

Corporate Responsibility Report 2014

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KEY FIGURES

	2014	2013	2012	2011	2010	2009	2008
Sales (Mill. €)	2,846	2,336	2,844	3,033	2,764	3,229	3,834
Equivalent MW sold	2,623	1,953	2,119	2,802	2,405	3,145	3,684
EBIT (MILL. €)	¹ 191	123	(631)	131	119	177	233
Net income (€ Mill.) (Loss)	¹ 101	45	(659)	51	50	115	320
NFD / EBITDA	² -0.4x	1.5x	2.5x	2x	-0.6x	0.7x	0.1x
Listing at 12/31 (€)	7.56	7.58	1.66	3.21	5.71	11.78	12.74
Earnings per share (€) (Loss)	0.3550	0.1796	(2.63)	0.209	0.208	0.48	1.32
Gross dividend per share (€/share)	³ 0.083	0	0	0.051	0.119	0.21	0.23

	2014	2013	2012	2011	2010	2009	2008
Workforce	6,431	6,079	6,646	8,357	7,262	6,360	7,187
Sick leave frequency rate	1.72	1.74	2.39	3.84	4.19	4.91	9.15
Severity rate	0.05	0.05	0.07	0.09	0.13	0.16	0.19
% international workforce	41	36	36	42	36	31	32
% women in workforce	22.68	23.65	23.74	23.17	24.55	25.52	25.34
% permanent employment contracts	93	92	92	88	87	86	72
Hours of training / employee	18.65	7.49	23.59	39.57	32.27	32.32	32.79

	2014	2013	2012	2011	2010	2009	2008
United Nations Global Compact	✓	✓	✓	✓	✓	✓	✓
Dow Global Sustainability Index	-	-	✓	✓	✓	✓	✓
FTSE4Good	✓	✓	✓	✓	✓	✓	✓
Ethibel Excellence Europe	✓	✓	✓	✓	✓	✓	✓
Global Challenges Index	✓	✓	✓	✓	✓	✓	✓
CleanTech Index (CTIUS)	✓	✓	✓	✓	✓	✓	✓

	2014	2013	2012	2011	2010	2009	2008
Raw material consumption (t)	112,044	103,507	119,687	137,254	113,364	129,601	183,106
Energy consumption (TJ)	695	1,008	1,185	1,279	1,217	1,061	1,357
Water consumption (m ³)	97,341	80,048	95,261	101,105	93,140	91,225	122,279
Waste generated (t)	10,841	10,346	11,191	16,336	15,952	16,069	21,734
Effluents generated (m ³)	77,872	62,356	59,332	61,488	56,113	61,237	52,882
CO ₂ emissions (t CO ₂)	29,879	39,436	47,656	56,747	57,982	48,062	65,619
CO ₂ avoided (million t CO ₂)	46.85	43.25	40.15	36.21	31.25	27.37	24.02
Energy consumption rate (GJ)	244	430	416	421	401	321	354
Water consumption rate (m ³)	34	34	33	33	34	28	31
Waste generation rate (t)	4	4	4	5	5	5	5
Effluent generation rate (m ³)	27	27	20	20	20	17	13
CO ₂ emission rate (t)	10	17	16	18	21	15	17
CO ₂ avoided rate (t)	1,264	1,329	1,384	1,636	1,403	1,036	1,239

Note: The rate obtained is in relation to the year's sales expressed in million euros

¹ EBIT and Net Profit excluding non-recurrent elements amounted to €9.4 million in 2014.
² Excluding extraordinary items
³ Subject to the approval by the 2015 General Shareholders' Meeting.

PART I: General Standard Disclosures

I.01.- STRATEGY AND ANALYSIS

G4-1

Statement from the most senior decision-maker of the organization

In an environment characterized by an upturn in global demand and an improvement in Gamesa's competitive situation, the company ended 2014 by exceeding the targets set for the year. It reached the outlook for 2015 in advance and improved the value creation forecast for the year in course. All of this was due to the business's solid management.

Economic and financial performance in 2014 exceeded all the targets set for the year. Sales rose to reach €2.846 billion – 22% more than in 2013 – with an EBIT margin of 6.7%, a percentage point above the EBIT margin in 2013. In constant currency terms, Gamesa's sales grew by 25%, while the EBIT margin stood at 7.2%. Furthermore, net profit in the period doubled to reach €101 million.

The strength of the company's competitive positioning was an outstanding feature in 2014, with an extensive geographic presence, a diversified customer base and a portfolio of products and services geared at maximizing our customers' profitability. This led to strong growth in order placement to reach 3,315 MW, a figure 1.6 times greater than the volume of contracts signed in 2013 and the highest figure in the last five years.

Beyond the growth seen in sales and profitability, Gamesa took significant steps in the balance sheet's organic growth, thereby consolidating the improvements attained in 2013. The reduction in working capital along with greater profitability and control over investments allowed Gamesa to end 2014 with net cash flow generation of €330 million, four times greater than the figure for 2013. This allowed for an organic 79% reduction in the company's net financial borrowing.

The combination of profitable growth, ongoing cost optimization and efficient balance sheet management has allowed Gamesa to improve the value creation outlook for 2015, exceeding the forecast set out in the Business Plan 2013-2015.

The company's environmental performance was strengthened by the installation of 2,399 MW of wind turbines in 2014, which increased the Group's cumulative wind energy power to 31.2 GW and allowed its customers across the world to avoid emitting more than 46 million tons of CO₂ a year, contribute to the reduction in greenhouse gases, mitigate their effects and promote a more sustainable future in terms of energy. Investments totaling €109 million sustain the company's R&D activity in new products and platforms, which are aimed at continuously optimizing the cost of wind energy. New products based on a tried and tested technology increased annual energy production by around 30% when compared to previous comparable figures. Respect for the environment from the initial product development stages was reinforced in 2014 through the granting of a second ecodesign certificate for the G114-2.0 MW wind turbine, which was chosen by the specialized journal "Windpower Monthly" as the year's best wind turbine in the less than 3 MW category.

The company's social performance integrity is based on its principles of business ethics and good governance, which Gamesa materializes in its policies, codes and management systems. Concerning the interests of stakeholders, it should be highlighted that the company developed new corporate policies in 2014 to reinforce respect for inclusion and diversity, as well as to steer the supply chain's responsible management in relationships with partners and suppliers. The signing of an overall framework agreement on social, labor and environmental issues with trade union representatives – the first ever in the world involving a company in the renewable energy industry – is particularly noteworthy. It will apply to all the companies that comprise Gamesa Group and all its workers across the globe. The launching of collaboration programs with the communities where the company operates can count on the active participation of its employees in all geographic areas. These programs are materialized in local projects aimed at improving social welfare.

This Corporate Responsibility Report 2014 is being made available to all stakeholders to provide a detailed balance of these and other challenges, targets and achievements. For the eleventh year in a row, the report was drawn up in accordance with the Global Reporting Initiative guidelines – the G4 version for the very first time – in order to offer a balanced view of our economic, social and environmental performance over the year.

Ignacio Martín
Executive Chairman

G4-2 Key impacts, risks and opportunities

Gamesa's commitment to sustainability is structured around its economic, environmental and social performance.

Economic dimension

Gamesa's activity within the wind energy sector aims to make a contribution to energy security in terms of both the independence of energy supplies (local) as well as in terms of the resource's abundance (renewable) through an energy source which allows for the diversification of energy supplies and mitigates any possible adverse geopolitical situations through a local source of supply.

Gamesa has a clear economic impact on the areas where it operates as a company which drives forward industrial activity through the investments it makes and the corresponding creation of quality jobs. It also generates a lot of service activities in said areas and provides economic resources to the public administration.

The company therefore contributes as key player in the wind energy industry, an industry which is a key solution for climate change, air pollution, energy security and price stability, in addition to acting as a catalyst for new industries and jobs.

This industry set a new record for annual installations by adding 51,477 MW of new wind generating capacity around the world in 2014 according to world wind energy market statistics⁴. This figure amounts to a 44% annual increase in the market and is a sure sign of the industry's recovery.

Table 1.- Global Wind Energy Market

(in MW)	Additions in 2014	Cumulative 2014	Cumulative 2013	Cumulative 2012	Cumulative 2011
China	23,351	114,763	91,412	75,324	62,364
United States	4,854	65,879	61,110	60,007	46,929
Germany	5,279	39,165	34,250	31,270	29,071
Spain	28	22,987	22,959	22,784	21,674
India	2,315	22,465	20,150	18,421	16,084
United Kingdom	1,736	12,440	10,711	8,649	6,556
Italy	108	8,663	8,558	8,118	6,878
France	1,042	9,285	8,243	7,623	6,792
Canada	1,871	9,694	7,823	6,204	5,265
Denmark	67	4,845	4,807	4,162	3,871
Rest of the world	10,826	59,367	48,573	40,496	36,423
Worldwide total	51,477	369,553	318,596	283,048	238,035

In order to ensure this challenge's sustainability over time, the Group's economic management is based on the three pillars described in the "Business Plan 2013-2015: The Way Forward", which is available on the corporate website⁵:

1. Operating excellence to operate profitably in the short, medium and long term without losing out on growth opportunities, through i) health and safety as priority; ii) continuous improvement of and attention to quality; iii) appropriate sizing; iv) maintaining flexibility; and v) optimizing variable costs.
2. A presence across the entire wind energy value chain in order to maintain a unique competitive position geared at obtaining the best cost of energy (CoE).
3. A robust balance sheet to generate net free cash flow within the business plan's time scale.

⁴ Source: Global Wind Energy Council (GWEC)

⁵ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/presentaciones/2012/business-plan-2013-2015-eng.pdf>

Environmental dimension

Gamesa promotes 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.

Wind turbine design, manufacturing, installation and operations and maintenance as well as wind farm development, construction and sales are, nonetheless, industrial activities with a potential impact on the environment caused to meet consumer demand. Throughout the entire life cycle of 1 kWh of wind energy, impacts are produced on biodiversity, the climate, the ozone layer and acid rain on a global scale and, on a local scale, on raw material consumption, emissions, waste, effluents and visual environmental impacts.

However, each kWh of energy generated with wind energy has 21 times less environmental impact than a kWh of energy produced by the oil, 10 times less than the impact of nuclear energy and 5 times less than that of gas⁶. A detailed description of these kinds of impacts can be found in this report's environmental section, as can the actions to control and reduce them.

In an effort to reduce the environmental impact of operations, a variety of actions are carried out like emission reductions, biodiversity programs, energy efficiency activities which involve the sustainable use of natural resources, pollution prevention and the proper management of the waste activities generate. Furthermore, the Group makes an effort to use water rationally and sustainably and manage the risks connected with its scarcity.

It is also important to point out that Gamesa, by performing its activity, makes a direct contribution in the fight against climate change, since the more than 31 GW it has installed avoid air emissions totaling more than 46 million tons of CO₂ a year. Gamesa's activity therefore contributes to a reduction in greenhouse gas (GHG) emissions and to maintaining a more sustainable environment.

Table 2.- Greenhouse Gas (GHG) emission savings due to installed MW

	2014	2013	2012	2011
MW installed - annual	2,399	2,071	2,265	3,309
MW installed - cumulative	31,237	28,838	26,768	24,143
GWh / year ⁷	78,092	72,095	66,920	60,357
t NO _x prevented	536,886	495,653	460,072	414,953
t SO ₂ prevented	296,752	273,961	254,294	229,356
toe prevented	6,708,146	6,192,961	5,755,079	5,190,681
t CO ₂ prevented ⁸	46,855,500	43,257,000	40,151,715	36,214,050

Social Dimension

Due to the process of internationalization it is undergoing. Gamesa has changed radically over the last few years. This process has involved the appearance of new significant internal and external challenges for the management of the Company's social environment.

A strong commitment in the area of social responsibility has been kept during this transformation. Thus, the Company fosters ethical and responsible behavior across the value chain in all the countries where it operates.

The Company's activities have consequences for its stakeholders, and the kinds of relationships Gamesa has established with its customers, employees, suppliers and the communities where it operates are set out in this report's different chapters. It takes measures to promote their economic and social development by favoring employment policies and other policies connected with the supply chain.

⁶ Source: Asociación Empresarial Eólica (AEE)

⁷ Considering number of effective hours = 2,500

⁸ 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 toe/MWh

Corporate Social Responsibility Strategy. CSR Master Plan.

Developing a business project while incorporating Corporate Social Responsibility (CSR) during the course of the businesses has formed part of Gamesa's business culture for almost a decade. Unlike in other companies, CSR is included in the wording of the Group's Board of Directors Regulations (Article 46).

The aim of CSR is to accompany the Business Plan 2013-2015 by becoming a lever to increase the visibility of the company's value among third parties. Through its policies, strategies and action plans, recognition is sought for a distinctive in-house business and management model which is committed to the creation of value and sustainable development.

The company drew up a 2013-2015 Corporate Social Responsibility Master Plan as a result of the Corporate Social Responsibility Policy⁹ driven by the Group's Board of Directors. The Plan is based on its stakeholders' needs with regard to sustainability, which are identified in the materiality matrix, and is aimed at:

- **Strengthening Integrity** in order to have an exemplary framework for action that makes Gamesa an outstanding company and ensures coherence between the business model and management and governance practices.
- **Strengthening Identity** by having a consistent framework for action that extends and makes Gamesa's practices uniform in the face of employees and the supply chain anywhere in the world, thereby allowing the company to become a first option for employees and key suppliers.
- **Improving the Visibility** of the company, developing the environments within which the company operates and has a presence and making a contribution to meeting local communities' legitimate aspirations of prosperity.

Table 3.- CSR Master Plan: Ethics and Integrity

Program aims	Progress	Targets for 2014--2015
1. The Board of Directors is to be regularly informed about the ethical framework's implementation.	• Organizational measures within the ethics and integrity framework implemented (Regulatory Compliance Unit and related departments).	• Review and update the corporate ethics and compliance model.
2. There is to be an integrity framework covering the entire company, which is extensible to the supply chain.	• Crime prevention and anti-fraud measures implemented, including management's commitment.	• Analyze the seven countries to establish specific ethics and compliance models for subsidiaries.
3. There is to be training on ethics and integrity with an overall scope.	• Commitments made to national and international initiatives in the fight against corruption attained.	• Ethics and compliance clauses in agreements.

Table 4.- CSR Master Plan: Climate Change

Program aims	Progress	Targets for 2014--2015
1. The company is to have a climate change policy.	• Ecodesign certification granted for the Gamesa G10X-4.5 MW platform.	• Development of a specific climate change policy.
2. Greenhouse gas emissions are to be inventoried and checked.	• Greenhouse gases inventory carried out and UNE 14064-1 certification granted.	• Control CO ₂ emissions at key suppliers (Scope 3).
3. Gamesa is to compile its suppliers' emissions (Scope 3).	• Environmental information system for the group consolidated.	• Attain a 15% reduction in CO ₂ emissions in 2014 (baseline 2010).
4. Emission levels are to allow Gamesa to gain access to the Carbon Disclosure Project's (CDP) institutional investors.	• System to calculate logistics CO ₂ emissions.	
5. Gamesa and its products are to be carbon-neutral.	• Processes to reuse and withdraw water in Indian plants.	
6. Ecodesign is to be applied to new products and services.	• Dissemination of environmental best practices by external opinion makers.	
	• Environmental product declaration (EPD) for Gamesa G90 (Registration No. S-P-00452) completed.	
	• Life cycle assessment of 1 kWh generated by a Gamesa onshore wind farm with a G90-2.0 MW turbine completed.	

⁹ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/scr-policy.pdf>

Table 5.- CSR Master Plan: Transparency

Program aims	Progress	Targets for 2014–2015
<ol style="list-style-type: none"> There is to be a CSR balanced scorecard for key areas. Non-financial indicators are to be included in results presentations and/or the website on a regular basis. Non-financial issues are to be formally included in performance assessment procedures. The company is to tackle drawing up an integrated accounts and CSR report. The company is to be kept in international sustainability indexes on a regular basis. 	<ul style="list-style-type: none"> The group's sustainability report drawn up on an annual basis in accordance with Global Reporting Initiative (GRI) guidelines. Sustainability targets included in performance target assessment processes. Non-financial indicators consolidated in SAP environment in the environmental, health and safety, human resources and supply chain areas. Reporting adapted to the Global Reporting Initiative's G4 guidelines in 2014. Networking with non-financial analysts and international sustainability indexes. Staying in FTSE4Good and Ethibel Sustainability Index. 	<ul style="list-style-type: none"> Gear towards integrated reporting in 2015. Develop Corporate Social Responsibility management by adapting it to the ISO26.000 standard.

Table 6.- CSR Master Plan: Human Rights

Program aims	Progress	Targets for 2014–2015
<ol style="list-style-type: none"> The company is to adapt to the principles of social responsibility management in overall terms. All Gamesa facilities in non-OECD countries are to comply with the labor commitments made for employees. There is to be a uniform process of safeguards to avoid violating universal human rights in internal labor management. 	<ul style="list-style-type: none"> The company has adhered to the Women Empowerment Principles Labor practices at work centers consolidated and controlled. An industry-wide project (in conjunction with other companies in the energy sector) on human rights agreed. Compliance with SA8000 standard at Gamesa – India. Global Collective Agreement reached with the trade unions on human rights and labor-related issues. 	<ul style="list-style-type: none"> Develop a specific human rights policy for the group. Compliance with SA8000 management standard on overall social responsibility issues.

Table 7.- CSR Master Plan: Health and safety

Program aims	Progress	Targets for 2014–2015
<ol style="list-style-type: none"> Total elimination of severe and fatal accidents. Gamesa's leadership in health and safety is to be strengthened in relation to its competitors. Advantages in tenders and with customers. 	<ul style="list-style-type: none"> Reduction in occupational accident rates. Manufacturing processes design tools implemented. "Thinksafe" program implemented. TPRM (Total Plant Risk Management) program implemented. 	<ul style="list-style-type: none"> Reduction in the accident with sick leave frequency rate in the period 2013-2015 (59%). Reduction in the serious accident rate in the period 2013-2015 (49%).

Table 8.- CSR Master Plan: Responsible Supply Chain

Program aims	Progress	Targets for 2014–2015
<ol style="list-style-type: none"> Supplier recruitment processes are to include human rights requirements. Any suppliers that could be critical from a CSR standpoint are to be screened and reviewed regularly. There are to be formal supplier assessment and auditing processes on human rights, and decisions are to be taken on the results thereof. 	<ul style="list-style-type: none"> The general procurement terms and conditions include basic human rights clauses and ethical labor practices. The supply chain has been regularly assessed through supplier self-assessments (2011 and 2013). Progress is being made in the design of a specific suppliers' code and supplier auditing processes on responsible practices. Supplier relationship policy on fundamental rights and obligations. Specific code of conduct for suppliers. 	<ul style="list-style-type: none"> Auditing processes on business responsibility and ethics are to be conducted on suppliers.

Table 9.- CSR Master Plan: Community

Program aims	Progress	Targets for 2014–2015
<ol style="list-style-type: none"> There is to be a formal overall social action/social commitment policy. The company's social investment policies are to be defined Social action programs and the amounts they involve are to be consolidated. 	<ul style="list-style-type: none"> Collaboration agreements on renewable energies entered into with the University of Mexico. A social action plan for Gamesa India developed. The group's social action management protocol drawn up. Social action program for 2014 implemented: Collaboration with the Vicente Ferrer Foundation, KVSN, ANFAS and CESAL. 	<ul style="list-style-type: none"> Social action and community investment policy. Policy on relationship with indigenous communities. Partnerships with new ONGs in 2015.

Table 10.- CSR Master Plan: Customer

Program aims	Progress	Targets for 2014–2015
1. CSR is to be a relevant element in tender processes.	• CSR information transferred to tendering processes and projects.	• Information packages for the sales area on Gamesa's CSR performance.
2. CSR is to allow Gamesa to be included in "preferred supplier" records.	• CSR requirements met in auditing and verification processes conducted at the customer's request.	
3. The company is to comply with customer CSR checks.		
4. Customers are to feel satisfied at Gamesa's responsibility practices		

Long-term risks and opportunities. Integrated risk management system.

Risk control policy

Gamesa's risk and opportunity control and management policy was approved in 2009 and is being updated in 2015. It sets forth the bases and the general context upon which all risk control and management components lay, providing discipline and structure to aspects like the management policy, the risk identification model, the assessment, measurement and control of risks/opportunities, accepted risk levels, communications, reporting and oversight by the Audit and Compliance Committee and the Board of Directors, integrity, ethical values, competences and the assignment of responsibilities.

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

Other control policies and procedures

There are additional specific policies and/or procedures geared at maximizing and protecting economic, social and environmental values within a controlled degree of variability, setting, as necessary risk tolerance limits. Changes in the economic climate or reviews of targets and strategies, among other aspects, may lead to the need to approve new policies, rules and controls or to the amendment of existing ones. The Diversity and Inclusion Policy, the Supplier Relationship and Procurement Policy and the Supplier Code of Conduct were all approved in 2014. A policy and a procedure to improve exchange rate management and the transfer price policy were developed during the year.

Table 11.- List of corporate policies

• Crime Prevention and Anti-Fraud Policy	• Treasury Stock Policy
• Risk and Opportunity Control and Management Policy	• Corporate Governance Policy
• Corporate Social Responsibility Policy	• Gamesa Occupational Health and Safety, Environmental and Quality Policy
• Investment and Financing Policy	• Diversity and Inclusion Policy
• Dividend Policy	• Supplier Relationship Policy

Risk control and oversight

The general control and oversight actions which are applied to the most significant risks include:

- Control exercised by business unit managers, geographic area managers and the Management Committee's oversight of the evolution of risk maps and mitigation plans.
- Reports for the Audit and Compliance Committee on a least a half-yearly basis on the evolution of the complete corporate risk map and on the most significant risks on an individualized basis.
- Appearances by executives before Audit and Compliance Committee in 2014, which focused on the supervision of control systems for specific risks, including: financial and balance sheet risks, sales guideline coverage risks, integrated risk management of NBA and PM (program management) business process risks, services business unit risks, continuous improvement risks, information security risks, tax-related risks, legal risks and the reliability of economic and financial reporting.
- Internal audits conducted on the most significant risks and submission of the corresponding reports to the Management Committee and the Audit and Compliance Committee.

Governance mechanisms

The company has a risk and opportunity management and control system in place across the entire organization (business units, departments, companies and processes), which is promoted by the Board of Directors and senior management. It follows the strategic guideline of globalizing industrial, technological and commercial activities in the different geographic areas where the company operates. The system provides a global integrated overview that contributes to achieving business objectives, in addition to creating value for different stakeholders and aiding the organization's sustainable and profitable development.

The Gamesa risk and opportunity management system and its policy complement one another. They are implemented using an organizational structure, a model, several procedures and information systems that enable Gamesa to identify, evaluate, prioritize and manage the opportunities and risks to which it is exposed.

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

- Board of Directors: oversees the risk identification, control and management policy, including tax-related risks, and supervises internal reporting and control systems.
- Executive Committee: works on risk management and control and provides support to the Board of Directors' duties and decision-making.
- Audit and Compliance Committee: ensures that the risk control and management policy identifies the different kinds of risks (operating, technology, financial, tax-related, legal, reputation-related, etc. risks) faced by the Company, including contingent liabilities and other out-of-balance risks among financial risks; periodically supervises the internal control and risk management systems, including tax systems; sets and reviews the risk levels which the company deems acceptable.
- Management Committee and Business Executive Committee (General, Corporate and Geographic Divisions): hold responsibility for the identification, assessment, mitigation/elimination of the same. They can count on the support/appointment, as necessary, of Risk Controllers with a global overview, for instance in cases where it turns out to be necessary due to the accumulation of risks of the same kind identified in several business and/or geographic units, but which require corporate-level management because of their possible impact, should management deem it appropriate.
- Internal Auditing: conducts independent supervision of the control system and reports to the Audit and Compliance Committee;
- Regulatory Compliance Unit (RCU): the collegiate body entrusted with overseeing and monitoring the regulatory environment affecting Gamesa's activity and reports to the Management Committee and the Audit and Compliance Committee. It likewise supervises and safeguards compliance with the Internal Rules of Conduct Regarding the Securities Markets and the Code of Conduct, holding special responsibility for promoting a culture of compliance and the prevention of corruption, bribery and potential conflicts of interest within the Group. This unit was transformed into the Ethics and Compliance Department at the end of 2014 and will commence operations in 2015.

