa Wind Hungary, Kft 1146 Budapest, Hermina út-17	Hungary	05/04/2006
Gamesa Wind Turbines Private Ltd 2 No 334, 8th Floor, Block B, The Futura IT Park, Old Mahabalipuram Road, Sholinganallur, Chennai -600 11	India	05/04/2006
Gamesa Japan K.K. Daikwa Jisho Building 4F - 411, 74-1 Naka-ku, Yamashita-cho, Yokohama-city 231-0023, Kanagawa/Japan.	Japan	02/07/2007
Gesa Eólica Mexico, S.A. de CV 2 Torre Diana, Piso 14, Av. Pº de la Reforma 389, Colonia Cuauhtemoc, Mejico DF, 06500	Mexico	26/02/2007
Gamesa Wind Tianjin Co, Ltd 63 Outside the outer rin, road of Huayan Indt. Dev. Area, Hua Yu High- New Technical Indt. Park, 300384, Tianjin	China	23/12/1999
Jilin Gamesa Wind Co, Ltda. Wulanchabu City, Inner Mongolia	China	05/03/2010
Inner Mongolia Gamesa Wind Co, Ltda Wulanchabu City, Inner Mongolia	China	05/03/2010
Gamesa Blade Tianjin Co. Ltd Nº 10-11-12-16 XiangZun Road, TianXiang Indt. Park, Xiqing Economic Development Area, 300384 Tianjin	China	31/08/2006
Gamesa Wind Poland, Sp. Zoo 3 Krucza 16-22; 00-526 Warsaw	Poland	13/06/2007
Gamesa II Eólica Portugal, Sociedade Unipessoal Lda. ; Nucleo Empresarial II, Rua da Bica Armazem H, freguesia de venda concelho de Mafra, 2665-608, Venda do Pinheiro	Portugal	01/04/2008
Gamesa Wind Bulgaria, EOOD 14, Tsar Osvoboditel Blvd, floor 1., 1000 Sofia	Bulgary	20/09/2009
Gamesa Singapore Private Limited 8 Marina Boulevard #05-02, Marina Bay, Financial Centre Tower 1 - Singapore 018981	Singapur	17/08/2010
Gamesa Wind UK Limited 39-49 Commercial Road Southampton Hampshire SO15 1GA	United Kingdom	08/09/2010
Gamesa Inversiones Energéticas Renovables SCR de Régimen Simplificado, S.A. Parque Tecnológico Edificio 222, 48170 Zamudio	Vizcaya (Spain)	21/03/2006