- Business Risk Control (BRC) Department: reports to the Internal Auditing Department; safeguards the control and management of any risks that may affect the attainment of the Company's targets and ensures that suitable policies, control mechanisms and indicators are in place; sets guidelines and coordinates activities with the risk controller network and BRC managers in the different geographic areas.

For further information, please consult Section E of the Annual Corporate Governance Report (ACGR) 2014.

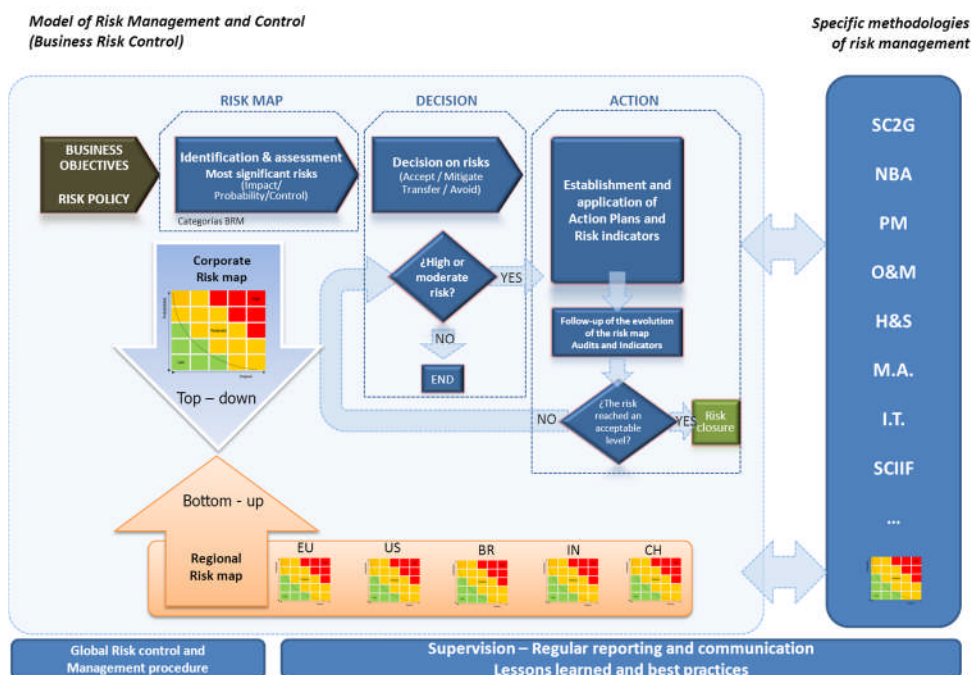
Risk control methodology

The risk management methodology forms an integral part of Gamesa's strategic activities and operations in accordance with the risk/opportunity management and control procedure approved in 2008 and included in the certified management system. As a result of the continuous improvement process, it has been revised in accordance with best practices five times. Gamesa considers and groups together risks according to the Business Risk Model (BRM), which was approved by the Board of Directors in 2004 and updated in 2014, in order to classify risks into the following four categories, which in turn groups together other sub-categories under each of them:

- **Strategic and environment risks** which can exert significant influence directly or indirectly on the attainment of the company's targets and strategies as a result of external factors independent of the company's management (price volatility and other market variables, such as exchange rates, interest rates, financial asset and raw material prices, regulatory risks and others).
- **Operating risks or risks arising from the company's activity**, such as risks connected to the ineffective and/or inefficient use of resources (cost overruns), the failure to meet deadlines, a lack of quality, supply chain aspects, management capacity, business continuity, corporate reputation and employee and management-related issues, which could lead to losses due to the absence or inadequacy of procedures, human resources and systems or due to external events and technology failures, among others.
- **Risks related to reporting for decision-making or legal requirements.** Risks which affect the reliability of reporting provided internally and externally for decision-making or due to legal requirements. These risks arise from the reporting used for decision-making on operational, financial and strategic matters not being reliable and/or complete.
- **Corporate governance, ethical and compliance risks.** In order to safeguard Gamesa's corporate interests the following turn out to be essential: (i) compliance with the Company's Rules of Good Governance, which are inspired by generally accepted recommendations on good governance in the domestic and international markets; (ii) compliance with Gamesa's codes of conduct and with codes of conduct regarding its relationships with other stakeholders (for instance, Supplier Relationship Code); and (iii) compliance with legal requirements that apply and which could potentially apply, along with the controls to avoid crimes being committed, including fraud, bribery, corruption and others.

The methodology thus applied is materialized in a corporate risk/opportunities map, which is updated on a half-yearly basis. Financial, tax-related, operating, strategic and legal risks/opportunities are monitored on a monthly or quarterly basis (depending on whether they are deemed as high or moderate risks), as are other specific risks associated to key processes, projects, products and services to assess whether or not it is appropriate to make changes to said map as a result of changes in impact trends, likelihood and/or controls, as well as to establish the corresponding action plans.

Illustration 1.- General risk management and control model (Business Risk Control)



In addition, a more thoroughgoing annual review is conducted to coincide with the update/change of the target for each annual period and/or with a strategic change/update. Specific maps are likewise drawn up for the main geographic areas with an industrial/commercial presence. The maps for Europe and the Rest of the World, United States, China, India and Brazil were drawn up throughout 2014 and it was determined that any risks of a similar nature should, as appropriate, be added to the corporate map or whether a geographic risk on the corporate map should be monitored on an individualized basis.

As a result of the Business Plan 2013-2015, the Risk Control and Management System's integrated management of operating risks connected to the main business and decision-making processes was enhanced (NBA=New Business Approval, PM=Program Management, SC2G=Technology/new product, O&M Services, continuous improvement, month-ends, etc.). Risks having specific risk management procedures that are in keeping with the assessment and identification criteria of the general corporate procedure and with the BRM model are identified and managed by these procedures, so that it may not be necessary to deal with these risks at a corporate-wide level due to their optimal control.

Sustainability risks and opportunities

The Business Plan 2013-2015, which was publicly disclosed to the market in October 2012, focuses on reorganizing and adjusting capacity to demand, reducing overheads and variable costs to improve margins, developing products and services adapted to medium and long-term market/customer needs and strengthening the balance sheet, among other aspects.

As regards the CSR Master Plan, which supports the Business Plan, special attention is placed on controlling any risk/opportunities that could negatively or positively affect the attainment of business or sustainability targets, which are included, if necessary, in the aforementioned corporate and geographic maps and the corresponding action plans are applied (mitigate, cover, avoid and assume).

Within this context, the following section briefly sums up the main risks which could affect the attainment of the Business Plan 2013-2015's targets which were monitored in 2014, along with the response and supervision plans for said risks.

Risk map and control actions

Table 12.- Risks that could affect the target of strengthening the balance sheet

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Efficient hedging and financing that allow for the Business Plan's fulfillment. • Relevant issues affecting the activity which could lead to asset impairments. 	<ul style="list-style-type: none"> • Investment optimization according to Business Plan 2013-2015. • Continuous monitoring of cash flows and relevant issues affecting the activity which could lead to asset impairments. In this regard, any potential impairment is suitably itemized in the annual accounts report 2014. • Analyzing and carrying out new forms of financing, namely an increase of capital and taking out a new syndicated loan in 2014, which allow the company to prepare for a possible rise in activity and other possibilities.

Table 13.- Specific economic climate and current market risks

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Impact on sales, ability to gain access to efficient financing in some markets. • Dependence of incentives. Risks of regulatory changes. Uncertainty about policies backing renewables. Pressure exercised by the low prices of other energy sources. • Industrial capacity. Effectiveness of the restructuring measures at rationalizing overheads and adjustment to changes in local needs. 	<ul style="list-style-type: none"> • The mitigation and control systems in the different areas have functioned appropriately. The application of the readjustment/restructuring actions set out in the Business Plan 2013-2015, which are now in the final stage realigning the company to the new market environment, are well worth highlighting.

Table 14.- Risks that could affect the target of attaining market leadership/market-driven product range

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Optimization of the start-up and return curve in terms of cost of energy (CoE) and contribution margin (includes onshore and offshore). 	<ul style="list-style-type: none"> • Specific sales plans by geographic areas and financing. • Cost reduction and continuous improvement plan. • Make/buy decisions and specific component projects.

Table 15.- Risks that could affect the Corporate Social Responsibility Plan

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Occupational health and safety risks affecting both in-house and subcontracted personnel, essentially safety risks and ergonomics. Improvement in integrated operating risk management (processes and products). 	<ul style="list-style-type: none"> • Maintenance and improvement of management system certificates OHSAS 18001, ISO 14001, ISO 9001. • The progressive implementation of TPRM (Total Plant Risk Management) is ongoing. Operating risk standards improved. • "Think Safe" program implemented (extending the health and safety culture). • Constant reduction in Gamesa's accident rates over the last few years (1.25% year-on-year fall in the frequency rate and 1.82% year-on-year fall in the severity rate in 2014)
<ul style="list-style-type: none"> • Care for the environment and climate change: reduction of CO₂ emissions in 2014. 	<ul style="list-style-type: none"> • Activities aimed at improving the ability to control energy consumption and CO₂ emissions of suppliers and ancillary activities. • Implementation of a consolidated environmental, social and good governance (ESG) reporting system in accordance with the GRI (Global Reporting Initiative) containing information with a reasonable degree of reliability.

<ul style="list-style-type: none"> • Risks connected to "information system environments, such as cyber-attacks and systems continuity". 	<ul style="list-style-type: none"> • Implementation of Information Security Policies, which were reviewed and approved in 2013. • Implementation of several tools, procedures, a 24/7 help and incident management desk, and security audits. • Contingency plans for critical systems to ensure their continuity.
<ul style="list-style-type: none"> • Current status versus reference standards for an international company with regard to human rights, equality, inclusion, cultural and regulatory aspects, and failure to comply with commitments made on labor practices and health and safety. 	<ul style="list-style-type: none"> • Alignment of management processes with the SA8000 standard. Management of overall corporate social responsibility principles. The SA8000 standard was implemented in India in 2014 and is in the certification stage in 2015. • The Diversity and Inclusion Policy, the Supplier Relationship and Procurement Policy and the Supplier Code of Conduct were approved in 2014.

Table 16.- Risks that could affect the target of having an extensive geographical presence

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Business diversification and monitoring of business process standardization. 	<ul style="list-style-type: none"> • Diversification of demand to deal with specific falls in emerging markets flexibly, along with expansion in new emerging markets and in developed and developing countries. • Customer support for their investments outside their geographic area. • Implementation of efficient basic business processes and a specific risk management methodology: <ul style="list-style-type: none"> – NBA: Customer proposal approval model. – PM: Wind turbine program management. • Cost optimization projects.
<ul style="list-style-type: none"> • Country-specific risks, including possible social and/or political instability in some geographic areas, lack of business infrastructures, health risks and natural disasters, among other factors. • CSR risks in the supply chain. 	<ul style="list-style-type: none"> • Periodic safety assessments in countries where the company operates, preventive country assessment report and authorization under the process's framework and the NBA Committee, if the country suffers from constraints. • Coordination among PM process project teams concerning an emergency and self-protection plan, medical evacuation protocols, general evacuation protocols, anti-social action protocols and contingency plans for customers. • Preventive security actions safety on trips and in countries at risk: Traveler security manuals and recommendations in countries where the company operates and where sociocultural conditions so require; training and information. • Flexibility, capacity to react to events, crisis management and business continuity plans, along with suitable coverage and mitigation actions (insurance policies and travel assistance). • Regarding the supply chain, a new Supplier Relationship and Procurement Policy and the Supplier Code of Conduct have been approved. Supplier CSR self-assessment processes (human rights, ethical labor practices, health and safety) and supplier CSR processes are currently being developed. • The lines of work of the transparency and community programs are taking on special relevance with the design of initiatives like the following: inclusion of non-financial indicators in quarterly presentations and on the website, as well as the evolution towards integrated reporting (financial and non-financial); staying in several sustainability indexes; implementation of a new social action program in communities; assessment of the impact of social commitment actions, implementation of the corporate social action manual.

- Exchange rate risks: currency depreciation in emerging markets.
- Tax-related risks.
- Financial hedging mechanisms using derivatives.
- Development of a policy and procedure to improve exchange rate management.
- Development of the transfer price policy.
- Project to improve and optimize tax management having different areas of action, including: project monitoring, monitoring and reduction of tax-related working capital, assistance in the NBA process to determine financial and tax-related returns from projects.
- Financial and tax risks (interest rates, exchange rates, taxes, credit, liquidity and commodities) are controlled in an integrated fashion through specific policies, rules and procedures that form part of the relevant departments. Information on the coverage and control of such risks is included throughout the report forming part of the annual accounts.

Table 17.- Risks related to the industry's structure

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> • Monitoring changes in the sector's structure/consolidation in the market which make it possible to create new value-creating levers and, within this context, new business models and strategic alliances. 	<ul style="list-style-type: none"> • Monitoring and early warning of any changes in the industry. • Seeking alliances so that Gamesa can counteract threats and seek its own role in the consolidation process, such as the joint venture with Areva for the offshore market.

I.02.- ORGANIZATIONAL PROFILE

G4-3 Name of the organization

Gamesa Corporación Tecnológica, S.A.

G4-4 Primary brands, products and services

GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is a global technology group specializing in the design, manufacture, installation, operation and maintenance of wind turbines, as well as in wind farm development, construction and sales. The company is equipped with its own vertically integrated wind turbine design and technology development capacity. This capacity includes the manufacturing of blades and blade molds, root joints, gearboxes, generators, converters and towers (outsourced in some countries), along with the assembly of wind turbines.

Gamesa has extensive experience going back 20 years in the wind energy sector and has installed 31 GW in five continents. It stands out for:

- Being a global manufacturer of reference which installed 2,399 MW new installed in 2014 and has installed 31 GW of capacity over the last 20 years. The wind power it has installed is beneficial for the environment and to combat climate change, since it leads to a 46.8 million ton reduction in CO₂ per year, a reduction in pollutant emissions into the atmosphere which are equivalent to replacing the use of 6.7 million tons of petroleum each year (toe/year).
- Having of a wide range of technologies and services, with three product platforms that allow it to meet the needs of all customer segments in the wind energy industry.
- Maintaining eight research and development centers in Spain, China, India, United States, United Kingdom and Brazil and with an investment capacity in R&D and innovation of around €76 million. It is among the 250 European companies having the highest R&D investment levels. As a result of this, it has 184 patent families and a patent portfolio amounting to 700 patents in all the markets where it operates.
- Having a global organization with global production in Spain and China and local production capacity in India, the United States and Brazil.

It is structured into the following business units:

- **Wind Turbines** (which includes wind turbine manufacturing and wind farm development, construction and sales)
- **Operations and Maintenance**

Wind Turbines

Gamesa produces a range of products aimed at meeting the market's needs and reducing the cost of energy, including: the Gamesa 2.0-2.5 MW, the Gamesa 4.5 MW, the Gamesa 850 kW and the Gamesa 5.0 MW onshore and offshore turbines.

The **Gamesa 850 kW platform** reflects the company's extensive experience and outstanding knowledge about market needs. Gamesa is continuing to develop technological enhancements for this platform, of which over 10,000 units have been installed in over 20 countries around the world with a cumulative power of 8,500 MW.

The **Gamesa 2.0-2.5 MW platform's** technology is based on controlling velocity and variable throughput while, at the same time, incorporating the latest technology to obtain the most energy out of the wind as efficiently as possible. This turbine offers a larger rotor for average wind sites and an increase in rated power of up to 2.5 MW. It is aimed at improving the cost of energy in the 2.0-3.0 MW product segment. This aim also entails being able to produce more energy with lower investment costs per MW installed and lower maintenance costs per MWh generated.

The **Gamesa 5.0 MW platform** is the result of the evolution in technology and exemplifies that Gamesa has the knowledge, experience and means needed to develop wind turbines capable of extracting the maximum amount of energy possible. It stands out for its high availability rates, easy transport and compliance with the most stringent grid connection standards. Furthermore, the fact of working on a single onshore and offshore platform increases the company's operating experience in this segment, thereby allowing for safer joint technical development.

The multi-megawatt platform reduces the environmental impact of wind farms by managing to obtain the same power with a smaller number of turbines, thus reducing civil works costs by between 10% and 45% per MW.

The supply of wind turbines can count on an extensive business network in 17 countries to ensure close relationships with customers, short deadlines and response times and a nearby technical presence.

Table 18.- Wind Turbines: Product Range

Product	Rotor (m)	Sweep (m ²)	Blade (m)	Height of tower (m)	Rated power	Class
Gamesa 5.0 MW						
G132-5.0 MW Offshore	132	13,685	64.5	Depending on project	5,000 kW	S
G128-5.0 MW Offshore	128	12,868	62.5	80-94 depending on project	5,000 kW	IB
G132-5.0 MW	132	13,685	64.5	95,120,140	5,000 kW	IIA
G128-5.0 MW	128	12,868	62.5	81,95,120,140	5,000 kW	IA /IIA
G128-4.5 MW	128	12,868	62.5	81,95,120,140	4,500 kW	IIA

Product	Rotor (m)	Sweep (m ²)	Blade (m)	Height of tower (m)	Rated power	Class
Gamesa 2.0-2.5 MW						
G114-2.5 MW	114	10,207	56	80, 93, 125 depending on site	2,500 kW	IIA
G114-2.0 MW	114	10,207	56	80, 93, 125 depending on site	2,000 kW	IIA/IIIA
G106-2.5 MW ¹⁰	106			80, 93, 125 depending on site	2,500 kW	IA
G97-2.0 MW	97	7,390	47.5	78, 90, 100, 104 ¹¹ , 120	2,000 kW	IIA/IIIA
G90-2.0 MW	90	6,362	44	55, 67 ¹² , 78, 90 ¹³ , 100	2,000 kW	IA ¹⁴ /IIA
G87-2.0 MW	87	5,945	42.5	67, 78, 90, 100	2,000 kW	IA ¹⁵ /IIA
G80-2.0 MW	80	5,027	39	60, 67, 78, 100 ¹⁶	2,000 kW	IA

Product	Rotor (m)	Sweep (m ²)	Blade (m)	Height of tower (m)	Rated power	Class
Gamesa 850 kW						
G58-850 kW	58	2,642	28.3	44, 49, 55, 65, 74	850 kW	IIA/IIIB
G52-850 kW	52	2,124	25.3	44, 55, 65	850 kW	IA ¹⁷

Gamesa discontinued its 850 kW platform in January 2015 after selling it for 14 years and installing over 10,000 units. References to the G52-850 kW and the G58-850 kW have been deleted from all sales materials and both turbines will no longer be actively offered to customers. Nonetheless, this platform will continue to be manufactured on an on-demand basis for certain projects, which will have to be previously approved by the New Business Approval (NBA) process.

This decision was taken because customers are increasingly demanding turbines with a greater rated power. Hence, sales of the 850 kW platform have become residual.

Despite being discontinued, there will continue to be a significant amount of activity in Gamesa involving this platform, which will be mainly geared at operating and maintaining the already installed turbine pool with products like Life Extension and Energy Thrust.

¹⁰ Under development.

¹¹ Class S.

¹² Availability depending on site.

¹³ Only available for class I.

¹⁴ Under development.

¹⁵ Class S available with towers of 78 and 90 m.

¹⁶ Tower of 100 m IEC IIA.

¹⁷ Class S for available medium wind conditions and/or turbulence above class IA.

Wind Farm Development

Gamesa's track record as an industrial group in the renewable energy sector is completed with its presence in wind farm development and sales since 1995. This differentiates the company in the market, since its management is geared at creating the project portfolio's value by offering customers its technology knowledge. Gamesa is a point of reference in this sector and has installed more than 6,700 MW in the wind farms it has developed and built in 16 countries around the world, along with portfolio of 15,974 MW in different stages of development.

The wind farm development and sales areas includes all activities associated to wind energy generation projects, ranging from site identification in the field to obtaining the permits and licenses needed to build and commission the facilities and the final sale of the wind farm, in addition to its operations and maintenance once it is in operation.

This activity is a key element in Gamesa's wind energy value chain, as it is a sales channel and a means of breaking into new markets and obtaining new customers through the new business model, which allows promotions to be made, therefore ensuring its role as a technology expert, but without taking up its own resources or using external financing vehicles.

Operations and Maintenance (O&M)

In addition, Gamesa provides an integrated solution complemented by a broad offering of operations and maintenance (O&M) services and long-term warranties. It offers a full range of services and an integrated team of 842 professionals dedicated to the maintenance of 20,770 MW at the end of 2014. Operations and maintenance services include predictive, preventive and corrective maintenance activities, along with suitable programs to:

- Improve the productivity of the turbines through the Life Extension program.
- Recondition main components for enhanced quality and competitiveness.
- MEGA, a predictive energy generation and weather risk management system.
- Spare parts management to have parts available at just the right time.
- Training department with an extensive worldwide customer and contractor-driven O&M training and certification program.
- GL-certified monitoring system covering more than 12,000 turbines.
- Gamesa WindNet advanced diagnostics system, a new generation SCADA system for wind farm management.
- Reduction of intervention time intervals, adapting them to production time scales.

G4-5

Headquarters

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Parque Tecnológico de Bizkaia,
Edificio 222.
48170 Zamudio, Vizcaya, Spain
www.gamesacorp.com

G4-6 Countries where there are significant operations

Table 19.- Gamesa's presence in countries at 2014 year-end

	Corporate Offices	Commercial Offices	Research and Development (R&D) Centers	Training Centers	Wind Turbine Installation Activity (MW ytd)	Operations & Maintenance Activity (MW ytd)	Wind Farm Development Activity (MW ytd)	Manufacturing Activity (# factories)
1. Germany		●(3)			●(185)	●(57)	●(263)	
2. Algeria					●(10)	●(10)		
3. Argentina					●(11)			
4. Australia		●(1)						
5. Azerbaijan					●(8)			
6. Brazil	●	●(1)	●		●(868)	●(694)		●(1)
7. Bulgaria		●(2)			●(90)	●(90)		
8. Canada					●(10)			
9. Chile					●(36)	●(36)		
10. China	●	●(1)	●	●	●(3,572)	●(961)	●(602)	●(3)
11. Cyprus					●(20)	●(20)		
12. Korea					●(3)			
13. Costa Rica					●(53)			
14. Cuba					●(5)			
15. Ecuador					●(2)			
16. Egypt		●(1)			●(606)	●(496)		
17. Spain	●	●(3)	●	●	●(12,208)	●(8,964)	●(2,641)	●(14)
18. United States	●	●(1)	●	●	●(4,151)	●(1,348)	●(838)	
19. Philippines					●(68)	●(52)		
20. Finland					●(124)	●(123)		
21. France		●(2)			●(764)	●(516)	●(146)	
22. Greece		●(1)			●(179)	●(118)	●(87)	
23. Honduras					●(176)	●(176)		
24. Hungary		●(1)			●(182)	●(182)		
25. India	●	●(2)	●	●	●(1,713)	●(1,444)	●(1,041)	●(2)
26. Ireland					●(54)	●(73)		
27. Italy		●(2)			●(1,669)	●(1,506)	●(288)	
28. Japan		●(1)			●(110)	●(62)		
29. Kenya					●(14)	●(14)		
30. Morocco		●(1)			●(238)	●(238)		
31. Mexico		●(2)		●	●(1,501)	●(1,417)	●(314)	
32. Nicaragua					●(44)	●(44)		
33. New Zealand					●(8)			
34. Poland		●(2)			●(663)	●(599)	●(218)	
35. Portugal		●(2)			●(438)	●(438)	●(306)	
36. Puerto Rico					●(1)			
37. United Kingdom	●	●(1)	●		●(475)	●(467)	●(15)	
38. Dominican Rep.		●(1)			●(52)	●(52)		
39. Romania		●(2)			●(284)	●(274)		
40. Singapore		●(1)						
41. Sri Lanka					●(20)			
42. South Africa		●(1)						
43. Sweden		●(2)			●(57)	●(51)	●(6)	
44. Taiwan					●(12)			
45. Tunisia					●(242)	●(69)		
46. Turkey		●(1)			●(96)	●(76)		
47. Uruguay					●(150)	●(100)		
48. Venezuela					●(71)			
49. Vietnam					●(1)			
Total:		25 (37)	(8)	5	46 (31,237)	33 (20,770)	13 (6,766)	4 (20)

G4-7 Nature of ownership and legal form

Share capital

Gamesa Corporación Tecnológica, S.A.'s share capital amounted to €47,475,693.79 at December 31, 2014, consisting of 279,268,787 common shares with a nominal value of €0.17 each, represented by book entries.

All the shares are fully subscribed and paid up and confer the same rights. There are no different classes or series of shares. The company is listed on the Bilbao, Madrid, Barcelona and Valencia stock exchanges. Gamesa shares have been admitted to trading through the Stock Exchange Interconnection System (Continuous Market) since December 31, 2000 and are included in the IBEX-35 index.

Table 20.- Evolution of share capital

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

Significant shareholding

Table 21.- Shareholding structure (at December 31)

	2014	2013	2012	2011
Iberdrola, S.A.	19.69%	19.69%	19.69%	19.62%
Blackrock Investment Management Ltd.	3.21%	4.83%	4.83%	4.96%
Norges Bank	3.02%	3.29%	-	-
Dimensional Fund Advisors LP ¹⁸	2.68%	2.94%	-	-
Others ¹⁹	71.40%	69.24%	75.48%	75.42%

Corporate structure

Information on the consolidated companies which comprise Gamesa Group is provided in the consolidated annual accounts report for 2014. The Group has initiated a process to adapt its corporate organization to a decentralized matrix model of management by regions, which are as follows:

- Europe and Rest of the World (including Mexico): Comprised by companies dedicated to wind turbine design and manufacturing like Gamesa Eólica, S.L. Unipersonal and Gamesa Innovation and Technology, S.L. Unipersonal, as well as to wind farm development and sales like Gamesa Energía, S.A. Unipersonal and Gamesa Inversiones Energéticas Renovables SCR de Régimen Simplificado, S.A Unipersonal.
- United States: Comprised by Gamesa Technology Corporation Inc. and its subsidiaries, which include Gamesa Wind US LLC as the most significant.
- India: Comprised of Gamesa Wind Turbines, Private Limited Co. and its subsidiaries.
- Brazil: Comprised of Gamesa Eólica Brasil, Sociedad Limitada.
- China: Comprised of Gamesa Wind Beijing and Gamesa Wind Tianjin as the most significant companies.

No significant changes came about in the size, structure and ownership of Gamesa Corporación Tecnológica, S.A. during the year.

¹⁸ According to the National Securities Market Commission's (CNMV) records, the company Dimensional Fund Advisors LP held an interest exceeding 3% of Gamesa Corporación Tecnológica, S.A.'s share capital at December 31, 2014 and 2013 and was therefore a significant shareholder.

¹⁹ Each holding interests of less than 3%

G4-8 Markets served

Gamesa supplies the products and services set out in indicator G4-4 (p. 17) in the countries where the company operates, which are listed in indicator G4-6 (p. 20).

G4-9 Scale of the organization

Employees

Table 22.- Number of employees

	2014	2013	2012	2011
Spain	3,812	3,863	4,233	4,853
China	582	525	537	1,156
United States	349	408	613	930
India	1,035	846	813	920
Brazil	303	112	78	67
Rest of the World (ROW)	350	305	349	395
Total workforce	6,431	6,079	6,646	8,357

Sales

Table 23.- Sales/revenue by countries/regions representing 5% or more of total revenue

(net turnover in € million)	2014	2013	2012	2011
Spain	297	217	254	262
Rest of Europe	288	250	496	662
United States	381	49	484	417
China	126	11	251	670
India	478	466	293	530
Brazil	531	424	281	-
Mexico	360	555	360	-
Rest of the world	386	363	245	493
Net turnover	2,846	2,336	2,665	3,033

Costs

Table 24.- Costs included in the operating result by category

(expressed in € million)	2014	2013	2012	2011
Procurement costs	1,996	1,390	1,825	2,301
Personnel expenses	303	309	365	348
Depreciation and provisions	175	154	415	230
Other operating expenses	297	258	317	356
Net losses from asset impairment	8	7	289	-
Total costs	2,779	2,118	3,211	3,235

Capitalization

Table 25.- Total capitalization

(expressed in € million)	2014	2013	2012	2011
Subscribed share capital	47	43	43	42
Parent company's equity	1,385	1,013	1,021	1,685
Net financial borrowing	(143)	420	495	710
Tangible fixed assets	1,015	1,061	1,036	877
Cumulative depreciation	(538)	(517)	(468)	(420)
Impairment	(144)	(166)	(166)	-

Products and services provided

Table 26.- Products and services provided

	2014	2013	2012	2011
MWe of wind energy sold	2,623	1,953	2,119	2,802

Table 27.- Wind Turbines: Track record of MW installed by country

(in MW)	Cumulative YTD-2014	Additions 2014	Additions 2013	Additions 2012	Additions 2011	Additions 2010	Cumulative 2009-1994
Algeria	10	-	10	-	-	-	-
Argentina	11	-	-	-	-	-	11
Azerbaijan	8	-	-	-	8	-	-
Brazil	868	416	356	96	-	-	-
Bulgaria	90	-	-	-	20	70	-
Canada	10	-	-	10	-	-	-
Chile	36	36	-	-	-	-	-
China	3,572	62	257	493	364	596	1,800
Cyprus	20	-	-	-	20	-	-
Costa Rica	53	40	-	-	13	-	-
Cuba	5	-	-	-	-	-	5
Dominican Republic	52	-	-	52	-	-	-
Ecuador	2	-	-	-	-	-	2
Egypt	606	118	82	-	-	-	406
Finland	124	92	32	-	-	-	-
France	764	44	60	20	13	97	530
Germany	185	8	-	16	-	-	161
Greece	179	-	7	17	69	38	48
Honduras	176	74	-	-	102	-	-
Hungary	182	-	-	-	10	70	102
India	1,713	569	376	222	362	140	44
Ireland	54	-	-	-	10	10	34
Italy	1,669	-	16	228	193	261	971
Japan	110	-	-	-	-	-	110
Kenya	14	14	-	-	-	-	-
Korea	3	-	-	-	-	-	3
Morocco	238	-	-	-	29	9	200
Mexico	1,501	450	350	360	131	10	200
Nicaragua	44	-	-	44	-	-	-
New Zealand	8	-	-	-	8	-	-
Philippines	68	68	-	-	-	-	-
Poland	663	38	58	39	315	40	174
Portugal	438	-	-	8	-	-	430
Puerto Rico	1	-	-	1	-	-	-
Romania	284	10	-	62	148	64	-
Spain	12,208	2	56	393	433	566	10,754
Sri Lanka	20	-	-	-	-	20	-
Sweden	57	16	14	-	23	3	-
Taiwan	12	-	-	-	-	-	12
Tunisia	242	11	28	33	30	87	54
Turkey	96	28	38	-	30	-	-
United Kingdom	475	24	192	9	75	130	33
United States	4,151	230	-	509	874	374	2,164
Uruguay	150	50	100	-	-	-	-
Venezuela	71	1	41	-	29	-	-
Vietnam	1	-	-	-	-	-	1
Total	31,237	2,399	2,071	2,625	3,309	2,587	18,246

Illustration 2.- Wind turbines: Track record of MW installed

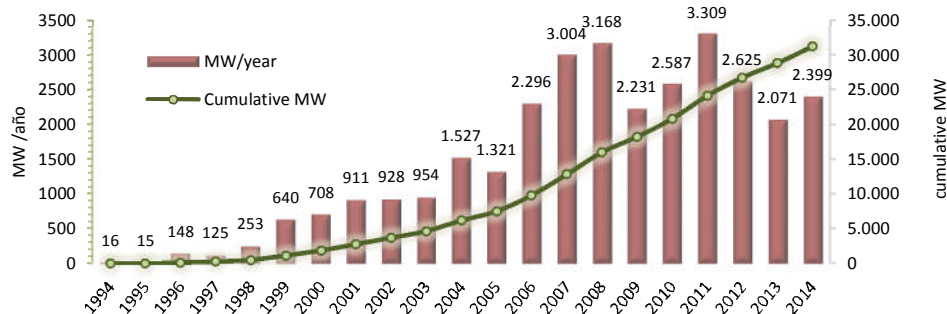


Table 28.- Wind Turbines: Track record of MW installed by region and platform

(in MW)	Made (AEXX)	Gamesa G4X 660 KW	Gamesa G5X 850kW	Gamesa G8X 2.0 -2.5 MW	Gamesa G10X 5.0 MW	Total MW installed
Spain	1,279	1,997	3,167	5,718	41	12,203
Rest of Europe	-	15	1,255	3,878	123	5,271
United States	-	-	57	4,104	-	4,161
China	22	7	2,322	1,220	-	3,572
India	24	-	929	760	-	1,713
Brazil	-	-	-	868	-	868
Rest of the world	338	11	967	2,134	-	3,450
Total	1,664	2,031	8,697	18,682	164	31,237

Table 29.- Operations and Maintenance: Track record of MW in O&M

(in MW)	Made (AEXX)	G4X Gamesa 660 KW	G5X Gamesa 850kW	G8X Gamesa 2.0 -2.5 MW	G10X Gamesa 5.0 MW	Total MW in Operations & Maintenance
Algeria	-	-	10	-	-	10
Brazil	-	-	-	694	-	694
Bulgaria	-	-	-	90	-	90
China	19	-	206	736	-	961
Chile	-	-	-	36	-	36
Cyprus	-	-	-	20	-	20
Dominican Republic	-	-	-	52	-	52
Egypt	-	-	406	90	-	496
Finland	-	-	-	-	123	123
France	-	4	119	393	-	516
Germany	-	-	9	48	-	57
Greece	-	-	80	38	-	118
Honduras	-	-	-	176	-	176
Hungary	-	-	-	182	-	182
India	25	-	891	529	-	1,444
Ireland	-	-	59	15	-	73
Italy	-	-	792	714	-	1,506
Japan	-	-	-	62	-	62
Kenya	-	-	14	-	-	14
Morocco	-	-	216	22	-	238
Mexico	-	-	209	1,208	-	1,417
Nicaragua	-	-	-	44	-	44
Philippines	-	-	-	52	-	52
Poland	-	-	9	590	-	599
Portugal	-	-	-	438	-	438
Romania	-	-	-	274	-	274
Spain	427	1,193	2,484	4,815	46	8,964
Sweden	-	-	11	40	-	51
Tunisia	69	-	-	-	-	69
Turkey	-	-	-	76	-	76
United Kingdom	-	-	67	400	-	467
United States	-	-	64	1,284	-	1,348
Uruguay	-	-	-	100	-	100
Total	539	1,197	5,647	13,217	169	20,770

Table 30.- Wind farm development and construction: Track record of MW

(in MW)	Wind farms built	Portfolio /Pipeline
North America & Latin America	1,152	2,826
United States	838	
Mexico	314	
Europe	3,970	5,096
Spain	2,641	
Rest of Europe	1,329	
China & India	1,643	8,052
China	602	
India	1,041	
Total	6,766	15,974

G4-10

Workforce

Table 31.- Workforce by country and gender

	2014		2013		2012	2011
	Men	Women	Men	Women	TOTAL	TOTAL
Australia	1	1	2	2	4	-
Brazil	245	58	79	33	78	67
Bulgaria	2	-	2	-	6	5
Chile	1	-	1	-	-	-
China	442	140	386	139	537	1,156
Costa Rica	3	-	1	-	-	-
Dominican Republic	-	-	-	-	1	1
Egypt	12	1	14	1	16	17
Finland	9	-	4	-	-	-
France	19	9	18	7	32	36
Germany	19	4	16	4	23	36
Greece	12	2	12	2	21	24
Honduras	2	-	1	-	-	1
Hungary	3	-	3	1	5	4
India	998	27	820	26	813	920
Ireland	2	1	1	1	1	-
Italy	62	14	64	14	95	114
Japan	1	-	1	-	1	1
Morocco	6	1	6	1	8	9
Mexico	47	16	36	12	38	26
Poland	21	6	22	5	31	35
Portugal	6	4	8	4	17	17
Romania	9	2	11	2	13	14
Singapore	-	-	1	-	6	7
Sri Lanka	10	-	-	-	-	-
Spain	2,704	1,108	2,746	1,117	4,233	4,853
Sweden	6	1	6	1	6	4
Tunisia	-	-	-	-	-	1
Turkey	5	1	4	-	4	7
United Kingdom	31	7	29	5	44	72
United States	293	56	346	62	613	930
Uruguay	1	-	-	-	-	-
Subtotal	4,972	1,459	4,640	1,439		
Total workforce		6,431		6,079	6,646	8,357

Table 32.- Workforce by type of employment contract and gender

	2014		2013		2012	2011
	Men	Women	Men	Women	TOTAL	TOTAL
Permanent workers	4,601	1,365	4,247	1,332	6,156	7,315
Temporary workers	371	94	394	106	490	1,042
Subtotal	4,972	1,459	4,640	1,439		
Total workforce		6,431		6,079	6,646	8,357

Table 33.- Workforce by type of employment and gender

	2014		2013		2012	2011
	Men	Women	Men	Women	TOTAL	TOTAL
Direct workers	1,493	210	1,354	230	1,878	2,201
Indirect workers	1,416	198	1,511	251	2,175	3,088
Structural workers	2,063	1,051	1,776	957	2,593	3,068
Total workforce		6,431		6,079	6,646	8,357

Table 34.- Workforce including external staff²⁰

	2014	2013	2012	2011
Internal staff	6,431 (98%)	6,079 (99%)	6,646 (99%)	8,357 (94%)
External staff	125 (2%)	63 (1%)	64 (1%)	528 (6%)
Total workforce	6,556	6,142	6,710	8,885

²⁰ External staff: personnel hired through a temporary employment agency working at Gamesa work centers.

G4-11 Employees covered by collective agreements

In general terms, Gamesa's collective agreements apply to all workers who provide their services under or at Group companies, regardless of the way they were hired, the professional group they have been assigned to, their occupation or the job they perform.

However, issues connected to the company's own business organization, each country's legislation and even these countries customs and practices means that certain groups are expressly excluded from the scope of these collective agreements. This is the reason why 100% coverage has not been attained, as indicated in the following table:

Table 35.- Employees covered by collective agreements

(percentage into the region between brackets)	2014	2013	2012	2011
Europe and Rest of the World	1,298 (31.2%)	1,377 (33%)	1,658 (36%)	2,069 (38.6%)
United States	-	63 (15.4%)	186 (30.3%)	332 (35.6%)
China	-	-	-	-
India	-	-	-	-
Brazil	166 (54.8%)	29 (25.9%)	22 (28.2%)	-
Total covered	1,464	1,469	1,866	2,401
% of total workforce	22.76%	24.16%	28.28%	28.73%

G4-12 Description of the supply chain

Gamesa's positioning

One of the objectives of Gamesa and the companies which comprise Gamesa Group is to create relationships with suppliers, contractors and collaborators which are based on trust, reporting transparency and shared knowledge, experience and capabilities.

From the perspective of selecting suppliers, it has made an undertaking to an impartial and objective supplier, contractor and external collaborator selection process.

From the standpoint of behavior, Gamesa undertakes to establish the appropriate channels to gather information about the ethical behavior of its suppliers, contractors and collaborators and undertakes to adopt the necessary measures should such behavior contravene the values and principles enshrined in the Code of Conduct.

Flexible and competitive supply base

Gamesa is continuing to strengthen its supply chain in the regions where it has a presence, attempting to increase the amount of local supplies in all of them. In 2014, the area faced a series of challenges jointly with its suppliers, which involved the latter's technological development and competitiveness:

- Achieving a rapid response to market needs and starting up new turbine configurations where they are demanded. This has posed a serious challenge for suppliers and led to the progressive increase in the capacity in terms of technology, flexibility and competitiveness. For example, the ad-hoc design of machines for specific markets – like the G97 CS 104 m for India – aimed at maximizing annual energy production (AEP) at the lowest possible cost.
- Cost optimization through a radical design change in the G114 Slim.
- Increasing AEP through the Max Power concept (a 5% increase of rated power) to improve the turbine's competitiveness (in the G114).
- Development of new supply chains for the G114 in record time and industrialization of the same in both China and Europe.
- Continuous improvement of mainstream products on an annual basis through the Model Year concept (product series versions with design changes that reduce costs).
- Specific cost reduction plans for BOP, construction and logistics.
- Promoting supply chain localization chain in the regions where Gamesa manufactures whilst always complying with the Company's quality standards.

Driving forward suppliers' overall development by giving them the chance of not only supplying the region to which they belong but also other regions on the basis of their performance. The Gamesa supply base in 2014 was comprised of **8,862** suppliers around the world serving a procurement volume of over **€2.2 billion**.

Table 36.- Supply base: Number of suppliers

	2014	2013	2012	2011
Europe & Rest of the World	5,103	4,959	5,526	5,198
Direct suppliers ²¹	719	590	739	749
Indirect suppliers	4,384	4,369	4,787	4,449
United States	824	847	1,187	1,390
Direct suppliers	138	79	132	149
Indirect suppliers	686	768	1,055	1,241
China	712	624	886	1,037
Direct suppliers	302	209	254	265
Indirect suppliers	410	415	632	772
India	1,478	1,231	1,147	833
Direct suppliers	198	105	114	83
Indirect suppliers	1,280	1,126	1,033	750
Brazil	1,032	639	508	407
Direct suppliers	96	37	29	16
Indirect suppliers	936	602	479	391
Total suppliers in the supply base	8,862	8,300	9,254	8,866

By procurement volume, Spain (33.59%), India (14.98%), China (12.77%) and Brazil (11.01%) practically accounted for 80% of total procurement in 2014.

Thus, the company helps to generate wealth in the areas where it has industrial activities, in addition to attaining a stable local economy.

Table 37.- Supply base: Procurement volume

	2014	2013	2012	2011
Spain	33.59%	41.49%	36.74%	39.41%
India	14.98%	9.82%	7.60%	8.59%
China	12.77%	8.71%	10.24%	16.11%
Brazil	11.01%	9.03%	4.12%	0.95%
United States	7.10%	6.33%	21.52%	19.49%
Mexico	4.76%	8.06%	7.35%	3.05%
Germany	2.80%	2.41%	1.74%	1.47%
Italy	1.58%	1.78%	1.22%	0.71%
France	1.30%	2.31%	1.34%	1.47%
United Kingdom	0.94%	1.23%	1.15%	1.11%
Poland	0.43%	1.03%	2.58%	2.90%
Greece	0.35%	0.32%	0.26%	0.63%
Belgium	0.21%	0.26%	0.25%	0.40%
Tunisia	0.08%	0.14%	0.34%	0.32%
Procurement volume (€ million)	2,242	1,978	2,359	2,476

²¹ Materials and procurements directly associated to or which form part of the wind turbine.

Table 38.- Direct procurement supply base (by business areas)

	2014		2013		2012		2011	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Nacelles	391	25%	432	30%	447	31%	698	79%
Gearboxes	209	13%	180	13%	184	13%	-	-
Converters	83	5%	78	5%	77	5%	-	-
Generators	79	5%	-	-	-	-	-	-
Services	583	37%	523	37%	474	33%	-	-
Blades	146	9%	148	10%	190	13%	134	15%
Towers	72	5%	65	5%	86	6%	49	5%

Local supplier development and wealth creation

Gamesa also allocates its own resources to work done at suppliers' facilities in order to ensure their technological development and competitiveness. For instance, it has continued to develop new local foundries like Synergy Green Industries and local tooling companies like Premier India Bearings LT.

In China, regular deliveries from a new foundry, Nantong, have been consolidated and new parts projects have been launched at Wilson. At the same time, painting and tooling processes have been developed in both these cases.

In Brazil, Gamesa has developed processes to share foundry technology in order to build up capacity at locally-based suppliers like BR Metals and Romi. It has also initiated a process to help a Spanish tooling company, Talleres Almería, establish itself and has developed hydraulics suppliers to supply the nacelle plant.

In Mexico, the company has developed a finished blade supplier which uses Gamesa's design.

Local capacity is boosted through the supply chain's localization in the different regions. Thus, the company has managed to globalize its supply profile, including: global suppliers with a local presence, new locally-based suppliers and globalization of current suppliers. Good proof of this is that the degree of localization (local procurement) achieved in 2014 amounted to 88% in China, 61% in India and 29% in Brazil.

Table 39.- Degree of procurement localization

	2014	2013	2012	2011
United States (United States + Asia)	-	-	79% (G97)	62% (G8X)
China	88% (G8X)	-	98% (G8X)	95% (G8X)
	88% (G97)	94% (G97)	99% (G97)	82% (G5X)
India	61% (G97)	74% (G97)	74% (G97)	46% (G5X)
Brazil	29% (G97)	49% (G97)	52% (G8X)	48% (G8X)

In order to provide a response to the Business Plan, the Procurement Department has also been working jointly with local suppliers and the Technology and Quality Department on reducing the cost of energy by designing turbine models which optimize AEP, like the ad-hoc turbine designs for specific markets. Good examples of this are the G97 CS 104 m turbine for India, the design of a new G114 version called the G114 Slim, a project geared at increasing AEP through the Max Power concept (5% increase in rated power) in order to improve turbines' competitiveness (in G114). Likewise, the company continues to work on redesigning components under the Costwise Product Evolution and the Critical Component Development programs, which have both contributed to significant cost savings in 2014.

In 2014, 307 projects on different product platforms to generate alternative suppliers were successfully concluded in China (92), India (65), Europe (116) and Brazil (34).

Table 40.- Alternative supplier generation projects

	G5X	G8X	G97	G10X	2014	2013	2012	2011
Europe	2	5	63	35	116	61	85	36
United States	-	-	-	-	-	3	22	22
China	2	3	81	6	92	95	61	43
India	1	-	63	1	65	88	79	28
Brazil	-	-	34	-	34	19	20	4
Total projects					307	266	267	133

The development of the Business Plan 2013-2015 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 know-how 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. The outsourcing of blade manufacturing through the development of the supplier TPI in Mexico and the development of the G114 blade model at the supplier LM China have been particularly important.

Considerable progress had been made in the outsourcing of blades (86% outsourced), gearboxes (49%), generators (12%), power electronics (24%) and cast components by December 2014.

Table 41.- Degree of component outsourcing

	2014	2013	2012	2011
Blades	86%	50%	44%	41%
Gearboxes	49%	46%	44%	38%
Generators	12%	14%	10%	3%
Power electronics (converters and cabinets)	24%	39%	52%	60%

Ongoing contact with the partners and suppliers

As an essential element to ensure the implementation of these actions, the company maintains ongoing dialog mechanisms with the supply base, including:

- Events with suppliers in India and China aimed at presenting the company's overall challenges and conveying them the need to contribute jointly with Gamesa in its Business Plan's attainment.
- Supplier portal aimed at interchanging technical information on products, quality documents and delivery management.
- Gamesa website: contains general procurement terms and conditions and the quality manual for suppliers.