Company	Registered	Date of Incorporation
Gamesa Energie Deutschland GmbH Staulinie 14-17, 26122 Oldenburg	Germany	08/07/2005
Gamesa Energie France, SAS Parc Mail 6, Allée Irene Joliot Curie Bâtiment B 69791 Sant Priest	France	30/12/2003
Gamesa Energiaki Hellas, S.A. 9, Adrianeiou, 115 25, Atenas	Greece	16/11/2000
Gamesa Energia Italia, S.P.A. Via Mentore Maggini, 48/50CAP 00143	Italy	31/05/2000
Gamesa Energia Polska, Sp. Zoo Krucza 16-22; 00-526 Warsaw	Poland	08/04/2006
Gamesa Energia Portugal, S.A. Rua Iracy Doyle, nº43 A, 1ºdireito 2750-377 Cascais	Portugal	02/02/1999
Gamesa Energy UK, Ltd Rowan House, Hazell Drive. Newport, Wales. NP10 8FY	United Kingdom	18/05/2003
Gamesa Bulgaria Eood 14, Tsar Osvoboditel Blvd, floor 1., 9000 Sofia	Bulgary	29/06/2006
Gamesa (Beijing) Wind Energy System Development Co, Ltd Room 605, CBD International Building, Nº16, Yong An Dong Li, Chaoyang District, 100022, Beijing	China	10/07/2007
Gamesa Energy Romania, Srl (antes Carpathian Wind, SRL) 6 ; Calea Floreasca 4th. Office nº 2092. Sector 1 Bucharest	Rumania	05/04/2007
Gamesa Eólica Brasil, Ltd. Avda. Trancredo Neves 1283, Edificio Omega, sala 902, Caminho das Arvoes, 41820-021, Salvador de Bahia	Brazil	08/01/1999 ¹⁰²
Gamesa Technology Corp, INC 2050 -Cabot Blvd. West Langhorne PA 19047	USA	13/01/2005
Fiberblade, LLC 100 Commerce Drive Ebersburg, PA 15714	USA	14/01/2005
Gamesa Wind US, LLC 2050 -Cabot Blvd. West Langhorne PA 19047	USA	04/08/2003
Gamesa Wind PA, LLC 400 Gamesa Drive Fairless Hills, PA 19030	USA	17/05/2005
Tower and Metallic Structures, Inc. 400 Gamesa Drive Fairless Hills, PA 19030	USA	27/09/2005
Gamesa Energy USA, LLC 1801 Market St. Ste. 2700 Philadelphia, PA 19103	USA	10/10/2005
Gamesa Eólica Branch in UK 81 Oxford St W10 2EU	United Kingdom	07/02/2006
Gamesa Sucursal de Made en Tanger Lot 345, Z.I. GZENNAYA, A. Boite Poste nº397 Tanger (boukhalef)	Morocco	30/05/2007
Navitas Energy, INC. 3001 Broadway St. NE 695 Minn MN 55413	USA	01/11/2000
Gamesa Eólica Branch in Egypt 12 Dar El Shefa St. Garden City., 11451 El Cairo. Egypt	Egypt	01/04/2005
Gamesa Wind Tianjin Co.Lts Shanghai Branch Room 17F, No.369 Jiang Su Road, Chang Ning District ,Shang Hai	China	
Gamesa Wind Tianjin Co.Lts Shanghai Branch Room 17F, No.369 Jiang Su Road, Chang Ning District ,Shang Hai	China	
Fiberblade East, LCC 400 Gamesa Drive Fairless Hills, PA 19030	USA	09/12/2005
Gamesa Wind Sweden AB Solna Strandvag 78.171 50 Solna Stockholm	Sweden	02/07/2010
Gamesa Energy Sweden AB Solna Strandvag 78.171 50 Solna Stockholm	Sweden	08/07/2010
Gamesa Australia C/Baker & McKenzie, AMP centre, Level 27, 50 Bridge Street, Sydney	Australia	02/06/2011
Gamesa Wind GmbH Branch Stadthausbrücke 1-3, 20355 Hamburg	Germany	01/09/2011

¹⁰² 08/01/1999 (registration date) / 3-10-1998 cosntitution

6.- INVESTEE COMPANIES INCLUDED IN THE EMISSIONS REPORT

Society	Compass Trans-World Logistics, S.A. (CTL)
Registered in	Navarre, Spain
Shareholders	<ul style="list-style-type: none"> • 51%-Gamesa Corporación Tecnológica, S.A. • 49%-Bergé Infraestructura y Servicios Logísticos, S.L.
TIN	A-31936941
Registered Office	Ciudad del Transporte, Plaza Europa 12, 2ª planta; 31119 Imárcoain (Navarre)
Date of incorporation	10/09/2007

7.- OPERATING BOUNDARIES

The following kinds of emissions will be accounted for separately within the operating boundaries and in accordance with the requirements of the ISO 14064:1 standard:

- Direct emissions – all direct emissions will be accounted for. If any direct source of emissions is excluded, it will be sufficiently justified in accordance with the principle of total coverage.
- Indirect energy emissions – all indirect energy emissions will be accounted for. If any indirect source of emissions is excluded, it will be sufficiently justified in accordance with the principle of total coverage.
- Other indirect emissions – emissions from shipping wind turbine components to their wind farm destination, including road and sea shipment combinations, were accounted for in 2012.
- CO₂ emissions from biomass combustion and other sources short-cycle carbon emissions are not used by Gamesa.

This column has been left intentionally blank
(continues on next page)

In order to draw up the emissions inventory, the following GHG were taken into consideration in accordance with ISO 14064-1:

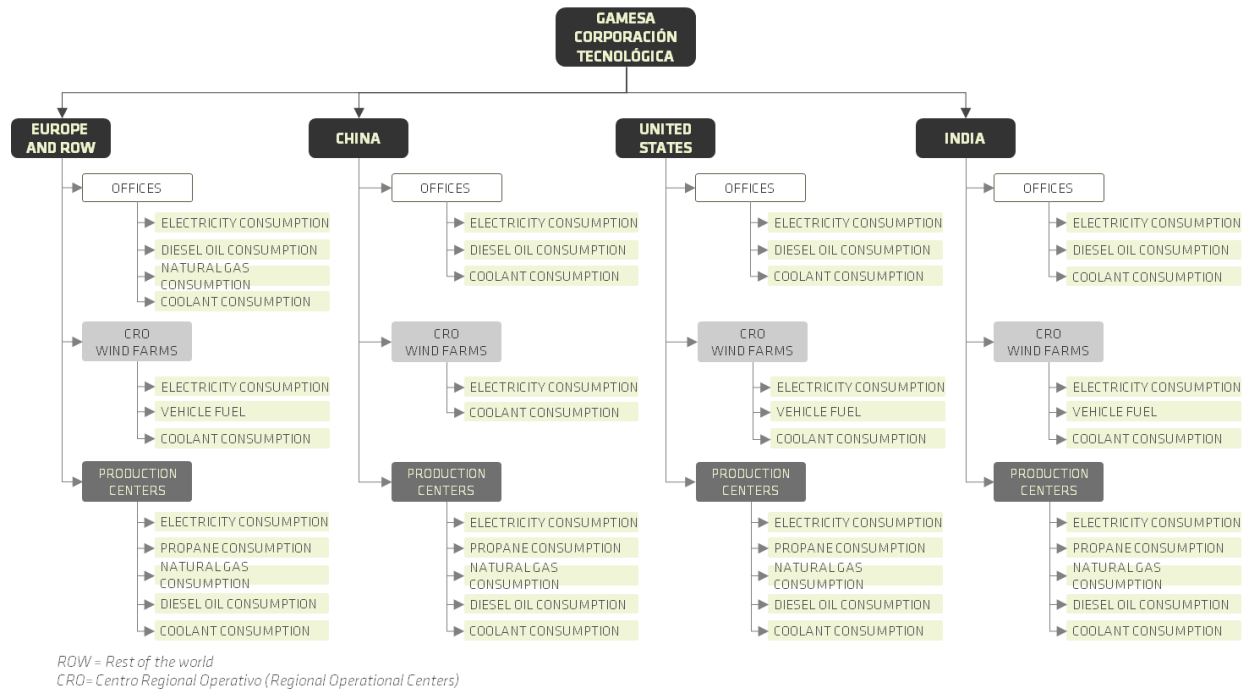
GHG to taken into consideration	
CO ₂	SF ₆
CH ₄	PFCs
N ₂ O	HFCs

8.- SELECTION OF BASE YEAR

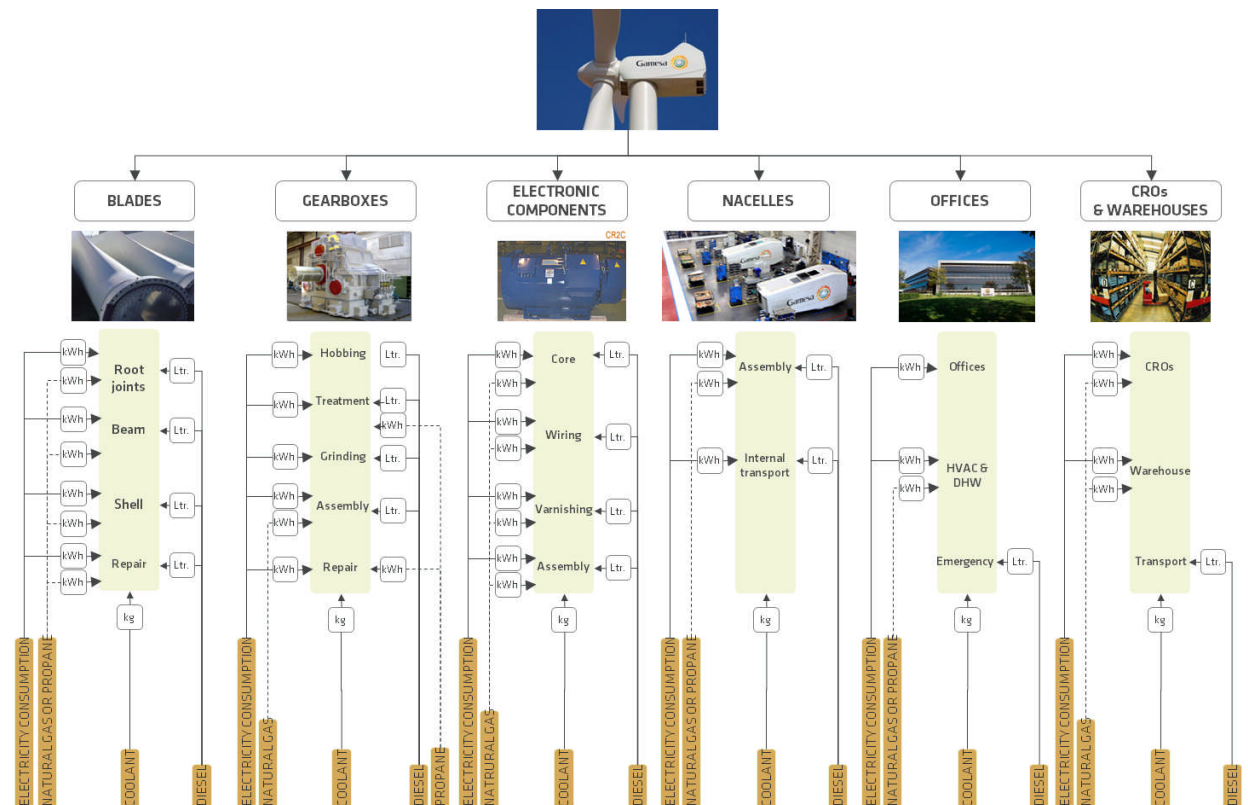
The base year is 2010 in accordance with carbon footprint report verified in that year.