Responsible development of the supply chain

The Procurement Department is equipped with a supplier management model within its area of responsibility, the features of which include:

Table 42.- Responsible measures on the supply chain

	Preventive measures	Incentivizing measures
Actions on Gamesa's behavior	<ul style="list-style-type: none"> Gamesa Supplier Relationship and Procurement Policy (November 2014) Gamesa Code of Conduct CSR Policy ISO 9001 certified procurement policy Corporate defense policy and program 	<ul style="list-style-type: none"> Annual improvement targets for procurement teams Supplier screening, classification and control system
Actions on suppliers' behavior	<ul style="list-style-type: none"> Gamesa Supplier Relationship and Procurement Policy (November 2014) Gamesa Supplier Code of Conduct (November 2014) General Procurement Terms and Conditions for goods and services (updated January 2015) Supplier screening and grading system Supplier portal 	<ul style="list-style-type: none"> Supplier screening, classification and control system Suppliers' development projects Supplier improvement and communication actions Contracting specialized employment agencies

The Company conducts an internal assessment of its main direct suppliers, which follows technical as well as economic, environmental and social criteria. The aspects assessed include: the existence of an environmental and occupational health and safety policy, as well as issues related to human rights and ethical behavior (practices against bribery and corruption).

In addition to contractual terms in accordance with prevailing legislation in the countries involved in a transaction, Gamesa negotiates the inclusion of clauses on social responsibility issues (through the general procurement terms and conditions and or supply agreements), which are reflected in the Supplier Code of Conduct that the supplier has to accept when entering into supply contracts.

Gamesa's general procurement terms and conditions explicitly include provisions on the respect for human rights and labor practices, as well as an evident stance against fraud and corruption. Gamesa is now working to ensure they are fully implemented across its entire supply chain.

Compliance with the general procurement terms and conditions in terms of volume has reached 100% in United States, 96% in China, 96% in India and 94% in Europe. In Brazil, a country where Gamesa has only recently established itself, compliance has already reached 60%.

Table 43.- General procurement terms and conditions implementation

	2014		2013		2012		2011	
	% Vol.	% Sup.	% Vol.	% Sup.	% Vol.	% Sup.	% Vol.	% Sup.
Europe	84%	16%	94%	44%	91%	45%	96%	52%
United States	100%	100%	100%	100%	100%	100%	100%	100%
China	96%	4%	98%	88%	97%	77%	96%	77%
India	96%	4%	97%	68%	87%	72%	75%	50%
Brazil	60%	40%	80%	66%	86%	72%	73%	15%

Additionally, an assessment of human rights compliance in the global supply chain is conducted every two years (Supplier CSR Assessment). This study was last conducted in 2013 and analyzes the performance of Gamesa's suppliers and providers on:

- Regulatory compliance
- Anti-corruption and bribery practices
- Respect for the human rights of their employees
- Occupational health and safety
- Environmental protection
- Traction in the supply chain

The last time it was conducted, 321 potentially critical suppliers for CSR were assessed (46% of all suppliers identified as critical in the period), which amounted to covering 40.3% of total procurement for a complete 12-month period, a result which significantly exceeded the figure for 2011 (29%). As a result of this assessment, some internal improvement actions were identified, which led to the setting up in 2014 of a multidisciplinary work group focused on working on responsibility issues in the supply chain in an integrated fashion. The following initiatives have materialized as part of this work group's actions:

- The contracting and relationship policy with suppliers, contractors and collaborators²².
- An agreement to amend the general procurement terms and conditions, which now include a specific code of conduct for suppliers.
- Amendment of the quality manuals for suppliers and the procurement procedures affected by these inclusions.
- Adapting screening processes for critical suppliers through an external supplier registration platform, joining the Achilles International Repro Network to identify, assess, grade and monitor suppliers, thus providing an overall framework to control and manage any risks resulting from procurement and works and services contracting activities.

G4-13

Significant changes during the year

Changes in activities and/or operations: No significant changes came about in the activities and/or operations of Gamesa Corporación Tecnológica, S.A. in 2014.

Changes in the share capital structure: On September 8 2014, Gamesa launched an accelerated capital increase in order to gain access to growth opportunities in the market. After the Board of Directors' approval, Gamesa announced an increase of capital up to a maximum of 25,388,070 shares – amounting to approximately 9.99% of the company's share capital – through an accelerated book building process to the National Securities Market Commission (CNMV) by means of relevant disclosure No. 210,559. This operation allows the company to gain flexible access to any business opportunities which may arise in the wind energy sector in an environment of growth that is greater than the one foreseen by the Business Plan 2013-2015 while, at the same time, maintaining a solid balance sheet and optimizing the structure of its own resources.

This change is reflected in the indicator G-7 on share capital (p. 21)

Changes in the supply chain: No significant changes came about in the supply chain of Gamesa Corporación Tecnológica, S.A. during the year.

²² <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/politica-de-contratacion-y-relacion-con-provedores.pdf>

Commitments to external initiatives

G4-14 Precautionary principle

Gamesa has incorporated the precautionary principle with regard to environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment.

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

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

G4-15 Externally developed principles or initiatives which the organization subscribes or endorses

Gamesa fully assumes voluntary commitments in the areas of sustainability, climate change and the defense of fundamental human rights and freedoms. The most significant initiatives worth highlighting include:

Table 44.- Externally initiatives which the company subscribes

United Nations Global Compact	Voluntary. Commitment and support to the promotion of the ten principles of labor rights, human rights, environmental protection and the fight against corruption. The company publishes a Communication on Progress (COP) annually, which reviews compliance with such principles. This document is made publicly available on the Spanish United Nations Global Compact Association's website.
Caring for Climate: The business leadership platform	Voluntary. A United Nations Global Compact initiative which encourages the involvement of companies and governments in taking measures against climate change. The corporation has remained faithful to its commitments to increase energy efficiency, reduce GHG emissions and collaborate with other public and private institutions in a positive way.
Global Reporting Initiative	Voluntary. Since 2006. A non-governmental organization whose purpose is to create a way of exchanging reliable transparent sustainability reporting by developing a common application framework for all types of organizations.
Carbon Disclosure Project	Voluntary. Since 2008. Public disclosure of the information provided to investors and the supply chain. The CDP compiles information on the risks and opportunities which have been identified in connection with climate change, emission reduction plans and the transparency of corporate actions to mitigate climate change
Prince of Wales's Corporate Leaders Group on Climate Change	Voluntary. In 2008, 2009, 2010 and 2012. Gamesa has successively signed the Carbon Price (2012), Cancun (2010), Copenhagen (2009) and Poznan (2008) Communiqués on Climate Change within the framework the United Nations Framework Convention on Climate Change (UNFCCC).

G4-16

Membership of main associations

The company actively participates in both industry-specific and business associations and organizations in each significant place where it operates. Gamesa was a member of 29 organizations and associations in Spain and 31 associations in the rest of world in 2014, which amounted to a total expenditure of €794,952 in membership fees.

Table 45.- Main Spanish associations of which Gamesa is a member (2014)

• ASOCIACIÓN NAVARRA EMPRESARIOS METAL (ANEM)	• FUNDACIÓN EMPRESA UNIVERSIDAD DE NAVARRA
• ASOCIACIÓN EMPRESARIAL EÓLICA (AEE)	• FUNDACIÓN EUSKOIKER
• ASOCIACIÓN PROGRESO DE LA DIRECCIÓN (APD)	• FUNDACIÓN NAVARRA PARA LA EXCELENCIA
• BASQUE ECODESIGN CENTER – BEdC	• FUNDACIÓN UNIVERSIDAD EMPRESA
• CÁMARA DE COMERCIO BRASIL-ESPAÑA	• IZAITE, ASOCIACIÓN DE EMPRESAS VASCAS POR LA SOSTENIBILIDAD
• CLÚSTER DE ENERGÍA	• NUEVA ECONOMIA FORUM
• CONFEDERACIÓN EMPRESARIAL DE BIZKAIA (CEBEK)	• RED PACTO MUNDIAL ESPAÑA
• EUSKALIT FUNDACIÓN VASCA PARA LA CALIDAD	

Table 46.- Main international associations of which Gamesa is a member (2014)

• AMERICAN WIND ENERGY ASSOCIATION (AWEA)	• GLOBAL REPORTING INITIATIVE (GRI)
• ASOCIACIÓN MEXICANA DE ENERGÍA EÓLICA (AMDEE)	• INDIAN WIND ENERGY ASSOCIATION (INWEA)
• ASOCIACIÓN URUGUAYA DE ENERGÍA EÓLICA (AUUE)	• INDIAN WIND TURBINE MANUFACTURERS ASSOCIATION
• ASSOCIAÇÃO BRASILEIRA DE ENERGIA EÓLICA	• MADRAS MANAGEMENT
• ASSOCIAZIONE NAZIONALE ENERGIA DEL VENTO	• NEW ZEALAND WIND ENERGY ASSOCIATION (NZWEA)
• BUNDESVERBAND WIND ENERGIE (BWE)	• RENEWABLE UK ASSOCIATION, LTD
• CÁMARA NACIONAL DE COMERCIO	• ROMANIAN WIND ENERGY ASSOCIATION (RWEA)
• CANADIAN WIND ENERGY ASSOCIATION (CANWEA)	• RUSSIAN ASSOCIATION OF WIND POWER INDUSTRY (RAWI)
• CLEAN ENERGY COUNCIL AUSTRALIA (CEC)	• SCOTTISH RENEWABLES
• CORPORATE ECO-FORUM	• STY – SUOMEN TUULIVOIMA YHDISTYSRY - FINNISH WIND POWER
• CONFEDERATION OF INDIAN INDUSTRY	• SVENSK VINDENERGI EKONOMISK FÖRENING
• SPANISH CHAMBER OF COMMERCE CHINA	
• EUROPEAN UNION CHAMBER OF COMMERCE IN CHINA	
• EUROPEAN WIND ENERGY ASSOCIATION (EWEA)	

Table 47.- Association membership and expenditure

	2014	2013	2012	2011
Number of Spanish associations	29	22	23	21
Number of international associations	31	26	26	24
Expenditure in Spanish associations (€)	287,468	245,207	625,608	567,758
Expenditure in international associations (€)	507,484	511,390	656,966	723,431

I.03.- MATERIAL ASPECTS AND BOUNDARIES

G4-17 Entities included in the organization's consolidated financial statements and in the boundary of this report

Gamesa, which is present in almost fifty countries, has followed the GRI guidelines to define this report's boundary, taking into account the entities in which it has capacity to exercise control, those in which it has a significant influence and the Group's relevant activities from the economic, environmental and social standpoints.

For the purposes of this report:

- the Spanish company Gamesa Corporación Tecnológica, S.A., Gamesa Group's parent company, is called "Gamesa" or the "Company".
- Gamesa (as the parent company) and the set of subsidiaries over which Gamesa has the capacity to exercise control or to jointly control are called "Gamesa Group" or the "Group".
- the set of companies in which Gamesa holds an interest, but without having capacity to exercise control, are called "investee companies".

Boundary

The annual accounts for the year ending at December 31, 2014 set out the companies in which Gamesa holds a direct or indirect interest.

Financial consolidation

The quantitative information available corresponds to Gamesa and its subsidiaries and investee companies and refers to all of the Company's activities. The economic information included in this report for 2014 comes from the annual accounts, the annual management report and the audit report for 2014.

Social and environmental consolidation

The principles and the corporate policies which Gamesa Group adopts and publicly discloses, along with its strategies, apply to all the activities of the Group's subsidiaries in all of the countries where they operate. Information on the management approach, targets and performance are included in this report. The quantitative information on the environmental and social dimensions included in the tables and charts of this report considers the activities Gamesa performs in the countries where the Company's presence is most relevant in terms of sustainability.

Limitations on the information

The sustainability report for 2014 covers Gamesa and its subsidiaries which make up the group. This means that this document includes all the sustainability information of Gamesa Group and its companies. There are therefore no other documents drawn up by the subsidiaries which complete this balance.

This report therefore does not include any qualitative or quantitative information on joint ventures or associated companies in which Gamesa does not hold a majority interest, or information on subcontracted activities or on leased facilities in order to ensure clear year-on-year comparability.

There are therefore no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.

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

G4-18 **Definition of the contents and boundary of the report and the application of GRI principles**

In order to draw up this report, Gamesa has adopted the *GRI Sustainability Reporting Guidelines* (version G4). As the GRI indicates, these guidelines are the result of a process in which different stakeholders around the world take part, including representatives from the business world, the trade unions, civil society, the financial markets, auditors and specialists in various business disciplines, regulators and government agencies in different countries.

Furthermore, Gamesa, as a multinational enterprise having a presence in countries in several continents with different economic and social models, has also been developing systems and processes to obtain the necessary information to meet the GRI's requirements and recommendations, as well as those from other entities which are concerned with sustainability issues, such as the Dow Jones Sustainability Index, the FTSE4 Good, the Ethibel Sustainability Index and the Carbon Disclosure Project.

Material aspects identified by the Global Reporting Initiative (GRI)

The aspects identified in the *GRI Guidelines* result from an extensive process of stakeholder engagement and they comply with the requirements of sufficient materiality to be included in sustainability reports.

Gamesa's sustainability report for 2014 includes reporting on aspects identified by the GRI Guidelines and provides continuity with previous years' reporting. These aspects are specifically identified in Annex I of this report.

Material aspects identified internally

On an additional basis, Gamesa has conducted an Internal Materiality Analysis in order to identify any aspects of specific interest connected with the Company's activity.

Areas of the Gamesa CSR Master Plan, the Company's management elements and key issues for the different stakeholders identified through a variety of information sources were cross-referenced in the Materiality Analysis for 2014.

Thus, more than 200 issues of interest to stakeholders have been identified. These have been grouped together under 20 corporate social responsibility aspects in a recurrent way and form part of the interests of both Gamesa Group and its different stakeholders.

Table 48.- Aspects of interest for the materiality analysis 2014

Social, environmental and of good governance aspects (ESG) to assess		Economic and financial aspects inherent to the business
• Corporate governance	• Climate change	• Organizational profile
• Ethics and integrity	• Environmental management	• Economic management
• People and employment	• GHG emissions and energy	• Customer management
• Human rights	• Natural resource use	• Product responsibility
• Health and safety	• Biodiversity	• R&D and innovation
• Community and social investment	• Ecological footprint	• External undertakings
• Supply chain		• Renewable energy sector

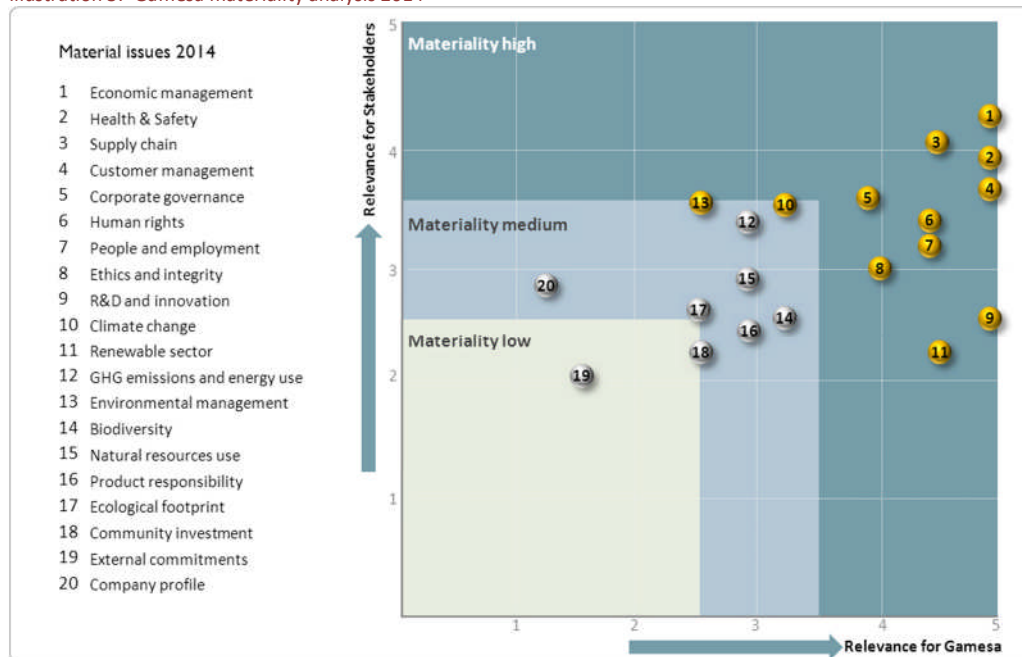
G4-19 **Material aspects identified**

Each of the 20 aspects identified is contrasted and assessed in relation to the different groups of stakeholders (investors, customers, employees, suppliers, public administrations, competitors, press and the media, etc.) in order to determine the classification of material elements.

The issues have been determined on the basis of the Materiality Analysis for 2013, delving deeper into existing topics and broadening current topics connected with the social, environmental and good governance dimensions.

After the analysis was conducted, the material aspects shown in the following illustration were identified and prioritized:

Illustration 3.- Gamesa materiality analysis 2014



The material topics identified in this process have a direct correlation with the aspects identified by 194 organizations and stakeholder groups in the electrical equipment and machinery sector. This information can be found in the Global Reporting Initiative (GRI) publication "Sustainability Topics for Sectors: What do stakeholders want to know?" (2013), which analyses 52 business activity groups. We therefore consider that the analysis was properly conducted and in keeping with Gamesa's activity.

G4-20
G4-21

Boundary within the organization
Boundary outside the organization

Most relevant topics	General topics of special interest identified	Stakeholders which consider the aspect material	Gamesa's response in the report
Economic management	<ul style="list-style-type: none"> Management model; direct economic value generated and distributed; profit, sales and growth expectations Significant indirect economic impacts; significant financial aid received Supplier management, policies, practices and proportion of expenditure on local suppliers 	<ul style="list-style-type: none"> Customers Employees Shareholders Gamesa Management 	Management approach to economic performance (p. 68 and the following)
Health and safety	<ul style="list-style-type: none"> Health and safety policies and programs Track record of accidents and near misses Health and safety measure to enhance productivity and the quality of the employment Culture of safety across the company Development of efficient management systems. 	<ul style="list-style-type: none"> Customers Employees ESG Analysts Sustainability Indexes Public Administrations 	Management approach to health and safety (p. 103 and the following)
Supply chain	<ul style="list-style-type: none"> Policies on relationships with suppliers, which include basic principles of business ethics Policies and procedures on the ethical supply of components and materials in the supply chain Monitoring working conditions at suppliers and contractors; audits and periodic assessments. Contingency plans if violations of labor rights in the supply chain are identified 	<ul style="list-style-type: none"> Customers Suppliers Public Administrations ESG Analysts Sustainability Indexes Gamesa Management 	Indicator G4-12
Customer management	<ul style="list-style-type: none"> Processes to measure customer satisfaction Characteristics of products and services 	<ul style="list-style-type: none"> Customers Employees Competitors Gamesa Management 	Management approach to product and service labeling (p. 136); customer privacy (p. 139); health and safety of customers (p.135); G4-4; G4-PR5; G4-PR3
Corporate governance	<ul style="list-style-type: none"> Linkage between remuneration and performance Board remuneration in line with ESG targets Ensuring the independence of the Board's structure CSR responsibilities within the Board Promotion of the diversity as regards gender, ethnicity, nationality and professional experience 	<ul style="list-style-type: none"> Investors Customers ESG Analysts Gamesa Management 	Indicators from G4-34 to G4-58
Human Rights	<ul style="list-style-type: none"> Formal policies on human rights issues in line with leading international standards Promoting practices that respect human rights among employees Promoting human rights in areas where the company can exert influence, especially among partners and suppliers 	<ul style="list-style-type: none"> Customers Analysts Sustainability Indexes NGOs Gamesa Management 	Section I.07 "Ethics and integrity", indicators G4-56; G4-57; G4-58; Management approach to human rights (p. 119)
People and employment	<ul style="list-style-type: none"> Diversity, inclusion and equal opportunities policies. Merit-based compensation Commitment to freedom of association, particularly in countries where it is denied by law Policy to attract and retain talent Professional development based on competencies. Continuous training to support employability Labor stability 	<ul style="list-style-type: none"> Employees Competitors ESG Analysts Sustainability Indexes NGOs Gamesa Management 	Management approaches to: "Employment" (p. 99); "Capacity building and training" (p. 110); "Diversity and equality" (p. 113); G4-LA12; G4-LA13
Ethics and integrity	<ul style="list-style-type: none"> Codes of conduct and compliance systems Policies against bribery and corruption Public commitments to business ethics Whistle blowing procedures and conflict of interest resolution processes International ethics and integrity initiatives 	<ul style="list-style-type: none"> Customers Public Administration Academia ESG Analysts Sustainability Indexes NGOs 	Section I.07.- ETHICS AND INTEGRITY (p. 61)
R&D and innovation	<ul style="list-style-type: none"> Innovation programs R&D and innovation; innovation process. Wind turbine models and features 	<ul style="list-style-type: none"> Investors Customers Competitors Gamesa Management 	Innovation section (p. 70); Wind Turbines section in G4-4 (p. 17)
Climate change	<ul style="list-style-type: none"> Policies and strategies to combat climate change Inclusion of climate change in product design as an environmental element Historic CO₂ emissions trend (direct and indirect) Quantitative emission reduction targets Commitment to public initiatives to combat climate change 	<ul style="list-style-type: none"> Customers ESG Analysts Sustainability Indexes NGOs 	Section II.10 "ENVIRONMENTAL DIMENSION" (p. 76)

G4-22 **Restatements of information provided in previous reports**

Gamesa has not considered it necessary to restate any information from previous reports owing to corporate restructurings. However, there could be minor deviations with respect to the quantitative data disclosed in several years and 2014 as a consequence of updates and adjustments.

As in every year, it is possible that the economic and financial figures set out in this report may not correspond to the original figures due to the rounding up or down of figures. In the event of any discrepancy, the information provided in the consolidated annual accounts for the year ending at December 31, 2014 shall prevail.

G4-23 **Significant changes in the report's scope and boundary**

No changes deemed as significant have come about in 2014 in the scope, boundary and assessment methods used in the report. The possibility of comparing the Group's main figures with those of previous years is therefore maintained.

I.04.- STAKEHOLDER ENGAGEMENT

G4-24 Stakeholders engaged by the organization

The Company's relationship with any groups affected by its activities (stakeholders) is maintained in a two-fold way. Such relationships involve: from the standpoint of social responsibility, responding to the expectations and needs and, from a reputation-related perspective, managing the perception these stakeholders have of the Company.

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

- Customers
- Shareholders, investors, ESG analysts and indexes
- Public administrations and regulators
- Employees
- Suppliers
- Mass media
- Society and community (local communities, media, academia and NGOs, etc.)

G4-25 Basis for the selection of stakeholders

The identification and selection of Gamesa's stakeholders is carried out through internal processes of reflection involving the management team and based on establishing relationships with key groups to meet both their expectations and the Company's needs.

G4-26 Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group

Gamesa consolidates preferential communication channels with these groups in order to identify the most relevant topics and provide a reasonable response to their expectations, in as much as it is possible.

These channels have their own specific features as regards format, responsibilities, intensity of the relationship and frequency of use, ranging from permanently available means of engagement, like mailboxes and portals, to annual or multiannual means, like surveys. They also include other non-periodic means which, as a whole, configure a relationship which the Company views as proximity to its stakeholders. The most important means of engagement with these stakeholders are summed up in the following table:

Table 49.- Stakeholders: Most relevant means of engagement

Stakeholder	Most relevant means of engagement	Other means of engagement
Customers	Direct contact with customers through the sales area and network of key account managers, visits to customers, customer satisfaction polls (CSP), customer surveys, product seminars with customers, certified courses and seminars on technical, wind energy and prevention issues.	Relationships through industry-specific organizations. Exclusive portal for operations and maintenance customers.
Shareholders, investors, ESG analysts and indexes	Shareholders' meeting, personal contact with shareholders, shareholder information office, results presentations, Business Plan presentations, investor relations department, visits to financial centers, talks with institutional investors.	Specific corporate website, telephone and e-mail aimed at the financial community
Public administrations and regulators	Queries, formal procedures and meetings with different administrative agencies and public authorities. Participation in forums, workshops, events and collaborative initiatives with the community.	Participation in business associations and other social organizations
Employees	Trade union committees and social dialog, Gamesa intranet, specific e-mail accounts for employees, employment portal, Gamesa club, flexible compensation plan information center, GMBO process, orientation and other activities, self-development resources center, Think Safe program.	Informative breakfasts, internal magazine (<i>Gamesa Planet</i>), suggestions box, whistle blowing channel, etc.
Suppliers	Events with suppliers, suppliers' portal and website containing general procurement terms and conditions and suppliers' quality manual.	Supplier surveys
Society	Direct relationships with national, regional and local public administrations; participation in business associations and chambers of commerce; relationships with a large number of social organizations.	Collaboration projects with social organizations; participation in forums, seminars and workshops; direct relationships with environmental and social groups in the surroundings of work centers and wind farms.
Mass media	Press releases, face-to-face meetings and with groups of journalists, query mailbox on the website, whistle blowing channels on social networks.	Corporate website

Same practical examples of the engagement channels are shown in the tables below:

Table 50.- Interaction with shareholders and the financial community

	2014	2013	2012	2011
General Shareholders' Meeting: % share capital in attendance	49.22%	39.05%	32.09%	50.10%
General Shareholders' Meeting: Monitoring	80	152	308	121
No. of queries attended by Shareholder Information Office	291	477	560	521
Institutions which analyze Gamesa's boundary	24	22	22	36
Attendance at results presentations (No. of people) ²³	1,547	983	823	1,142
Shareholder services mailbox (queries attended)	82	100	400	1,064
Investors and analysts mailbox (queries attended)	303	248	328	528

²³ Note: Includes attendance by telephone and webcast

Table 51.- Interactions with employees

	2014	2013	2012	2011
Gamesa Club: Products and services offered	55	37	41	-
Gamesa Club: No. of sessions	15,609	11,368	9,286	5,510
Gamesa Club: Pages viewed	n.a.	n.a.	22,084	60,206
Gamesa Club: Average time of visits	1:09	1:18	1:44	9:29
Gamesa Flex: No. of employees who acquire services	525	653	529	628
Gamesa Flex: Queries attended	2,030	1,029	1,193	1,071
Human resources mailbox: Communications	6	8	301	301
Employment portal: No. of job offers posted	121	47	-	521
Employment portal: Applications received	1,486	1,053	-	578

In addition, more than 100 invitations to informative breakfasts with management have been sent from the human resources mailbox.

Table 52.- Interaction with workers' representatives

	2014	2013	2012	2011
Works councils	35	34	37	N.A.
Meetings with committees	278	212	147	130
Downsizing plans: Negotiation meetings	24	37	65	61
Downsizing plans: Monitoring meetings	24	26	31	67
No. of trade union elections	6	6	-	-
No. of collective agreements signed	4	2	-	-
No. of meetings of the Psychosocial Risk Board	5	4	-	-
Number of meetings of the Diversity and Equality Committee	5	8	2	2

Table 53.- Interactions with employees, media and general public

	2014	2013	2012	2011
Gamesa Website: No. of sessions	795,904	1,084,099	1,421,560	N.A.
Gamesa Website: Pages viewed	2,303,102	2,887,732	3,893,073	N.A.
Gamesa Website: Average time of visits	2:52	3:32	4:01	N.A.
Gamesa Website: No. of news items posted	76	52	80	N.A.
Gamesa intranet: No. of sessions	718,433	124,359	142,954	114,860
Gamesa intranet: Pages viewed / No. of sessions	1,526,410	419,101	509,947	430,764
Gamesa intranet: Average time of visits	4:33	4:24	4:36	3:40
Gamesa intranet: No. of news items posted	147	97	118	134
Gamesa Planet for employees: No. of editions	10	-	-	-
No. of press releases to media	76	52	80	N.A.
No. of media requests attended	520	N.A.	1,800	N.A.
Social networks: Twitter followers	3,200	2,484	-	-
Social networks: LinkedIn followers	41,635	27,401	-	-
Disclosures to the CNMV	44	43	30	-

Illustration 4.- Gamesa Website in 2014

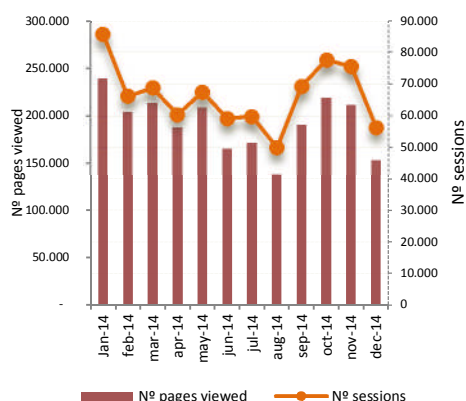
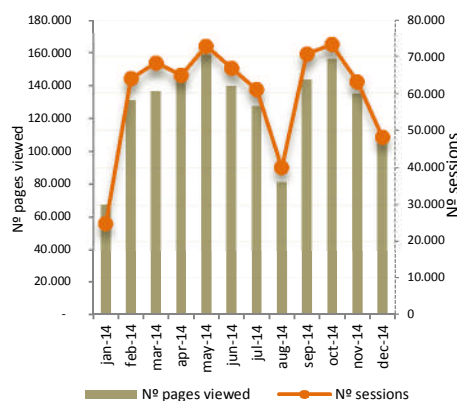


Illustration 5.- Gamesa Intranet in 2014



Internal employee communications survey

The survey conducted in 2014 detected a significant improvement in internal communications. Eighty-four per cent of those surveyed consider that communications have improved with regard to 2013, 14% feel that they remain the same and only 2% believe that they have worsened. For their part, 76% of employees stated that they feel informed about the issues which interest them and that the information they receive is interesting.

The information that arouses greatest interest concerns the employee area, followed by the company's evolution and information about the work being conducted in other departments. A change in trends in these issues was detected with respect of 2013, when employees were demanding information on the company's performance, including its overall evolution, Business Plan and economic and financial situation.

Informative breakfasts for employees

This initiative arose as a result of the commitment to improve communications with employees by responding to their concerns and informing them about key aspects of the company's strategy. Over 100 informative breakfasts with management – meetings of Gamesa employees with members of the Management and Executive Committees – were held in 2014. More than 10 committee members and 2,101 employees took part in these meetings. As regards these meetings' assessment:

- 83% had no knowledge about the issues dealt with.
- This initiative produced a feeling of belonging and commitment to targets among 80%.
- They helped 96% understand the market situation and company's targets better.
- 99% assessed the speakers positively or very positively.
- 100% found the initiative interesting.
- 100% would recommend the initiative.

Gamesa Planet

The first issue of the internal corporate magazine *Gamesa Planet* was sent by e-mail in February. This monthly publication is also sent in PDF format to Gamesa plant managers in Brazil, Spain, India and China, so they can print it out and pin it onto bulletin boards. The ten editions of the magazine had 11,684 sessions and the average visit lasted 2'50".

Engagement with investors and shareholders

The company maintains numerous channels of engagement with shareholders, investors and analysts open:

- The corporate website has a specific area dedicated to investors and shareholders and 121,451 of its pages were viewed in 2014.
- Results presentations were followed by 785 people.
- The Shareholder Information Office responded to 291 calls.
- The Investor Relations Department made visits in 2014 to financial centers like Madrid, London, Frankfurt, Geneva, Zurich, Stockholm, Oslo and Stavanger. Four road shows, one more than in 2013, were held over the year.
- The company was present at eight conferences aimed at institutional investors in Frankfurt, Lisbon, London and Madrid in 2013.
- General Shareholders' Meeting: 49.22% attendance of share capital. Followed by 80 people.
- Shareholder Services Mailbox: 82 queries.
- Institutional Investors and Analysts Mailbox: 303 queries.
- Ongoing contact with 24 firms of analysts.

G4-27

Key topics and concerns that have been raised through stakeholder engagement

The process of managing the means of engagement described in section G4-26 above means that Gamesa analyzes and assesses the information it receives and identifies the issues which concern the different stakeholders. Said issues are analyzed by the company's different areas and, in so far as it is considered appropriate, lead to a response by the Company, which aims to improve said stakeholders' satisfaction with the issues thus identified. In general terms, the most relevant thematic areas which were dealt with in 2014 are summed up in the following table:

Table 54.- Main topics of interest to stakeholders

Stakeholder	Main topics broached by each group
Customers	<ul style="list-style-type: none"> • Codes of conduct and anti-corruption practices • Labor practices • Health and safety policies • Human rights in the working environment and supply chain • Climate change policies and emission controls • General economic management • Product responsibility • Environment of renewable energy
Shareholders, investors, ESG analysts and indexes	<ul style="list-style-type: none"> • Corporate governance, policies practices and model; General Shareholders' Meeting • Economic and financial situation and general economic management • Resolution for cases of conflict of interest • Supplier relationship policies based on ethical principles • Position in the renewable energy sector
Public administrations and regulators	<ul style="list-style-type: none"> • General sustainability practices • Reporting transparency practices • Good corporate governance
Employees	<ul style="list-style-type: none"> • General labor conditions • Health and safety conditions • Training offers and practices to promote employability
Suppliers	<ul style="list-style-type: none"> • Responsible procurement policies and practices • Procurement area's knowledge of and relationship with suppliers • Supplier development
Society	<ul style="list-style-type: none"> • Contribution of Gamesa to society as a whole • Environment and products, environmental impact. • Policies and management systems for community relations • Identification and management of company projects' social impact • Policy to contribute to local development through social investment programs
Mass media	<ul style="list-style-type: none"> • The company's strategy and positioning • Topics connected with good corporate governance • Economic and financial topics • Position in the renewable energy sector

Gamesa can provide direct responses through the above-mentioned channels of engagement and through the different public reporting formats developed, of which this report is a good example, with the methodology described in the previous sections and the processes to identify material aspects described in sections G4-18 to G4-21.

I.05.- REPORT PROFILE

G4-28	Reporting period
	Financial year 2014. This Corporate Responsibility Report is the eleventh (11 th) published by Gamesa on an annual basis. The period covered by this document reflects Gamesa's activities in 2014 and provides information on some significant events in the first quarter of 2015.
G4-29	Date of previous report
	Financial year 2013 (published in April 2014)
G4-30	Reporting cycle of the report
	Annual
G4-31	Contact point for questions regarding the report
	<p>For any general question regarding the report, please contact:</p> <p>Gamesa Corporación Tecnológica, S.A. Corporate Social Responsibility Department Parque Tecnológico de Bizkaia, Edificio 222 48170 Zamudio, Vizcaya, Spain Tel No.: 902.73.49.49; e-mail: sostenibilidad@gamesacorp.com</p> <p>This full document is only available in electronic format in either Spanish or English on the Gamesa corporate website (www.gamesacorp.com).</p>

GRI Content Index

G4-32	GRI Content Index regarding the "in accordance" option chosen
	This report has been drawn up following the core option of the GRI G4 Guidelines. Due to its size, the GRI G4 Content Index has been placed in Annex I (p. 142) of this report.

Assurance

G4-33	External assurance of the report
	<p>An external organization has been asked to independently assure the information on social and environmental practices contained in this report for the ninth (9th) year in a row.</p> <p>Ernst & Young was commissioned to conduct such assurance and the independent external assurance report is included in Annex II (p. 148) of this report.</p>

I.06.- GOVERNANCE

Governance structure and composition

G4-34 Governance structure

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

General Shareholders' Meeting

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

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

- a) Appointment, re-election and removal of directors and liquidators, as well as the ratification of any directors appointed by co-option and setting the number of directors within the limits set forth in the Bylaws.
- b) Approval, as appropriate, of company remuneration schemes consisting of the delivery of shares or stock options which are benchmarked to the share price.
- c) Appointment, reappointment and removal of the auditors of accounts.
- d) Censure the company's management and approval, as appropriate, of the prior year's annual accounts and the proposal for distributing the result.
- e) Increase and reduce share capital, as well as delegating the power to increase share capital to the Board of Directors, including the power to do away with or limit preferential subscription rights.
- f) Issue bonds and other marketable securities and delegate the power to issue them to the Board of Directors.
- g) Authorize the derivative acquisition of treasury stock.
- h) Approve and amend these Regulations.
- i) Amendment of the Bylaws.
- j) Mergers, spin-offs, transformations, global assignment of assets and liabilities, moving the registered address abroad, subsidiarization and segregation of the company.
- k) Wind up the company.
- l) Transactions whose effect would be equivalent to winding up the company.
- m) Approval of the final liquidation balance sheet.
- n) Acquisition or divestment transactions involving essential operating assets, where they involve an effective modification of the corporate purpose.
- o) Exclusion or limitation of preferential subscription rights.

Table 55.- Attendance data of General Meetings

	2014	2013	2012	2011
Date of General Meeting	28-05-2014	19-04-2013	29-06-2012	25-05-2011
% attending in person	22.73%	21.88%	23.66%	39.39%
% by proxy	26.49%	17.17%	8.43%	10.71%
% remote voting	0.00%	0.00%	0.00%	0.00%
Total attendance	49.22%	39.05%	32.09%	50.10%

Note: Additional information can be found in the Annual Corporate Governance Report 2014, Section B

Board of Directors

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

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

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

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

Table 56.- Table on the Board of Directors' composition (at December 31, 2014):

Name or trade name name of director	Position held in the Board	Date first appointed	Date last appointed	Appointment 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	19/04/2013	General Meeting
Rodríguez-Quiroga Menéndez, Carlos	Director and Secretary	27/09/2001	19/04/2013	General Meeting
Vázquez Egusquiza, José María	Director	25/05/2007	19/04/2013	General Meeting
Lada Díaz, Luis	Director	23/10/2009	19/04/2013	General Meeting
Aracama Yoldi, José María	Director	08/03/2011	19/04/2013	General Meeting
Rubio Reinoso, Sonsoles	Director	14/12/2011	29/06/2012	General Meeting
Aldecoa Sagastasola, José María	Director	25/07/2012	19/04/2013	General Meeting
Castresana Sánchez, Ramón	Director	25/07/2012	19/04/2013	General Meeting
Moreu Munaiz, Manuel	Director	08/03/2013	19/04/2013	General Meeting
Cortajarena Manchado, José Antonio	Deputy Secretary, Non-Member	N/A	N/A	N/A

Information on the Board of Directors' composition, as well as the personal and biographical profiles of its members can be found in section C.1.3 of the Annual Corporate Governance Report and on the company's website. Likewise, a table containing information on the number of female directors in the last four years can be found in section C.1.4.²⁴

The Boards' Committees

The Board of Directors of Gamesa has an Executive committee endowed with general decision-making powers and two specialized committees to deal with specific areas of activity entrusted with powers to report, advice, put forward proposals and exercise oversight and control: the Audit and Compliance Committee and the Appointment and Remuneration Committee.

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

²⁴ Link: <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/corporate-reports/corporate-governance-annual-reports-20010.html>

Executive Committee

At its meeting held on January 10, 2012, the Board of Directors resolved, after having received a favorable report from the Appointments and Remuneration Committee, to set up an Executive Committee comprised of five (5) members to which all powers are to be delegated, except those which cannot be delegated under the Law and the Bylaws. The details on its regulations and functioning are set forth in Article 17 of the Board Regulations.²⁵

Table 57.- Table on the Executive Committee's composition (at December 31, 2014):

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

Audit and Compliance Committee

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

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

Table 58.- Table on the Audit and Compliance Committee's composition (at December 31, 2014):

Name	Position	Type	Representation
Lada Díaz, Luis	Chairman	Independent external	N/A
Rubio Reinoso, Sonsoles	Member	Proprietary external	Iberdrola, S.A.
Vázquez Egusquiza, José María	Member	Independent external	N/A
Moreu Munaiz, Manuel	Member	Independent external	N/A
Rodríguez-Quiroga Menéndez, Carlos	Secretary, Non-Member	N/A	N/A

The Audit and Compliance Committee's basic responsibilities are set forth in Article 18.4 of the Board Regulations and Articles 6 to 11 of the Audit and Compliance Committee Regulations. The new consolidated text of the Board of Directors Regulations and the new consolidated text of the Audit and Compliance Committee Regulations have both reinforced the competences of the Audit and Compliance Committee in accordance with the new responsibilities set forth in Act 19/1988 of 12 July on the Auditing of Accounts as a result of the amendment made by Act 12/2010 of 30 June. Thus, new competences are required of the Audit and Compliance Committee, such as reviewing the weaknesses of the internal control system together with the auditors, overseeing its effectiveness and the obligation to issue an annual report prior to issuing the audit report expressing an opinion on the auditors' independence.

The Audit and Compliance Committee may seek external professional advice to better fulfill its duties. The Audit and Compliance Committee issues its own annual activity report, which is made publicly available on the company's website²⁶

²⁵ Link: <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/>

²⁶ Link <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/board-of-directors/audit-and-compliance-committee.html>

Appointments and Remuneration Committee

The Appointment and Remuneration Committee shall have a minimum of three (3) and a maximum of five (5) non-executive directors. The Board of Directors shall endeavor to ensure that the members of the Appointments and Remuneration Committee are appointed taking into account their knowledge, capacity and experience in the matters entrusted to the Appointment and Remunerations Committee. The basic responsibilities of this committee are set forth in Article 19 of the Board Regulations.

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

Table 59.- Table on the Appointments and Remuneration Committee's composition (at December 31, 2014):

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

G4-35 Delegation of authority from the highest governance body to senior executives and other employees

The Executive Committee and the Chairman and Chief Executive Officer have been delegated with all the Board of Directors' powers, except those which cannot be delegated according to the Law or the Bylaws. Furthermore, the Board of Directors has a structure of executives and employees who are attorneys in fact to implement its strategy and basic management guidelines. The powers included in the powers of attorney are granted according to two main principles: the first is the principle of joint signing, which governs any economic, dispositional or organizational powers and the other is the principle of severally signing, which governs any powers that are merely representational in nature. These principles are set forth in an internal rule approved by the Chief Executive Officer, which lays down the same scheme for the bodies of governance of other companies in Gamesa Group.

G4-36 Executive-level positions with responsibility for economic, environmental and social topics

The Company's organization is equipped with departments holding responsibility for the economic, social and environmental areas attributed to general departments, the highest ranking officers of the three departments mentioned above form part of the Management Committee, which is chaired by the Chairman and Chief Executive Officer, thereby ensuring that information reaches the Board of Directors directly. Aside from the foregoing, the highest ranking officers of these departments appear before the Board of Directors when they are required to do so.

Table 60.- Table on the organization's operating structure

Office / Position	Name and Surname(s)
Executive Chairman	Ignacio Martín San Vicente
Chief Operating Officer	Xabier Etxeberria Muguruza
Chief Corporate Officer – General Secretary	José Antonio Cortajarena Manchado
Chief Financial Officer	Ignacio Artázcoz Barrena
Chief Business Development Officer	David Mesonero Molina
Internal Audit Director	Félix Zarza Yabar

G4-37

Processes for consultation between stakeholders and the Board of Directors

The company has a Shareholder Information Office which deals with Shareholders on a daily basis and responds to any queries they may raise. The aforementioned office is coordinated by the Investor Relations Department, which reports directly to the Chairman. Shareholders can ask questions by telephone, traditional mail or e-mail. The various addresses and numbers are posted on the company's website.

In accordance with Article 22 of the General Shareholders' Meeting Regulations, on the day the General Shareholders' Meeting is held, the Shareholder Information Office responds to any questions raised by those in attendance regarding the meeting's proceedings prior to the meeting itself without prejudice to the shareholders' right to speak, table proposals and vote granted to them by the Bylaws. It also deals with and informs those in attendance and shareholders who wish to take the floor, draws up a list of those who have previously expressed their wish to intervene and compiles the texts of their interventions, if they are available in writing.

In accordance with prevailing legislation, any shareholders representing at least three (3) per cent of the company's share capital may request the publication of an addition to the General Shareholders' Meeting announcement that includes one or more points on the agenda. This right shall be exercised by means of giving irrefutable notice thereof, which must be received at the company's registered address within five (5) days from the date the announcement of the General Shareholders' Meeting is published.

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

Likewise, any shareholders representing at least three (3) per cent of share capital may table grounded proposals for resolutions on any issues already included or which are to be included in the agenda of the General Shareholders' Meeting within the same time limit set forth in the preceding paragraph.

In accordance with Article 539.2 of Corporate Enterprises Act, the company set up an electronic shareholders' forum when the 2014 General Shareholders' Meeting was called in order to facilitate communications among Gamesa shareholders between the date of the call and the date of the General Meeting. Registered users will be able to send communications, which will be posted on the forum solely for the following purposes:

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

It should likewise be highlighted that any contents which must be published are accessible from the website's home page, as well as in the "Shareholders and Investors" section in accordance with the Securities Market Act, Circular 1/2014 of March 17 of the National Securities Market Commission (CNMV) and Order ECC/461/2013 of March 20 of the Ministry of the Economy and Competitiveness.

G4-38 Composition of the highest governance body

The composition of the Company's highest governance body is duly set out in section G4-34 of this report and in the Annual Corporate Governance Report. According to the information set out in the aforementioned section G4-34, the Board of Directors is made up of ten members, of whom two are executive directors, two proprietary directors and the remaining six are independent directors.

That same section also provides a breakdown of the composition of each of the Board of Directors' Committees, including: the Executive Committee, the Audit and Compliance Committee and the Appointments and Remuneration Committee.

G4-39 Report whether the chair of the highest governance body is also an executive officer and the reasons for this arrangement

The Chairman of Gamesa is also the company's Chief Executive Officer and is therefore its highest ranking executive officer.

After receiving a favorable report from the Appointments and Remuneration Committee, Gamesa's Board of Directors unanimously resolved to appoint Mr. Ignacio Martín San Vicente as Chairman of the Board of Directors and as the company's Chief Executive Officer at its meeting held on May 23, 2012. It delegated all powers to him that correspond to the Board of Directors according to Law and the Bylaws, except those that may not be delegated.

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

- To convene the Board of Directors, either himself or through the Board Secretary, and set its agenda, which is obligatory, as well as to include in the agenda any matters requested by the lead independent director or at least three directors;
- To direct the Board of Directors' deliberations;
- To organize and coordinate with the Chairmen of the relevant committees the Board of Directors' periodic assessment, as well as of the Chief Executive Officer or highest ranking executive;
- To bring proposals before the Board which he may deem appropriate to ensure the company is properly run, especially concerning how the Board itself and other corporate bodies are run, and to propose people to hold the offices of Deputy Chairman, Secretary and Deputy Secretary of the Board.

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

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

- 1.- When assessing the advantages and disadvantages of joining or separating the offices of Chief Executive Officer and Chairman of the Board of Directors, the Unified Code of Good Governance does not oppose joining both powers. It only indicates that it should be accompanied by the necessary checks and balances (Recommendation 17 of the Unified Code of Good Governance, now Recommendation 16 according to the new Annual Corporate Governance Report format laid down by Circular 5/2013 of June 12²⁷).