The calculation of the base year's inventory follows the same methodology to calculate the inventory in any other year.

9.- EMISSIONS SCHEME BY PROCESSES/ORGANIZATIONAL



10.- EMISSIONS SCHEME BY PROCESSES/COMPONENT



11.- DESCRIPTION OF THE QUANTIFICATION METHODOLOGY

The quantification of GHG emissions will be based on two methodologies depending on the kind of emissions sources:

- Sources of emission where there is a chemical transformation process (fixed or mobile combustion) and indirect emissions from the generation of the electricity consumed.
 - Emissions of CO₂ (t CO₂-e) = Activity data x Emission factor*
- Sources of emission where a chemical transformation process does not exist (fugitive emissions), or in cases where emission data is available in units other than CO₂-e (for example in tons of CH₄).
 - Emissions of CO₂ (t CO₂-e) = Activity data x Global warming potential*

The emission and warming potential factors used, along with their corresponding sources are set forth in detail in Annex PMA-1-007-A03.

- The quantification based on calculations is for the main part supported by the activity data included on the company's energy consumption in Gamesa's environmental area. By means of this method, GHG emissions and consumptions are accounted for from their origin at the most important centers. Each center holds responsibility for monitoring its own emissions. This system allows the data to be aggregated by the different geographic areas, as well as by the different technologies used in the company's processes.
- In any cases where a periodic indicator has not been established, other reporting methods will be used, in general annual reporting for the period taken into account.

12.- DIRECT EMISSIONS

The following sources of direct emissions have been identified:

Direct energy emissions

Point	Process /Activity	GHG generated	Facility
1.1	Natural gas combustion	CO ₂ , CH ₄ , N ₂ O	Boilers
1.2	Gas oil combustion	CO ₂ , CH ₄ , N ₂ O	Generating sets
1.3	Propane combustion	CO ₂ , CH ₄ , N ₂ O	Production line
1.4	Automotive diesel oil and gasoline combustion	CO ₂ , CH ₄ , N ₂ O	Vehicles (pick-ups)
1.5	Air-conditioning cooling	PFCs, HFCs	Air-conditioning
1.6	Dry ice machine	CO ₂	Dry ice

13.- INDIRECT EMISSIONS

The following sources of indirect energy emissions have been identified:

Indirect energy emissions

Point	Process /Activity	GHG generated	Facility
2.1	Electricity consumption	CO ₂ , CH ₄ , N ₂ O	Power and lighting

14.- OTHER INDIRECT EMISSIONS

Other indirect emissions have been identified:

Other indirect energy other emissions

Point	Process /Activity	GHG generated	Facility
3.1	Logistical transport emissions	CO ₂ , CH ₄ , N ₂ O	Mobile (Truck / Ship)

15.- DESCRIPTION OF IMPACT OF UNCERTAINTY ON THE DATA USED

It will not be necessary to calculate uncertainty when the data is taken from commercial invoices since the uncertainty of activity data is governed by legal procedures because it is a business activity.