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

²⁷ Recommendation No. 17 of the National Securities Market Commission's (CNMV) Unified Code of Good Governance for Listed Companies sets forth that, where the Chairman of the Board is also the Chief Executive Officer of the company, one of the independent directors is to be empowered to request the calling of a Board meeting or the inclusion of new items on the agenda, to coordinate and take note of the concerns of non-executive directors, and to direct the evaluation of the Chairman by the Board.
http://www.cnmv.es/DocPortal/Publicaciones/CodigoGov/Codigo_unificado_Esp_04.pdf

- Appointing one of the company's Independent Directors as Deputy Chairman;
 - Appointing one of the company's Independent Directors as a specially empowered director (lead independent director);
 - Absence of the Chairman and Chief Executive Officer at the meetings held by the Board's consultative and supervisory committees (Audit and Compliance Committee and Appointments and Remuneration Committee);
 - Competences of the Board of Directors and reserving certain competences for the Executive Committee as a collegiate body;
 - Assessment conducted on the Chairman and Chief Executive Officer by the Board of Directors, a process which is led by the Appointments and Remuneration Committee.
- 2.- As a reflection of Spanish customs, only 34% of the companies comprising the Ibex-35 opted for a separation of offices (*Annual Corporate Governance Report of IBEX 35 companies, financial year 2013, National Securities Market Commission*). This originates from the high percentage of business, financial or family groups that are major or controlling shareholders in Spanish companies. This situation is not unknown to Gamesa, where there is an important shareholder (Iberdrola, S.A.) which exerts a controlling interest and limits the risk of excessive power being vested in an executive chairman.
- 3.- In some countries highly developed in the area of corporate governance, the reality of this issue does not in all cases suggest the separation of offices. In the United States, 53% of the companies listed on the S&P 500 have an executive chairman (*Spain Board Index 2014, Spencer Stuart*). In addition, Section 972 of the Dodd-Frank Act (July 2010) requires – like the Spanish Unified Code of Good Governance – an explanation for joining the offices and the reasons behind it should an accumulation of offices exist. In France, the two main codes or principles of good governance which can be taken as a reference (*Code of Gouvernement D'entreprise des Sociétés Cotées* and *Recommandations sur le Gouvernement d'Entreprise*) have taken different stances regarding the recommendation to separate or join the offices. They either do not take a stance in favor of either option or recommend the separation of offices. However, the accumulation of these offices is allowed, as long as it is duly justified, explained and accompanied with the appointment of a lead independent director.
- 4.- Lastly, regarding the reasons for having an Executive Chairman, if adequate control and oversight of the risk, as well as the best management of any possible conflicts of interest are among the main arguments used to promote the separation of offices, there are equally valid and more efficient alternatives. Gamesa has such solutions:
- a) A risk control system: Gamesa is equipped with a well-honed organizational structure that provides value by working on risk control and management.
 - b) Appropriate regulations and oversight of potential conflicts of interest and transactions with significant shareholders that require, on the one hand, an obligation of internal communication, abstention of the affected parties from all deliberations and decisions and lastly a prior report issued by the Audit and Compliance Committee, along with a justified decision by the Board of Directors (Article 35 of the Board of Directors Regulations)

Information on the Executive Chairman can be found in sections C.1.2, C.1.3, C.1.10 and C.1.22 of the Annual Corporate Governance Report. Information on the risk control system can be found in section E of the Annual Corporate Governance Report and information on conflicts of interest in section D.6 of the aforementioned report.

G4-40

Nomination and selection processes for the highest governance body

In the different assessment processes commissioned to external companies, the Board of Directors identifies the backgrounds and competencies it requires to ensure it fulfills its responsibilities better and more efficiently. Based on the assessment's results, once a vacancy or the re-election of Directors arises, the circumstances are assessed and candidates are actively sought that have certain competencies. In general terms, an effort is made to seek candidates of the gender having less representation. Among the specialized knowledge and experience required for the selection of members of the Board of Directors, candidates having knowledge about international business stand out, especially about all the dimensions of the markets where Gamesa operates, particularly the economic, environmental and social dimensions.

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

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

- Proprietary directors: any directors (i) who hold an interest which is equivalent to or exceeds the figure legally deemed as significant or appointed due to their status as a shareholder despite the fact that their interest does not reach such figure; or (ii) whose appointment has been proposed to the Company by a shareholders set forth in item (i) above. For the purposes of this definition, it shall be assumed that a director has been proposed to the Company by a shareholder where he: (i) has been appointed through the right of representation being exercised; (ii) is a director, senior executive, employee or non-occasional service provider of such shareholder or companies belonging to its same group; (iii) it can be deduced from corporate documents that the shareholder assumes that the director represents or has been appointed by such shareholder; (iv) is the spouse or a related party of the shareholder through an analogous personal relationship, or a relative up to the second degree of kinship.
- Independent directors: any directors appointed due to their personal or professional qualities and ability to perform their functions without being conditioned by relationships with the company, its significant shareholders or its senior management.
- Other non-executive directors: any directors not deemed as proprietary or independent directors.

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

- a) Anyone who has been an employee or Executive Director of group companies, except where three or five years have respectively elapsed since they stood down from such offices.
- b) Anyone who receives from the Company or its group any amount or benefits for an item other than remuneration as a director, except where such amount or benefits are insignificant.
For the purposes set forth in this paragraph, neither dividends nor pension scheme complements received by the director arising from his/her previous professional or employment relationship shall be taken into consideration, as long as such complements are unconditional and consequently the company paying them out may not do so discretionally without breaching obligations or suspending, amending or revoking entitlements.
- c) Anyone who is or has been a partner of the external auditor or those holding responsibility for the audit report during the last three (3) years, whether it be of the Company's audit or that of any other group company during the aforementioned period.
- d) Anyone who is an executive director or senior executive of another company in which some executive director or member of senior management of the company is a non-executive director.
- e) Anyone who maintains or has maintained during the past year a significant business relationship with the Company or with any of the companies of its group, be it on their own behalf or as a significant shareholder, director or senior executive of an organization that maintains or has maintained such a relationship.

The provision of goods or services, including financial and advisory or consultancy services, shall be construed as business relationships.

- f) Anyone who is a significant shareholder, an executive director or a senior executive of an organization that receives or has received during the last three years significant donations from the Company or its group.
Anyone who is merely a governing board member of a foundation which receives donations shall not be included among those set forth in this paragraph.
- g) Spouses or related parties through an analogous relationship of an executive director or member of senior management of the company, as well as their family members up to the second degree of kinship.
- h) Anyone whose appointment or renewal has not been put forward by the Appointments and Remuneration Committee.
- i) Anyone finding themselves in any of the circumstances set forth in items a), e), f) or g), as regards a significant shareholder or a shareholder represented on the Board of Directors. In the case of the family relationships set forth in item g), the limitation shall not only apply as regards the shareholder but also to proprietary directors appointed at the proposal of such shareholder. Proprietary directors whose status as such ceases to be the case as a result of the shareholder who put forward his/her appointment selling their interest may only be reappointed as independent non-executive directors when the shareholder that has put forward his/her appointment has sold their entire interest in the company.

Directors who own an interest in the company may be considered as independent directors, provided they meet all the conditions set forth in this paragraph and where their interests do not constitute a significant shareholding.

Information on the composition of the governing body can be found in the Annual Corporate Governance Report in sections C.1.2 and C.1.3 and on the company's website.

G4-41 Procedures to ensure conflicts of interest are avoided in the highest governance body

Section D.6 of the Annual Corporate Governance 2014 describes the mechanisms implemented to detect and resolve any possible conflicts of interest between Gamesa and its directors, executives and significant shareholders.

The company has had a specific rule entitled "Rule on the Prevention of Conflicts of Interest and/or Cases of Corruption and/or Bribery" to complement this information since 2009, which was reviewed in 2011, and is set forth in sections 3.7 (Fight against fraud. Rejecting corruption and bribery) and 3.8 (Avoiding conflicts of interest) of the Code of Conduct. Likewise, the "Crime Prevention and Anti-Fraud Policy" is worth mentioning. It was approved in 3.8 and serves as a general framework for the Corporate Defense Program.

The rule is comprised of a set of guidelines addressing honesty, impartiality and professionalism. They serve as a guideline for the behavior of Gamesa's entities and people, placing special attention on third parties. The rule enables the company to take a firm stance in the relevant markets based on respect and consideration for shareholders, employees, customers, suppliers, contractors and collaborators of the company, along with public authorities and the community as a whole through the Gamesa's actions.

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

- a) The basic responsibilities the Board of Directors include: authorizing operations or transactions that may involve conflicts of interest (i) with the company or group companies; (ii) with directors or their related parties; (iii) with shareholders holding significant stakes or represented on the Board of Directors and their related parties; (iv) with senior management and executives; and (v) regarding any other relevant transaction concerning the same, except where it is not necessary pursuant to the provisions set forth in Article 41.5 of the Board of Directors Regulations.

- b) The basic responsibilities of the Audit and Compliance Committee include providing information about transactions that entail or could entail conflicts of interest or about transactions with shareholders owning a significant interest and, in general terms, concerning the matters set forth in Chapter IX of the Board of Directors Regulations.

Likewise, the Audit and Compliance Committee is assigned with the basic responsibility of approving transactions entailing a conflict of interest or transactions with a shareholder holding a significant interest under the terms set forth in Articles 35.6 and 41.4 of the Board of Directors Regulations and in compliance with them, when it is so charged by the Board's Chairman.

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

The information on the mechanisms to deal with possible conflicts of interest can be found in section D.6 of the Annual Corporate Governance Report (ACGR), where considerations on the following are set out in detail:

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

Highest governance body's role in setting vision, values, and strategy

G4-42

Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies and goals

Gamesa's values have been the following since 2010: Teamwork, Innovation, Excellence, Respect and Sustainability.

Furthermore, Gamesa considers the following as attitudes for success: leadership, a global company and being customer-driven.

Gamesa's corporate principles and values apply across the entire company in all its different regions and to all the businesses which comprise it.

These values, as well as the Principles of Corporate Social Responsibility are reflected in the Gamesa Code of Conduct²⁸ and govern the conduct of the companies making up Gamesa. They also govern people in the performance of their duties and work, as well as in their commercial and professional relationships in order to consolidate a universally accepted corporate ethics.

The Code of Conduct is reviewed periodically (the last review of the Code of Conduct's text and subsequent approval thereof by the Board of Directors took place on November 10, 2011) and it was placed at the disposal of employees via the Internet and the intranet, along with the main changes and scope of some of the rules. It was also posted on bulletin boards and specific explanatory chats were given to employees lacking connections to the corporate intranet.

Meetings of the Company's executives are held on an annual basis, where special emphasis is placed on values and their significance in the management of all the organization's areas.

²⁸ <http://www.gamesacorp.com/en/sustainability/principles.html>

Highest governance body's competencies and performance evaluation

G4-43

Highest governance body's collective knowledge of economic, environmental and social topics

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

- **The Board of Directors:** the highest body of governance which sets and approves the company's strategies and general policies, the business plan and annual budgets, and oversees their attainment. The general policies approved by this body are connected with the Crime Prevention and Anti-Fraud Policy, Risk and Opportunity Control and Management, the Dividend Policy, the Corporate Social Responsibility Policy, the Treasury Stock Policy, the Investment and Financing Policy, and Corporate Governance.
- **The Executive Committee:** a collegiate body set up within the Board of Directors to facilitate the effective administration of the company's business. This body provides support to the Board of Directors' decision-making in a context marked by the company's increasing globalization and has the power to adopt decisions, allowing them to be taken more quickly, rapidly and directly.
- **Chairman and Management Team (Executive Committee and Management Committee):** with the support provided by the Executive Committee and the company's senior executives, the Chairman and Chief Executive Officer holds responsibility for the group's strategic organization and coordination by disseminating, implementing and monitoring the basic management strategy and guidelines set by the Board of Directors. The Executive Committee is comprised of senior executives and provides technical, information, management and decision-making support on the setting, oversight, organization and monitoring of general management guidelines, as well as on the strategic planning of the business.
- **The Audit and Compliance Committee and Internal Auditing (Business Risk Control):** the Audit and Compliance Committee oversees the internal risk control and management systems on a monthly basis, among other matters. The Internal Auditing Area provides independent supervision of the internal control system and reports to the Audit and Compliance Committee. The Corporate Business Risk Control (BRC) Department sets guidelines and coordinates activities with the Risk Controller Network and BRC managers in the different geographic areas. It also appears before the Audit and Compliance Committee.
- **The Appointments and Remuneration Committee:** this committee handles the recruitment process for members of the Board of Directors and assesses the appointment of senior executives. It likewise proposes the director and senior executive remuneration policy to the Board of Directors and is in charge of its oversight.

The appearances of a significant number of senior executives from the company's different areas and departments before the committees in order to give an overview to the committees' members stands out within the framework of overseeing economic performance:

- Human Resources: twice at the Appointments and Remuneration Committee.
- Different departments: 62 times at the Audit and Compliance Committee. (see table)

Table 61.- Appearances of senior executives before the Audit and Compliance Committee 2014

Department	Appearances in 2014	Department	Appearances in 2014
General Executive Management Department	1	Business Risk Control Department	2
Tax Area Department	5	Management Control Department	2
General Financial Department	14	Project Department	2
General Counsel's Office and General Corporate Department	7	Information Systems Department	2
Legal Department	4	Technology Department	1
General Services Unit Department	1	Consolidation Department	2
Investor Relations Department	4	Regulatory Compliance Unit	5
Sales Department	1	External auditors of accounts	9

Note: The Internal Audit director regularly attends all Committee meetings

G4-44 Highest governance body's performance

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

In order to evaluate their performance in 2013, both The Appointments and Remuneration Committee and the Audit and Compliance Committee brought reports on how they were run before the Board of Directors. In the case of the Appointments and Remuneration Committee it also brought separate assessments on the Chairman and Chief Executive Officer, the Board of Directors and the Executive Committee before the Board. All these reports were examined and approved by the Board of Directors at its meeting held on January 29, 2014. A new evaluation process was initiated involving the advice of external consultants to evaluate the performance of these bodies in 2014. Although this process has not yet come to an end, it entails a more thorough assessment than the ones conducted in previous years.

Highest governance body's role in risk management

G4-45 Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities, including its role in the implementation of due diligence processes and stakeholder consultation

Gamesa has a Risk and Opportunity Management and Control System in place across the entire organization (business units, departments, companies and processes), which is promoted by the Board of Directors and senior management. It follows the strategic guideline of globalizing industrial, technological and commercial activities in the different geographic areas where the company operates. The system provides a global integrated overview that contributes to achieving business objectives, in addition to creating value for different stakeholders and aiding the organization's sustainable and profitable development.

The system is based on a universal risk control and management model to classify risks known as the Business Risk Model (BRM), which was adopted by the Board of Directors in 2004 and updated in 2014. The system considers and groups together risks under four main categories: (1) strategic and business environment risks; (2) process risks; (3) reporting reliability risks for decision-making; and (4) ethical, compliance and corporate governance risks. Each of these categories is in turn itemized into other specific risks.

The Gamesa Risk and Opportunities Management and Control Policy approved by the Board of Directors on April 22, 2009 is the foundation of this system. It sets the basis and general context upon which all risk management and control components lay, providing structure and discipline for such components, including: management philosophy, identification model, assessment, risk measurement and control, acceptable risk levels, communications, reporting and oversight exercised by the Board of Directors, integrity, ethical values, competencies and assignment of responsibilities.

As for the highest governance body, its committees and dependent bodies and their responsibilities for the oversight and control of the risk management system, the following should be noted for each of them:

- **Board of Directors:** The Company's highest decision-making and oversight body which examines and authorizes all relevant operations. It exercises the responsibility of supervision and is ultimately responsible for identifying the main risks affecting the Company. Furthermore, it is also responsible for approving the Company's general policies and strategies and setting the risk control and management policy, including tax-related risks, and for supervising internal reporting and control systems.

- **Audit and Compliance Committee:** Among others, it has been entrusted by the Board of Directors with the functions of:
 - Overseeing the financial reporting process and reviewing the periodic and/or mandatory reporting that the Company has to disclose on a regular basis to the market and its supervisory bodies with the thoroughness required to ensure the correctness, reliability, sufficiency and clarity of such reporting.
 - Supervising the effectiveness of the company's internal controls, its internal auditing and its risk management, including tax-related risks, as well as discussing with the auditors of accounts any significant weaknesses detected in the internal control system during the performance of an audit.
 - Ensuring that the risk control and management policy identifies the different kinds of risks (operating, technology, financial, legal, reputation-related, etc. risks) faced by the Company, including contingent liabilities and other out-of-balance risks among financial risks.
 - Overseeing the drawing up and review of the map and risk levels which the Company deems acceptable, as well as any measures laid down to mitigate the impact of the risks identified.

- **Regulatory Compliance Unit (RCU) :** The Regulatory Compliance Unit is the collegiate body entrusted with overseeing and monitoring the regulatory environment affecting Gamesa's activity and reports to the Management Committee and the Audit and Compliance Committee.
 It likewise supervises and safeguards compliance with the Internal Rules of Conduct Regarding the Securities Markets and the Code of Conduct, holding special responsibility for promoting a culture of compliance and the prevention of corruption, bribery and potential conflicts of interest within the Group.
 This unit was transformed into the Ethics and Compliance Department at the end of 2014 and will commence operations in 2015.

- **Internal Auditing Department:** Reports directly to the Board of Directors, on which it depends through the Audit and Compliance Committee. This allows it to ensure the full independence of its actions.
 Its role is to contribute to the Group being properly run by guaranteeing effective independent supervision of the internal control system and by providing the Group with recommendations that contribute to reducing the potential impact of any risks that hinder the attainment of the organization's targets to reasonable levels.
 It also aims to serve as a channel of communications between the organization and the Audit and Compliance Committee regarding any matters within the responsibilities of Internal Auditing.

- **Business Risk Control (BRC) Department:** Reports to the Internal Auditing Department, safeguards the control and management of any risks that may affect the attainment of the company's targets and ensures that suitable policies, control mechanisms and indicators are in place.

G4-46

Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics

These roles can be found in section E "Risk Control and Management Systems" of the Corporate Governance Report 2014. Supervision is conducted on at least a quarterly basis.

G4-47

Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

These roles can be found in section E "Risk Control and Management Systems" of the Corporate Governance Report 2014. Supervision is conducted on at least a quarterly basis.

Highest governance body's role in sustainability reporting

G4-48 **Highest committee or position that formally reviews and approves the sustainability report**

The Board of Directors of Gamesa is the body responsible for reviewing and approving this Corporate Responsibility Report 2014, which was approved on March 24, 2015.

Highest governance body's role in evaluating economic, environmental and social performance

G4-49 **Process for communicating critical concerns to the highest governance body**

The process for communicating critical concerns to the highest governance body is set out in detail in section G4-43 contained herein. Please see said section.

G4-50 **Critical concerns that were communicated to the highest governance body**

The Board of Directors of Gamesa is aware of the concerns which lie within its competence, as set forth in detail in Article 5 of the Board of Directors Regulations. These concerns may be classified under the following categories:

- The Company's general strategies and policies
- Group of companies
- General management
- General Shareholders' Meeting
- Organization and running
- Annual accounts, transparency and veracity of reporting

Remuneration and incentives

G4-51 **Remuneration policies for the highest governance body and senior executives , as well as how they relate to economic, environmental and social performance**

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

The Board of Directors' remuneration shall be in keeping with market rates.

The remuneration of members of the Gamesa Board of Directors for their work as directors consists of a fixed annual remuneration item of a certain amount (including, as appropriate, contributions to pension schemes and the payment of life insurance premiums) for sitting on the Board and on the Executive, Audit and Compliance and Appointments and Remuneration Committees, along with an attendance allowance for their dedication and attendance at Board of Directors' meetings and the meetings of the above-mentioned committees.

The remuneration received by the Chairman and Chief Executive Officer for performing his executive duties includes the following items: fixed remuneration, annual variable remuneration items and medium/long-term variable remuneration items.

The annual variable remuneration item is benchmarked to the Company's and the Group's objective financial and activity-related target attainment indicators. These indicators are set by the Board of Directors each year at the Appointments and Remuneration Committee's proposal and are essentially based on the annual budget and market guidelines for the year in course. Other indicators having to do with sustainability performance are added to business indicators (like occupational health and safety indicators), which are established in general for all management personnel.

Furthermore, as regards the medium/long-term targets connected with attaining the Group's strategic objectives, the Annual General Shareholders' Meeting of Gamesa Corporación Tecnológica, S.A. held on April, 19 2013 approved, without detriment to the possibility of setting specific targets linked to the performance of strategic operations, the setting up of a Long-Term Incentives Program (hereinafter the "Plan") which includes the handing over of a bonus in cash to the Chairman, senior executives, executives and employees of Gamesa and, as appropriate, of its subsidiaries that is linked to the attainment of the strategic objectives set forth in the Business Plan 2013-2015²⁹.

The plan includes approximately 70 employees as beneficiaries and is benchmarked to the strategic objectives set out in the Business Plan 2013-2015, which include:

- Long-term evolution of the share price in terms of Total Shareholder Return (TSR).
- The Company's profitability and increase in value in terms of Gamesa's EBIT in 2015.
- Financial strength and sustainability in terms of Gamesa's NFD/EBITDA in 2015.
- Corporate Social Responsibility (CSR) in terms of occupational health and safety in 2015.

In general terms, the remuneration policy does not contemplate recurring contributions to pension schemes (pension plans) or contributions to social welfare schemes. However, pursuant to Article 46.1 of the Bylaws, a collective life insurance policy was taken out in 2014 for three (3) years, the beneficiaries of which are all directors holding office, aside from the Chairman and Chief Executive Officer.

G4-52

Process for determining the remuneration of the highest governance body and senior executives, reporting whether any independent consultants are involved

The Board of Directors' remuneration is set in accordance with the Bylaws approved by the General Shareholders' Meeting and with the Board of Directors Regulations approved by said body.

According to Article 31 of the Board of Directors Regulations, the Board shall determine the way and amounts in which the remuneration thus set shall be distributed among its members in each financial year, which may be done on an individual basis.

The remuneration amounts for each director for holding office are approved by the Board of Directors and are itemized in the Annual Director Remuneration Report, which is subject to a consultative vote at the General Shareholders' Meeting.

The Company uses external consultants to determine the Board of Directors' remuneration.

G4-53

Report how stakeholders' views and expectations are sought and taken into account regarding remuneration policies

The Company's General Shareholders' Meeting submits the Annual Director Remuneration Report to a consultative vote on an annual basis. In accordance with prevailing legislation contained in the Corporate Enterprises Act and in Circular 4/2013 of the National Securities Market Commission, the remuneration policy of the year in course, preceding years and future years is set out in detail, including each director's individual remuneration.

Said report was approved with 98.22% of the votes in favor, 0.91% votes against and 0.87% abstentions at the Company's General Shareholders' Meeting held on May 28, 2014.

²⁹ The full text of the resolutions taken at the 2013 General Shareholders' Meeting are available on the website through the following link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/junta-general-accionistas/documentacion-2013-ingles/acuerdos-2013-eng.pdf> as is the way the General Meeting was conducted: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/junta-general-accionistas/documentacion-2013-ingles/desarrollo-junta-2013-eng.pdf>

G4-54 Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation

In order to calculate the ratio of the annual total compensation to the median annual total compensation, the data of all employees – apart from executives – in countries where significant operations are carried out was taken:

Table 62.- Ratio of the annual total compensation for the organization's highest-paid individual to median annual total compensation

Spain	China	Brazil	United States	India
3:1	6:1	3:1	3:1	10:1

G4-55 Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation

In order to calculate the ratio of percentage increase in annual total compensation to the percentage increase in median annual total compensation, the data of all employees – apart from executives – in countries where significant operations are carried out was taken:

Table 63.- Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation in 2014 (in percentage points)

Spain	China	Brazil	United States	India
-2.32 p.p.	-1.33 p.p.	-1.32 p.p.	-2.62 p.p.	-0.00 p.p.

I.07.- ETHICS AND INTEGRITY

G4-56

Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

Values

Since 2010, Gamesa's values have been:

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

Furthermore, Gamesa considers the following as attitudes for success which must accompany the attainment of said values: i) leadership; ii) a global company; and iii) being customer-driven.

Gamesa's corporate principles and values apply across the entire company in all its different regions and to all the businesses which comprise it.

Policies and principles

These values, as well as the Corporate Social Responsibility Policy³⁰, are reflected in the Gamesa Code of Conduct³¹ and govern the conduct of the companies making up Gamesa. They also govern people in the performance of their duties and work, as well as in their commercial and professional relationships in order to consolidate universally accepted corporate ethics.

The Code of Conduct is reviewed periodically (the first edition dates back to 2008 and the last review of the Code of Conduct's text and subsequent approval thereof by the Board of Directors took place on November 10, 2011) and is placed at the disposal of employees via the Internet and the intranet, along with the main changes and scope of some of the rules. It is also posted on bulletin boards and specific explanatory chats are given to employees lacking connections to the corporate intranet.

There is a wide range of corporate policies approved by the Board of Directors to implement these policies and codes aimed at attaining ethical and honest business behavior, including:

- Corporate Governance Policy
- Dividend Policy
- Treasury Stock Policy
- Investment and Financing Policy
- Corporate Social Responsibility Policy
- Crime Prevention and Anti-Fraud Policy

Two new corporate policies were added to them in 2014:

- Diversity and Inclusion Policy³²
- Supplier, Contractor and Collaborator Contracting and Relationship Policy³³

³⁰ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/scr-policy.pdf>

³¹ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/reglamentos-estatutos/english/5.pdf>

³² <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/diversity-and-inclusion-policy.pdf>

³³ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/procurement-and-relationship-policy-with-suppliers.pdf>

Gamesa and the United Nations Global Compact

Gamesa joined the **United Nations Global Compact** on February 2, 2005 (participant ID 4098), thereby ratifying its commitment to support the Compact's ten principles for yet another year.

The management mechanisms implemented and the progress made over the year with regard to these principles are set out throughout this report and briefly explained in the table further below:

Illustration 6.- The United Nations Global Compact's ten principles

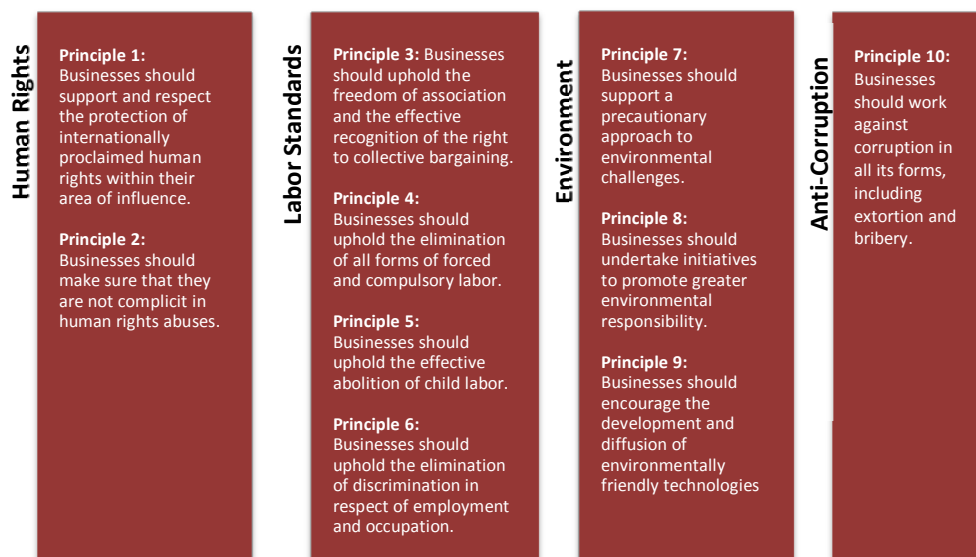


Table 64.- Progress report on compliance with the Global Compact's principles

Principle	Policies and systems implemented	Significant progress made
Principle 1	<ul style="list-style-type: none"> Support and respect for human rights. Adoption of a Corporate Social Responsibility Policy. ⇒Section I.07 Ethics and integrity (p. 61) Support and respect for human rights. Adoption of Values and Code of Conduct ⇒Section I.07 Ethics and integrity (p. 61) Commitment to human rights, the fight against child labor and forced labor. ⇒"Child labor" and "Forced labor" sections (p. 122) Economic, social and environmental performance supervision mechanisms established ⇒Section G4-43 (p. 55 and the following) Priority given to occupational health and safety of employees ⇒"Occupational health and safety" section (p. 103) Justice and equity; employees treated with respect and remunerated in a fair and equitable way ⇒"Diversity and equal opportunities" section (p. 113 and the following) Labor conditions are given priority in talent management and appropriate training given to people ⇒"Training and education" section (p. 110) Responsible management of the global supply chain ⇒Section G4-12 (p. 26 and the following) Protection and defense of human rights in the communities where Gamesa has a presence ⇒Section II.11B Human Rights (p. 119) Corporate safety practices which set out the defense of human rights. ⇒"Safety measures" section on p. 123 Defense of the freedom of association and collective bargaining. ⇒"Freedom of association and collective bargaining" section on p. 121 	<ul style="list-style-type: none"> The company has had a formal Corporate Social Responsibility Policy since 2008, which complies with the provisions set forth in Article 19.1 of the Bylaws and with Articles 5 and 39 of the Board of Directors Regulations. As a result, the 2013-2015 Corporate Social Responsibility Master Plan is being drawn up. ⇒(p. 8) Implementation of the Occupational Health and Safety Plan through 58 full audits conducted, 715 specific training actions on occupational health and safety, 1,345 improvement actions on health and safety, 13,194 safety inspections and 2,464 preventive observations and 95.7% compliance in health screening check-ups. ⇒"Occupational health and safety" section (p. 103) Compliance with the general procurement terms and conditions by suppliers has reached 100% in United States, 96% in China, 96% in India, 84% in Europe and 60% in Brazil. Review of compliance with human rights in the supply chain. In 2013, 321 critical suppliers were assessed (46% of all suppliers identified as critical in this period), which amounted to covering 40.3% of total procurement for a complete 12-month period. ⇒Section G4-12 (p. 26 and the following) Community actions and programs in Spain, Mexico and India aimed at covering basic educational needs and access to other decent conditions. ⇒Section G4-SO2 (p. 128) Commitment made to workers to defend human and labor rights by means of a Global Collective Agreement. ⇒"Relationships between workers and management" section (p. 101)
Principle 2		
Principle 3		
Principle 4		
Principle 5		

Principle	Policies and systems implemented	Significant progress made
Principle 6	Gamesa does not tolerate discrimination and seeks to develop a favorable framework for labor relations based on the equal opportunities. This stance is set out in the Corporate Social Responsibility Policy and in the section 3.3 of the Code of Conduct ⇒ "Diversity and equal opportunities" section (p. 113 and the following)	The percentage of women in the workforce at the end of 2014 amounted to 22% (1,459) and remained steady when compared to previous years. There were 18 people in the workforce with a disability exceeding 33%. People aged above 40 years are the most numerous in the workforce (1,764.27; 27%), followed by employees aged between 31-35 years (1,705; 27%), employees aged between 36-25 years accounted for 25%, those between 30-30 years for 25% and finally employees aged less than 25 years (3%). Spaniards are a majority at Gamesa, accounting for 59.6% of the workforce, followed by Indians (16%) and Chinese (8.9%). ⇒ "Diversity and equal opportunities" section (p. 113 and the following)
Principle 7	Responsibility for protecting the environment in wind turbine design and manufacturing processes by applying management requirements in accordance with the ISO 14.001 standard and other environmental standards which apply. ⇒ Section II.10 Environmental Dimension (p. 76 and the following)	<ul style="list-style-type: none"> • ISO 14.001 certified product. • Ecodesign ISO 14006 certification for G128-4.5 MW turbine • Ecodesign ISO 14006 certification for G114-2.0 MW turbine • Greenhouse gas emissions verified according to ISO 14064. • Life cycle assessment (LCA) on the G90 platform in accordance with the UNE-IN-ISO 14.040 and 14.044 standards. • Environmental product declaration (EPD) for Gamesa G-90 and G-114 products obtained ⇒ Section G4-EN28 (p. 95)
Principle 8	Commitment to researching and developing environmentally friendly products that produce long-term environmental benefits. ⇒ "Products and services" section (p. 95)	<ul style="list-style-type: none"> • €76 million invested in R&D activities in 2014 and holder of 700 patents. ⇒ "Investing in innovation" section (p. 70) • Participation in wind energy research projects: Windtrust, Floatgen and Innwind. ⇒ "Economic performance" section (p. 70)
Principle 9	Gamesa employs and distributes clean energy. It is committed to environmentally exceptional technologies which allow the use of finite resources to be reduced and existing resources to be used more efficiently. ⇒ Section G4-2 (p. 6) and G4-4 (p. 17)	<ul style="list-style-type: none"> • An environmental portfolio amounting to 31.28 GW installed for our customers which avoid the emission into the atmosphere of 46 million tons of CO₂ a year. ⇒ Section G4-2 (p. 6)
Principle 10	Gamesa makes sure its activity is based on respect for the Law and on the fight against corruption in all its forms. This stance is set out in the Corporate Social Responsibility Policy and in the section 3.7 of the Code of Conduct. ⇒ "Fight against corruption" section (p. 131 and the following)	<ul style="list-style-type: none"> • Whistle blowing channel available on the intranet, the website and by post, as well as a system of rights, duties, guarantees, conditions of access and use thereof by users. • No reports on behavior that supposedly breaches the Code of Conduct's provisions on anti-corruption matters were received in 2014.



THE GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior

Gamesa decided to adopt and approved the existence of a specific Ethics and Compliance Department in the last quarter of 2014 (replacing the Regulatory Compliance Unit). This new department aims to encourage the Ethical Code's dissemination and compliance and to promote a new preventive culture based on "zero tolerance" for illegal acts and fraud in accordance with the provisions set forth in the Crime Prevention and Anti-Fraud Policy by overseeing the fulfillment of legal requirements set out in different pieces of legislation, including: corporate-civil, wind energy business, customs, competition, intellectual and industrial property, labor, health and safety, environmental, transport, products and materials, securities market, data protection and asset security, taxation and accounting security legislation.

This department appears before the Audit and Compliance Committee on a quarterly basis to report on the degree of compliance and the actions it has performed in connection with the Code of Conduct and the Internal Rules of Conduct Regarding the Securities Markets during the relevant period.

G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity

Whistle blowing channel: In accordance with the Gamesa Code of Conduct and Article 10(d) of the Gamesa Audit and Compliance Committee Regulations, the Company has set up a mechanism that allows its employees to confidentially and, if they deem it appropriate, anonymously report any potentially critical irregularities they may be aware of within the company, especially financial and accounting irregularities.

Gamesa employees can likewise use this channel to address any doubts that may arise concerning the interpretation and/or application of the Code of Conduct, as well as to ask questions or make any suggestions and proposals concerning the Code of Conduct. The Whistle Blowing Channel's rules are publicly available and can be accessed on the corporate website³⁴.

Code of Conduct: A breach of the Code of Conduct by the people affected by it could give rise to infringements laid down in legal, corporate and labor law provisions. Should a person thus affected be aware of or have reasonable suspicions of illegal actions or actions that breach the Code of Conduct, they are obliged to report the breach by any of the channels made available to do so: a) by reporting it in writing to the Chairman of the governance body of which he forms part or to his immediate superior, who will have to transfer the report to the Regulatory Compliance Unit; b) by directly reporting it in writing to the Regulatory Compliance Unit, which can be done through the e-mail address made available for such purpose.

Action protocol in the event of workplace harassment: The reporting procedure included in the harassment action protocol allows the person suffering harassment or a third party aware of the sexual or psychological harassment to trigger the protocol. A whistle blowing channel associated to the Sexual Harassment Prevention Protocol has been established for Europe and Asia, which may be used in cases of sexual harassment or mobbing. The Harassment Prevention Committee is in charge of managing the procedure.

³⁴ <http://www.gamesacorp.com/en/human-capital/compliance-channel.html>

PART II: Specific Standard Disclosures

II.08.- MANAGEMENT APPROACH

This section provides a description of the material aspects affecting Gamesa, which have been defined according to the criterion set out in indicator G4-19 of this report. The approach the Company takes to properly manage each aspect is described and the results achieved are reported through the corresponding indicators. Where several of these aspects are managed with similar approaches, said approach is described for one them and the relevant cross-reference is made to the others. There are also general company-wide tools, processes and procedures for the management of the material aspects identified. These are applied to all the said aspects and described below. They should be taken into account to understand the way in which Gamesa performs its activities and manages its economic, environmental and social impacts.

G4-DMA Management approach applicable to all the report's aspects

Policies and commitments

The Company's corporate governance system is comprised of the Bylaws, its corporate policies, internal rules of corporate governance and the other internal codes and procedures that are described in detail on the Group's corporate website.³⁵

Thus, Gamesa has equipped itself with a set of corporate policies that implement the principles reflected in the corporate governance system and contain the guidelines which govern the Company's actions and those of the companies belonging to its Group, along with the actions of its directors, executives and employees under the framework of the Company's strategic plan and vision and values.

In addition, Gamesa has made certain public commitments which guide the Group's actions:

- Through joining a variety of initiatives connected with its activity's environmental and social dimensions, which are listed in the section on indicator G4-15 herein.
- Through its membership of certain business or social associations, like the ones described in section G4-16 of this report, and identifying itself with their objectives and goals.

Responsibilities

Indicators G4-34 a G4-36 of this report do describe the Group's organizational model and responsibilities structured according to their broadest level. Moreover, the responsibilities which the corporate areas or business units have regarding the different aspects dealt with in this document can be summed up as follows:

- Aspects having to do with corporate governance and aspects having a legal scope are the responsibility of the General Counsel's office and the Board of Directors.
- Aspects connected with labor practices are the responsibility of the Human Resources Department, which forms part of the General Executive Management Department.
- Aspects related to safety, health and the environment are the responsibility of the Quality, Safety and Environmental Department, which reports to the Industrial Department.
- Aspects connected with procurement are the responsibility of the Procurement Department, which forms part of the General Executive Management Department.
- Aspects having to do with public policies are the responsibility of the General Corporate Department.
- Aspects related to products and customers are the responsibility of the Sales Department.
- Aspects related to production facilities are the responsibility of the Industrial Department.

³⁵ <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/corporate-policies/>

Additionally:

- The Management Committee – comprised of the Executive Chairman, the Chief Operating Officer, the Chief Corporate Executive Officer - Legal Counsel, the Chief Financial Officer and the Chief Business Development Officer – constitutes an internal technical support, reporting and management committee with regard to the roles of defining, supervising, organizing and monitoring general management guidelines and the businesses' strategic planning.
- The Regulatory Compliance Unit (RCU) is in charge of the Ethical Code, the Crime Prevention and Anti-Fraud Policy, the Internal Rules of Conduct Regarding the Securities Market and any others it may be assigned with the Company's Board of Directors or by the corporate governance system.

In order to exercise these responsibilities, the Gamesa model sets forth that such responsibilities must be assumed in a decentralized way by the parent companies of the businesses in each region. These are organized through their respective boards of directors, which deal with the effective management of each of the businesses, as well as with their day-to-day management and control.

Objectives, resources and results

Gamesa publicly discloses its medium and long-term objectives periodically, using different ways to do so.

Internally, the different businesses and corporate organizations set their annual targets according to the Group's financial and non-financial strategic objectives aimed specifically at the activities under their responsibility. The results obtained in relation to the targets set serve to establish the annual variable remuneration of the company's management team.

In order to attain these targets, Gamesa is equipped with an annual resource allocation process, which allocates the corresponding budgets. The achievements Gamesa has obtained are reflected in the different quantitative indicators' evolution for the different aspects dealt with in this report.

II.09.- ECONOMIC DIMENSION

Economic Performance

G4-DMA Management Approach

Business Plan's results

The Company's approach throughout 2014 has followed the strategic guidelines set by Gamesa for the period 2013-2015, which are summed up in the document entitled "Business Plan 2013-2015: The Way Forward", which is available on the corporate website³⁶.

Gamesa's economic in the financial year are summed up in the annual financial statements for 2014³⁷, which are available at www.gamesacorp.com. In addition to these results, the Company also requires its subsidiaries to explain the way they were achieved and their assessment in terms of sustainability. In the case of Gamesa, this integrated view can be obtained by consulting this Sustainability Report 2014, along with the aforementioned financial information. Quarterly results reports and other information of interest can also be found at www.gamesacorp.com.

Stock market evolution. Balance for the year

Quite a few significant events for Gamesa took place in 2014. Its economic performance revealed a recovery in sales growth and solid improvements in operating profitability, which began in 2013 despite the unfavorable impact from the evolution of foreign currency exchange rates. The robustness of sales activity was translated into an order portfolio which, according to the data released in September 2014, grew by 78% with respect of the orders placed in the same period in 2013. It is now offering short and medium-term growth opportunities which exceed those contemplated in the Business Plan 2013-2015. Gamesa has continued to strengthen its capital structure and access to financing in order to take advantage of these new opportunities. This was done through a capital increase and the refinancing of its syndicated loans. In the latter case, redemption terms were increased and financial terms improved. In strategic terms, Gamesa has taken the first step to speed up its entry into the offshore market by entering into a binding agreement with Areva.

Nonetheless, the macroeconomic news published throughout the year has placed into doubt the strength of the European economic upturn and some emerging economies' future growth and even that of the U.S. economy at times. Risk aversion grew, reducing investment time scales and shifting stock portfolios to more defensive, lower beta sectors.

Within this context, Gamesa's share price peaked (€9.88) on August 27, a month after presenting its first quarter results. The share price fell to its minimum point (€6.79) on October 16, coinciding with a period when stock portfolios were being repositioned in lower risk (lower beta) sectors. This repositioning led to a 23% fall in the RENIX³⁸ (a global renewable energy index) between 8 September – when it reached its maximum annual value – and October 16. This fall was caused by the weakness in the macroeconomic indicators of some of the world's major economies, like the United States, China and Brazil, along with several European countries like Germany, France and Italy.

The share price evolved favorably during the first quarter of the year due to the improvement in sales activity, the announcement of a preliminary agreement with Areva to form an alliance in the offshore segment and the disclosure of the results for 2013 and the guidelines set for 2014. The recovery in sales activity was noticeable since January with the upswing in the American market and the signing of a framework agreement with EDPR for a potential order volume amounting to 450 MW. It was confirmed with the disclosure of the results for 2013, which revealed a 54% rise in order placement in the fourth quarter of the year. The disclosure of the results for 2013, which were line with the company's forecasts, was well received by the market. A four percentage point improvement in operating profitability and a reduction in working capital exceeding 50% to reach a working capital-sales ratio of 8.3%, which was 8 percentage points lower than in 2012, both stood out.

³⁶ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/presentaciones/2012/business-plan-2013-2015-eng.pdf>

³⁷ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/informacion-financiera/resultados-trimestrales/2014/results-presentation-fy-2014.pdf>

³⁸ RENNIX (Renewable Energy Industrial Index): a global renewable energy index comprised of the 30 largest companies dedicated to renewable industries weighted by their stock market capitalization.

These were in line with the Company's commitment to maintain strict control over fixed asset investments and working capital and to strengthen the balance sheet. Lastly, the preliminary agreement with Areva constitutes a significant step in Gamesa's strategy in the offshore segment, a segment where significant growth is forecast in the medium and long term. If the agreement is concluded favorably, it would allow the company to speed up its entry into the offshore market, share investments and minimize risks. Mirroring these events, the share price rose by 4.0% (€7.88) at the end of march with respect of the price at the 2013.

The share price continued to rise during the second quarter. It rose by 15.7% to reach €9.12 on the back of the disclosure of the first quarter results for 2014 and the recommendations made by several firms of analysts. These results exceeded market forecasts for all significant variables, including volume, sales and profitability. They once more revealed the upturn in sales activity with the placing of new orders, which doubled the number of orders placed in the same period in 2013. Four firms of analysts issued positive recommendations in the second quarter, including Bank of America Merrill Lynch and Exane BNP, for which Gamesa became the preferential investment option in the sector. Kepler Cheuvreux and Interdin also issued positive recommendations. In addition, Société Générale and Ahorro Corporación likewise issued forecasts suggesting a rise in the share price as a result of the robustness of the first quarter results. It should be pointed out that Gamesa also redeemed tranches A and B of the syndicated loan taken out in 2011 for an amount of almost €600 million in the second quarter. It also took out a new syndicated loan amounting to €350 million, which is redeemable in 2018, thereby optimizing its financing lines. Gamesa concluded the second quarter by holding its General Shareholders' Meeting, which was attended by 49% of its share capital, a 10 percentage point year-on-year rise.

Gamesa ended the third quarter of 2014 with a fall in the share price of 4%. The quarter began with a highly relevant event for the company, the signing of a binding agreement to form an alliance with Areva in the offshore area. From that moment, it remained pending the relevant authorizations. This announcement was well received by the market. It, however, coincided with a shifting of investment portfolios to more defensive sectors in the face of the uncertainties over the economic recovery's strength in Europe. The perception that growth trends in the wind turbine manufacturing industry had reached their peak and were beginning to flatten out was added to this situation. The less favorable view of the sector in which the company operates changed with the disclosure of the results of the first quarter in 2014, which corroborated the strength of the Company's economic and financial performance and revealed the existence of additional medium and long-term growth opportunities beyond those forecast in the Business Plan 2013-2015. The excellent results, along with order placement which allowed the volume guidelines set for 2014 to be covered, 21% year-on-year sales growth and an operating margin of 7.7% (both in 2013 constant currency terms) and the outlook for future growth exceeding forecasts resulted in the share price reaching its annual peak (€9.88) on 27 August. In order to prepare the company's balance sheet for this additional growth, Gamesa carried out an accelerated capital increase in September totaling a gross amount of €236 million by issuing 25,388,070 new shares. This figure is equivalent to 9.99% of capital. The issue price was set at €9.30, above the average price in the previous three months (+2.02%) and at a 4.66% discount on the closing price on the day prior to the announcement. The market went back to shifting stock portfolios to more defensive sectors in view of the weakness of the macroeconomic indicators of some of the world's major economies, like the United States, China and Brazil, along with several European countries like Germany, France and Italy.

The trend suggesting a reduction in the appetite for risk and a reduction in investment time scales continued into the beginning of the fourth quarter of the year. This resulted in the Gamesa share price (€6.79) and the RENIXX Renewable Energy Industrial Index reaching their lowest point in the year on 16 October. Gamesa disclosed its results for the first nine months of the year in the fourth quarter. The growth trend revealed in the first quarter was maintained in these results, which corroborated the sustainability of the improvements in working capital with an average working capital to sales ratio in the first nine months of 2014, which was nine percentage points below the average ratio for the same period in 2013. Gamesa continued to improve its financing conditions by replacing existing syndicated loans with redemption terms in 2016 and 2018 with a single syndicated loan which is redeemable in 2019, while maintaining financing lines for an amount exceeding €1.8 billion.

Despite the recovery of the list price from the minimum annual price in August, the Gamesa share price ended the year with a 13% loss compared to the end of the previous quarter to reach a price of €7.56 per share, which is almost equivalent to the price at the 2013 year-end (€7.58).

We can therefore conclude that the share price's evolution in 2014 at times reflected the strength of the Company's economic performance, the robustness of its sales activity and balance sheet, the improvement in financing and the advances made in the offshore market. Nonetheless, the rise in risk aversion and the reduction in investment time scales prevailed over the course of the entire year, thus blocking out new opportunities for the company's future growth. Hence, the share price ended the year at the same level as in 2013.