Gamesa has conducted the following analysis from a theoretical standpoint:

- The emission factors, lower calorific power data and oxidation factors used are considered to have nil uncertainty as they come from recognized sources and such sources are beyond the organization's control.
- Verification certificates for low viscosity liquid tanker measuring systems have been analyzed and levels of uncertainty below 0.5% have been obtained.
- Calibration certificates of natural gas measuring systems have also been obtained. In no cases were results above 2% uncertainty obtained and the average level of uncertainty was around 0.3%.
- Applying the principle of cost-efficiency used in the European emissions trading scheme, these are considered negligible despite the fact consultations were made to obtain these data.
- The fact that the level of uncertainty is low for all emissions (according to the principle of belonging) is considered to be an unrepresentative piece of data of little significance.



16.-EXCLUSIONS

Any sources identified or centers accounting for less than 0.1% of total emissions will be excluded from the inventory, provided that total exclusions do not exceed 5% of total emissions.

In this regard, the exclusions made to the accounting for GHG emissions because those centers individually account for less than 0.1% of total emissions are calculated in accordance with the following data:

- People assigned to centers without data: 336
- Tons of CO₂e -office staff ratio: 1.22 t CO₂-e/ employee (maximum)
- Maximum GHG emissions not accounted for: 410.8 t CO₂-e
- % total of GHG emissions not accounted for: < 0.86%

The centers with emissions which will therefore be taken into consideration in the GHG inventory are identified in Annexes 1 and 2 of Gamesa procedure PMA-1-007 "GHG Emission Reporting System", along with investee centers or companies over which Gamesa does not exercise operational or financial control, which will therefore not be included in the GHG emissions report.

This report solely includes Gamesa companies and production centers which are considered as sources of GHG emissions and which therefore have been taken into account to draw up this report. (Points 5 and 6).

17.- QUANTIFICATION OF THE ORGANIZATION'S EMISSIONS

We can observe the breakdown of tons of CO₂ equivalent for each of the GHG and for each of the direct energy emission sources.

Direct Emissions 2012 by each GHG

	Combustion gases			Total (tCO ₂ -e)
	CO ₂ (tCO ₂)	CH ₄ (tCO ₂ -e)	N ₂ O (tCO ₂ -e)	
Natural gas	7,777	3	4	7,784
Propane	490	0.16	0.24	490
Gas oil	984	0.84	2.48	987
Dry ice	64	0.00	0.00	64
Gas oil A	2,719	2.32	7	2,728
Gasoline	575	0.66	15	589
Total:	12,609	7	28	12,644

GHG emissions from refilling gas coolants expressed in tons of equivalent CO₂ are set out separately.

Direct Emissions 2012 by each GHG

Expressed in tons of equivalent CO₂ (tCO₂-e)

Coolant gases	R404A	97.5
	R22	86.2
	R407C	314.1
	R410A	121.8
	R417A	0.0
	R422D	0.0
	R134A	938.1
	R401A	0.0
Dielectric	SF ₆	0.0
Total (tCO₂-e)		1,577

The company's **overall emissions** for 2012 can be seen in the table attached, where the different emissions are identified by geographical areas.

Direct emissions 2012 (SCOPE 1) (expressed in tCO₂-e)

	Europe & row	United States	China	India	Total
Natural gas	5,793	1,451	541	0.00	7,784
Propane	437	53	0.04	0.00	490
Diesel	671	76	84	156	987
Coolants	732	46	36	744	1,558
Dry ice	64	0	0	0	64
Vehicle fuel	2,174	590	0	554	3,319
Total	9,872	2,215	661	1,454	14,202

Indirect emissions 2012 (SCOPE 2) (expressed in tCO₂-e)

	Europe & row	United States	China	India	Total
Electricity	17,483	5,601	5,297	5,074	33,454

Overall emissions 2012 (expressed in tCO₂-e)

	Europe & row	United States	China	India	Total
Total	27,423	7,816	5,958	6,528	47,656

Some significant deviations can be observed when comparing the GHG emissions of the different geographic areas in emissions per employee and year for each of the regions, which are explained below.

Emissions per employee and year (tCO₂-e) per employee/year

	Average no. of personnel 2012	Emissions per employee 2012
Europe & ROW	5,004	5.47
United States	830	9.42
China	860	6.93
India	909	7.18
Total:	7,603	6.27

INDIA: Industrial activity in India has increased and therefore its consumption data are similar to the data of other geographic areas, unlike in 2011, when the blade plant had not yet entered into operation and the nacelle plant was starting up its activities.

In addition, emissions from the electricity mix have changed substantially according the IEA 2012 statistics, especially in China and India. This has led to a leveling of emissions per employee in the different geographic areas.

Other indirect emissions: Logistical transport.

These correspond to emissions from road and sea transport to deliver the products and components made by Gamesa to the final destination, generally a wind farm, over the year.

Scope 3: Other indirect emissions: (expressed in tCO₂-e)

Point	Transport	Distance (Km)	CO ₂	CH ₄	N ₂ O	t CO ₂ equiv
3.1	Road	4,030,613	3,980	2	41	4,023
3.1	Sea	1,496,193	258,520	221	652	259,394

18.- MANAGED ACTIONS

Actions aimed at reducing consumption and boosting energy efficiency. These actions were implemented in several areas of the organization in 2012.

Managed actions 2012

Plant	Name of initiative	kWh of electricity prevented	thermal kWh prevented	tCO ₂ -e prevented	Status
Gamesa Burgos	Optimizing reactive energy management	31,139	0	7.41	Done
Gamesa Burgos	Turning off cooling pumps during non-productive period:	43,399	0	10.33	Done
Gamesa Burgos	Turning off cooling tower ventilator during non-productive periods	5,916	0	1.41	Done
Gamesa Burgos	Turning off exhaust fans in kiln building	27,475	0	6.54	Done
Gamesa Burgos	Optimizing shot blasting management	23,493	0	5.59	Done
Gamesa Burgos	Optimizing residual FDS consumption	17,743	0	4.22	Done
Gamesa Burgos	Kiln management	27,951	0	6.65	Done
Gamesa Burgos	Kiln loading management	34,722	0	8.26	Done
Gamesa Reinosa	Minimizing energy loss from curing kilns	6,629	0	1.58	Done
Gamesa Reinosa	Replacement of ballast with electronic ballast	38,861	0	9.25	Done
Gamesa Reinosa	Installation of metal halide lamps	135,954	0	32.36	Done
Total tCO ₂ -e prevented				94	

19.- CONCLUSIONS

The main conclusions of the 2012 emissions report should be assessed on the basis of the organization's base year established in 2010. The main comparison was made with the organization's emissions by MW per wind turbine installed. In 2012 these amounted to 18.2 t of CO₂ equivalent/installed MW compared to 2010 when this value amounted to 18.1 t of CO₂ equivalent/installed MW.

Though the emissions per installed MW have remained steady, the organization's emissions in absolute values with respect of the base year have fallen substantially, mainly because of the following reasons:

- The fall in production in 2012 (2,625 MW of products installed) compared with 2011 (3,309 MW of products installed) is a result of falling demand. In principle, this led to the organization's readjustment to demand, which was carried out at the end of 2012.
- The consumption reduction and energy efficiency measures implemented in preceding years have maintained their effectiveness and have reduced both consumption and emissions. Several of the organization's plants are involved in a certification process in accordance with the ISO16001 energy efficiency standard.
- Improvements in product design, the implementation of the ISO 14006 standard and ecodesign certification of new products like the G10X wind turbine have made it possible to reduce environmental impacts throughout their life cycle through life cycle assessment, including both emissions and energy consumption.
- The GHG showing the greatest difference with respect to the base year 2010 is electricity, with a 20% reduction in emissions in 2012 compared to 2010. Nonetheless, the reduction in consumption was around 5% in 2012. This difference between reductions in consumption and in emissions can be explained as follows. According to the data published by IEA statistics in 2012 with information for 2010, emissions corresponding to the electricity mix fell substantially in the geographic areas where Gamesa has established its businesses, which include Europe, India, China and the United States.
- Other GHG showing substantial differences when compared to the base year 2010 are propane, with emission reductions of around 50%; natural gas, with emission reductions of 32%; and diesel, with emission reductions of 37%. In all cases, these are due to a lower level of activity at manufacturing plants in 2012.
- From the standpoint of the different stages of Gamesa's processes referring to the annual emissions of the organization's processes, we can observe emissions on a yearly basis by type of facility, by stage of the process or for each wind turbine manufactured and installed in the graph below.



20.- AUDITOR'S REPORT

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

Certificate Owner:

TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
certify:

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 2013-03-04 till 2013-03-05.

Validated inventory:

2012

First validated
inventory:

2010

2013-03-12 TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
Garrotxa, 10-12 – E-08820 El Prat de Llobregat

www.tuv.com

TÜVRheinland®
Precisely Right.