Illustration 7.- Comparative listing - Gamesa vs. IBEX35



Illustration 8.- Evolution of Gamesa's listing 2014



Table 65.- Key stock market indicators

	2014	2013	2012	2011
Share capital (€)	47,475,694	43,159,722	43,159,722	42,039,297
No. of shares	279,268,787	253,880,717	253,880,717	247,289,984
Stock market capitalization (€)	2,110,992,761	1,924,415,835	421,441,990	571,239,863
Free float (%)	71.40	69.04	72.33	75.42
Highest listing (€)	9.88	7.59	3.24	7.46
Lowest listing (€)	6.79	1.62	1.01	2.96
Average listing (€)	8.34	4.53	1.91	5.00
Listing at 12/31 (€)	7.56	7.58	1.66	3.21
Total no. of shares traded	936,326,608	595,771,545	828,363,068	1,176,855,185
Average no. of shares traded daily	3,671,869	2,336,359	3,235,793	4,579,203
Earnings (Loss) per share (€)	0.3550	0.1796	(2.63)	0.209

Investing in Innovation

As technology group, Gamesa views R&D and innovation as key elements for its future development and its international positioning in the industry through significant investments and the development of patents. The main aim of the Group's R&D and innovation activities is to reduce the costs associated to wind energy in order to improve its competitiveness against other generation sources, which is essential to optimize the electricity system's general costs.

Strategic considerations on technology allow new key technologies to be ratified and introduced and to concentrate technological development efforts in order to implement them in products and/or services in works or ex works, either new or already in operation.

Technological development, which is construed as increasing the technological maturity of these key technologies, is set out in a multi-annual framework implemented through the Group's annual plans. These plans set out the tactics, milestones and work in progress levels that are expected to be reached each year in question for each kind of technology. Lastly, a budget is allocated according to the above-mentioned methodology, taking into account that it is fundamental to:

- Guide R&D projects to achieve results appreciated by the market. More specifically, a reduction in the CoE (cost of energy) or in CAPEX, depending on case.
- Obtain results which can be implemented in and transferred to products / services through the proper management of R&D projects by ensuring ongoing dialog with recipients (Technology Requests).
- Promote in-house engineering tools, since they provide advantages in essential competencies that are intrinsic to the R&D organization and, hence, difficult to copy.
- Obtain intellectual / industrial property rights that protect the aforementioned technologies to ensure the Group's access to its natural markets in free market conditions by properly managing technological know-how (see below).
- Make sure customers value said technologies through proper marketing.
- Invoice for products, processes or services with such a competitive technological edge in order to improve the business's key indicators, such as sales, market share, margins, etc.

Some of the significant R&D and innovation projects in which Gamesa took part in 2014 include:

- **Windtrust**, which aims to demonstrate on a real-scale onshore prototype (2 MW) a set of technologies that would allow the reliability of wind turbines to be increased in a sustainable way. It is the natural continuation of the Realiwind project (aimed at delving deeper into the concepts of wind turbine design and operating and maintenance reliability to achieve greater efficiency and lower maintenance costs). Several technologies will be implemented on the rotor, wind turbine control and power electronics.
- **Innwind**, which aims to demonstrate on reduced-scale prototypes representing an offshore environment a set of technologies that go beyond the current state of the art. The technologies are geared at turbine design concepts which are different from traditional onshore designs, such as a low-weight rotor design and an electromechanical conversion design for turbines sized between 10 MW and 20 MW.
- **Floatgen**, which aims to demonstrate floating marine wind energy under real conditions and compare its behavior through the operation of real-scale prototypes (2 MW). Gamesa is the project's leader-coordinator.

Apart from R&D activities in production platforms and operating products, research and development activities are focused on the following areas: rotor, drivetrain components, support structures, wind farm management, wind farm construction and O&M productivity, certification and engineering productivity.

Gamesa is one the wind energy industrial groups having the greatest patent-related activity in recent years. At the 2013 year-end (the last year of the analysis drawn up by an independent firm), Gamesa was ranked ninth among wind energy manufacturers in the number of patents and the fourth in Europe.

Table 66.- Research and development (R&D) expenditure

(€ million)	2014	2013	2012	2011
Capitalized R&D expenditure	50	49	75	70
Non-capitalized R&D expenditure	26	33	38	47
Total	76	82	113	117

Table 67.- R&D Ranking according to EU Industrial R&D investment Scorecard

(year's data for previous year)	2014	2013	2012	2011
Position in European ranking	234	195	198	351
Position in Spanish ranking	11	9	8	14
Position in sector (industrial engineering)	22	20	19	27
R&D investment growth in one year (%)	(19)	10.1	152.9	(3.6)
R&D investment growth in three years CAGR-3y (%)	31	39	47	9
R&D investment intensity (%)	3.9	4.2	3.4	1.5

During the year, Gamesa conducted a proactive review of its patent portfolio in order to rationalize the cost of maintaining it using an in-house methodology. Its results revealed that Gamesa held 184 patent families and that its patent portfolio amounted to 700 patents in all the markets where it operates at the end of 2014.

Moreover, the Gamesa also values the know-how, capacities and creativity of all the company's employees. For instance, this is done by granting awards to workers' inventions each year through the Patents and Inventors Award, which has already been held three times and recognizes its employees' work and effort in the invention process and in protecting the company's technological inventions.

G4-EC1 Direct economic value generated and distributed

Table 68.- Direct economic value generated and distributed³⁹

	2014	2013	2012	2011
Direct economic value generated	2,902,222	2,351,688	2,870,928	3,050,220
Economic value distributed	2,728,120	2,111,422	2,569,595	3,145,568
Operating costs	2,284,569	1,717,551	2,078,579	2,660,934
Employee wages- personnel expenses	302,924	309,625	371,674	354,751
Capital payments to suppliers of capital- Dividends ⁴⁰	23,040	0	0	12,600
Financial expenses	54,355	55,040	81,321	80,886
Payments to public administrations	63,232	26,270	35,043	31,076
Investments to benefit the community ⁴¹	2,979	2,936	2,978	5,321
Retained economic value	174,102	240,266	301,333	(95,348)

G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change

Gamesa's activity within the wind energy sector aims to make a contribution to energy security in terms of both the independence of energy supplies (local) as well as in terms of the resource's abundance (renewable) through an energy source which allows for the diversification of energy supplies and mitigate any possible adverse geopolitical situations through a local source of supply.

The Company promotes 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.

In order to strengthen this commitment, the company has joined several international agreements⁴² that strengthen this commitment of calling for action, including:

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

These objectives constitute a stance to encourage technological change and foster energy generation with cleaner technologies. Hence, Gamesa has aligned itself with a global commitment to combat climate change through a reduction in CO₂ emissions by supporting a variety of initiatives like the European Union's 20/20/20 objectives, among others.

³⁹ Direct economic value generated and distributed, including revenues, operating costs, employee wages, donations and other community investments, undistributed benefits and payments to suppliers of capital and governments.
⁴⁰ The new shareholder remuneration system known as "Gamesa Flexible Dividend", which is benchmarked to its market value, is included in 2011 and 2012. Dividend distribution proposal pending approval by the General Shareholders' Meeting.
⁴¹ Includes expenditure in associations, sponsorships and patronage.
⁴² Further information can be found at <http://www.climatecommuniques.com/>

G4-EC3 Coverage of the organization's defined benefit plan obligations

The management of employee benefits is carried out in accordance with the Gamesa Compensation and Benefits Policy. According to this policy, employee benefits and social benefits are just other remuneration components, which increase the compensation's attractiveness. These are in line with local market practices.

A benefits package is offered in each country, either because it is mandatory under the Law or because it is a widely extended practice (market practice).

Gamesa currently offers pension plans in United States, Finland, Germany, Ireland, Sweden, the United Kingdom, Australia and Morocco. Participation in them is governed by specific local laws in this regard.

G4-EC4 Financial assistance received from governments

Gamesa's investment strategy is viewed in a positive light by several administrations. New R&D investment subsidies granted to Gamesa in 2014 amounted to €3.25 million. This aid was granted by national and regional administrations.

In addition, Gamesa obtained low-interest loans for R&D and productive investments amounting to more than €4.25 million in 2014.

Table 69.- Significant financial aid received

(€ million)	2014	2013	2012	2011
New subsidies for R&D and productive investments	3.25	2.5	6.3	10.8
New low-interest loans for R&D and productive investments	4.25	10.5	18	12.8
Total	7.5	13.0	24.3	23.6

There is no record of any public administrations holding an interest in the companies belonging to Gamesa Group.

Market Presence

G4-DMA Management Approach

Gamesa is equipped with personnel recruitment procedures which comply with the principles of non-discrimination and equal opportunities. Its recruitment processes are based on the candidates' merits and ensure their participation in them under the above-mentioned principles. The management approaches set out the chapter entitled "Labor Practices and Decent Work" of this report apply to its professionals' remuneration recruitment.

G4-EC5 Ratio of standard entry level wage to local minimum wage

At Gamesa, each professional is associated to a salary band to which a salary range is assigned. This range reflects Gamesa's competitive positioning in the labor market (average).

The setting of a specific employee's salary is done by taking into account the following factors: responsibilities / demands of the specific work post, experience, know-how which the person provides to the work post, the benchmark market salary and the salaries of other employees in the same band.

Only in Spain and Brazil are there specific groups whose remuneration is set by the collective agreements which apply to them.

G4-EC6 Senior management hired from the local community

The principles of non-discrimination and equal opportunities which Gamesa applies are set out in the Ethical Code and in the different collective agreements and the policies and procedures which have been approved and implemented, such as the:

- Diversity and Inclusion Policy
- Equality Plan

Merit-based recruitment processes are ensured by the implementation of these instruments, thereby guaranteeing non-discriminatory participation in said processes.

Gamesa has adopted the criterion of promoting and favoring the hiring of people locally in the geographic areas where it performs its activities when designing the aforementioned procedures. It also endeavors to ensure that such people can reach management positions in the corresponding companies. In 2014, 89 % of executives were locally hired. An executive is construed as a person having management responsibilities in the Company.

Table 62.- Workforce: Locally hired executives⁴³

	2014	2013	2012	2011
Spain	93%	93%	94%	94%
Rest of Europe	40%	100%	100%	83%
United States	50%	50%	66.7%	83%
China	83%	83%	56%	67%
India	100%	100%	100%	100%
Brazil	100%	100%	100%	-

Indirect economic impacts

G4-DMA Management Approach

Along with the direct economic impacts which the Company causes as a result of the monetary flows it generates, it also causes other additional or indirect impacts, like the one described in this section.

G4-EC7 Development and impact of infrastructure investments and services provided

G4-EC8 Significant indirect economic impacts

The expansion of electricity supplies obtained from wind energy has a significant indirect economic impact, since it boosts local and regional economies by creating new job opportunities, strengthens the economic and industrial fabric in the area where it has been implemented and promotes social and economic progress.

This is due to the fact that wind power energy generation facilities, equipment and services are located in dispersed geographic areas depending on the available wind energy resources and the consequent creation of economic activity in mainly rural areas. Proof of this can be seen in the high invoicing levels of suppliers throughout the world set out in section G4-12 (p. 26) of this report.

These same facilities generate a significant number of indirect jobs in the region's local contracting firms, which in turn generate addition demand for catering, security, health, specialized professional and transport services.

⁴³ Note: For the purposes of this indicator, people forming part of groups in charge of setting general strategies and policies, advising on strategic issues, setting business targets and whose work focuses on the long term with responsibility for Gamesa's critical processes, such as the profit and loss account, are considered as executives. This also applies for those who design and oversee the implementation of any general strategies set with responsibility for developing specific strategies, policies, rules and procedures for their own business unit or division.

The activity also promotes the training of professionals and qualified jobs in local communities, such as, for instance, wind farm maintenance services. A good example of this is the action undertaken by Gamesa and the Universidad del Istmo⁴⁴, which have been collaborating since 2013 to promote specialized wind energy training in the State of Oaxaca in Mexico⁴⁵, one of the region's having the best wind resources in the country. In order to do so, Gamesa and the university designed a wind generator operation and maintenance course that provides theoretical and practical training over four months. The course is taught by both the university's professors and by specialized staff from Gamesa. The agreement with the university also contemplates the assignment of equipment for the course's renewable energy modules, as well as the promotion and development of know-how and training in renewable energies in collaboration with the university community.

In general terms, it should be mentioned that local communities are supported through the sponsorship of initiatives by institutions and local and environmental organizations as an additional indirect economic effect.

Furthermore, wind energy electricity generation leads to the local, regional and national collection of levies, duties and taxes.

The facilities' negative impact on the landscape and their possible negative effects on traditional activities (during their construction and operation stages), particularly on rural activities like stock breeding, hunting or fishing, are among the negative elements linked to wind energy. Other environmental risks which could potentially lead to unwanted consequences on the environment, like effluents, inappropriate emissions or waste, are minimized through the waste management models described in section II.10 of this report.

Procurement practices

G4-DMA Management Approach

One of the objectives of Gamesa and the companies which comprise Gamesa Group is to create relationships with suppliers, contractors and collaborators which are based on trust, reporting transparency and the sharing of knowledge, experience and capabilities.

The management approach to procurement practices is described with greater detail in indicator G4-12 (p. 26) of this report.

G4-EC9 Proportion of spending on local suppliers

Gamesa is continuing to build up local capacity through the supply chain's localization in the different regions. Thus, the company has managed to globalize its supply profile, including: global suppliers with a local presence, new locally-based suppliers and globalization of current suppliers.

The degree of localization (local procurement) achieved in 2014 amounted to 88% in China, 61% in India and 29% in Brazil. See indicator G4-12 (p. 26) of this report for further details.

⁴⁴

http://www.unistmo.edu.mx/concent_noticias/UNISTMO_Centro_Capacitacion_Eolica.html#images/inauguracion_CCE_clinica_robotizada/cce1.jpg

⁴⁵

http://elsoldelistmo.com.mx/site/index.php?option=com_k2&view=item&id=347:la-presencia-de-proyectos-e%C3%B3licos-en-el-istmo-profesionaliza-a-los-i%C3%B3venes&Itemid=478

II.10.- ENVIRONMENTAL DIMENSION

Environmental Performance

G4-DMA 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.

Integrated excellence policy

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, guarantees 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.

Thus, Gamesa has incorporated the precautionary principle with regard to environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment.

Environmental performance and targets

Regarding performance in 2014, a substantial improvement in the final destination of waste was achieved. There was an 8% reduction in hazardous waste disposal, greenhouse gas emissions were verified for the fourth year in a row according the ISO 14064 standard, the G114-2 MW wind turbine was certified for ecodesign and its EPD was published. Moreover, a project on the ways to recover fiber glass waste from scrapped blades was completed. This project looked into the ways on how to handle the different waste flows from blade manufacturing.

Consolidated environmental management system

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

Systems are therefore in place to identify 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 throughout 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-1-001), control of legal and other requirements (PBE-1-003), the environmental control system (PMA-1-004) and the internal auditing procedure of the health and safety, environmental and quality systems (PBE-1-002).

Operating responsibility for this activity lies with the General Business Excellence Department, which reports directly to the Industrial Department in organizational terms. This unit's mission is to promote, strengthen and oversee occupational health and safety, as well as environmental and quality issues 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.

Table 70.- Status of the management systems' certifications

Region	Country	Site	Division	ISO 9001	ISO 14001	OHSAS 18001
Europe & Rest of the World	Spain	Ágreda, Soria	Nacelles	2005	2005	2009
Europe & Rest of the World	Spain	Tauste, Zaragoza	Nacelles	2001	2005	2009
Europe & Rest of the World	Spain	Sigüeiro, A Coruña	Nacelles	2001	2005	2009
Europe & Rest of the World	Spain	Lerma, Burgos	Gearboxes	2005	2006	2009
Europe & Rest of the World	Spain	Asteasu, Gipúzcoa	Gearboxes	2004	2005	2009
Europe & Rest of the World	Spain	Mungia, Vizcaya	Gearboxes	2006	2008	2009
Europe & Rest of the World	Spain	Burgos	Gearboxes	2005	2009	2007
Europe & Rest of the World	Spain	Aoiz, Navarre	Blades	2010	2010	2010
Europe & Rest of the World	Spain	Somozas, A Coruña	Blades	2001	2005	2009
Europe & Rest of the World	Spain	Miranda, Burgos	Blades	2001	2005	2009
Europe & Rest of the World	Spain	Cuenca	Blades	2001	2005	2009
Europe & Rest of the World	Spain	Benissanó, Valencia	Generators	2006	2007	2009
Europe & Rest of the World	Spain	Coslada, Madrid	Generators	2005	2005	2009
Europe & Rest of the World	Spain	Reinosa, Cantabria	Generators	2003	2005	2009
Europe & Rest of the World	Spain	Madrid	W.Farm P&S	-	2011	-
China	China	Tianjin	Generators	2008	2008	2009
China	China	Tianjin	Gearboxes	2008	2008	2009
China	China	Tianjin	Nacelles	2008	2008	2009
India	India	Marmandur	Nacelles	2009	2010	2010
India	India	Gujarat	Blades	2012	2012	2012

Gamesa closed the blade manufacturing plants in Ebensburg in the United States in 2014.

Materials

G4-DMA Management Approach

Through its excellence policy, Gamesa undertakes to: "Prevent pollution through the rational and optimized use of resources, minimizing waste, emissions and effluents over the entire life cycle".

G4-EN1 Materials used by weight and volume

Materials consumption reflects the downturn in nominal production capacity during the year and the plant closures in the United States. It stood at **112,044 tons**, a year-on-year increase from 2013 of 8%. By volume, casting materials and scrap are the materials used most and amounted to 15,838 tons. The ratio of materials used to employee remained steady at approximately 17 tons per employee and year.

Table 71.- Materials used by weight or volume

(expressed in tons-t)	2014	2013	2012	2011
Europe & Rest of the World	64,212	76,904	82,274	92,090
United States	0	0	3,319	11,974
China	13,820	7,568	3,378	17,386
India	26,746	15,929	15,745	15,983
Brazil	7,266	3,107	9,571	-
Total	112,044	103,507	119,687	137,254

Table 72.- Consumption of the most significant raw materials

(expressed in tons-t)	2014	2013	2012	2011
Oils	934	652	370	961
Solvents	29	42	169	308
Paints	372	185	147	266
Steel and sheeting	0	1,738	4,960	7,559
Scrap	9,801	6,527	5,073	9,835
Casting	6,037	12,949	10,587	13,944
Prepeg	1,284	5,310	14,109	12,555
Coat	48	168	234	354
Adhesives	179	505	432	1,009
Total of most significant raw materials:	18,648	28,077	36,081	46,810
% total consumption	17%	27%	30%	34%

Table 73.- Raw material consumption by semi-finished product line

(expressed in tons-t)	2014	2013	2012	2011
Gearboxes	19,890	13,680	18,959	19,503
Frames	17,575	12,248	11,230	15,540
Generators	8,141	5,890	5,154	9,860
Axles	3,715	3,408	7,532	6,430
Transformers	3,798	3,086	4,071	6,040
Electrical panels	701	1,258	745	1,462
Total semi-finished products:	53,820	39,569	47,691	58,745
% total consumption:	48%	38%	40%	43%

Table 74.- Eco efficiency in raw material consumption

	2014	2013	2012	2011
(t/employee)	17	17	18	16
(t/€ mill. of invoicing)	39	44	42	45

G4-EN2 Percentage of materials used that are recycled input materials

Although no recycled input materials exist on the market for most of the main materials used by Gamesa, it should be indicated that 5,178 tons of scrap metal were recycled as part of the casting process at Gamesa Burgos.

Energy

G4-DMA Management Approach

Total energy consumption for the year stood at **695,514 gigajoules**, a 31% year-on-year reduction from the energy consumption figure for 2013. This reduction is due to a reduction in direct energy consumption (consumption from primary energy sources such as natural gas, propane, diesel or gasoline), which amounted to 92,867 gigajoules, as well as from a fall in indirect energy consumption (consumption from energy sources originating outside Gamesa, essentially electric power), which also fell by approximately 23% when compared to 2013 to reach 602,648 gigajoules. Hence, the figure for energy consumption per employee and year amounted to 108.1 gigajoules.

G4-EN3 Energy consumption within the organization

Energy consumption within the organization, which includes all facilities, buildings and offices belonging to Gamesa Group, is calculated by adding up the following items:

- Direct energy consumption of fuels for the production of products and services
- Indirect energy consumption of electricity bought from third parties for buildings/ offices

Table 75.- Direct energy consumption⁴⁶
(expressed in gigajoules-GJ)

	2014	2013	2012	2011
Natural gas (GJ)				
Europe & Rest of the World	48,375	95,825	114,661	111,653
United States	584	23,716	28,715	34,868
China	0	185	10,711	27,512
India	0	-	-	-
Brazil	0	-	-	-
	48,959	119,727	154,087	174,033
Propane (GJ)				
Europe & Rest of the World	6,550	7,504	6,845	8,751
United States	0	93	832	1,056
China	0	-	1	9
India	-	-	-	-
Brazil	487	72	32	-
	7,037	7,669	7,710	9,815
Diesel (GJ)				
Europe & Rest of the World	28,535	81,711	41,602	48,404
United States	0	1,125	11,601	3,373
China	1,423	843	1,040	2,934
India	3,830	4,112	10,319	8,957
Brazil	108	42	58	-
	33,897	87,834	64,621	63,575
Gasoline (GJ)				
Europe & Rest of the World	0	-	-	-
United States	1,595	7,096	141	3,373
China	-	-	-	-
India	-	-	-	-
Brazil	1,378	44	-	-
	2,973	7,140	141	3,373
Total direct energy consumption (GJ)	92,867	222,369	226,559	250,797

⁴⁶ Clarifying note on the figures for 2014 and their comparison with those of 2013: The only plant in the USA was closed down in 2014. There are blade plants in operation in China and India, but no natural gas consumption. In the case of Brazil, there is no blade plant, but nacelles were manufactured. This is the reason why propane consumption has risen considerably.

Table 76.- Direct energy consumption balance

(expressed in gigajoules-GJ)	2014	2013	2012	2011
Energy acquired	92,867	222,369	226,559	250,797
Energy produced	0	0	0	0
Energy sold	0	0	0	0
DIRECT energy consumption balance ⁴⁷	92,867	222,369	226,559	250,797

Table 77.- Intermediate energy acquired and consumed (electricity)

(expressed in MWh)	2014	2013	2012	2011
Europe & Rest of the World	45,777	62,506	73,314	75,712
United States	2,522	6,705	10,730	10,976
China	5,383	4,724	6,915	16,535
India	5,884	4,951	5,563	1,243
Brazil	276	137	142	-
Total	59,841	79,023	96,664	104,466

Table 78.- Indirect energy consumption

(expressed in gigajoules-GJ)	2014	2013	2012	2011
Europe & Rest of the World	436,613	596,283	699,419	722,290
United States	25,239	67,101	107,384	109,850
China	58,962	51,528	75,431	180,369
India	78,166	65,767	73,900	16,515
Brazil	3,668	1,819	1,882	-
INDIRECT energy consumption balance	602,648	782,499	958,016	1,029,023

Which is equivalent to the following total amounts:

Table 79.- Total energy consumption within the organization

(expressed in gigajoules-GJ)	2014	2013	2012	2011
Europe & Rest of the World	520,074	781,323	862,527	891,098
United States	27,418	99,131	148,673	152,520
China	60,384	52,556	87,183	210,824
India	81,996	69,879	84,219	26,715
Brazil	5,642	1,977	1,972	-
Total energy consumption	695,514	1,004,868	1,184,575	1,279,820

G4-EN4 Energy consumption outside the organization

The most relevant energy consumption outside the organization is connected to suppliers shipping products and employee transport for both business reasons as well as employees commuting between their homes and their workplace. Work is currently being done to obtain information on the scope of this kind of consumption from the most relevant suppliers.

G4-EN5 Energy intensity

The following table shows the evolution of the energy consumption within the organization (direct and indirect consumption) in relation to the total number of employees and invoicing expressed in millions of euros.

Table 80.- Eco efficiency in energy consumption

	2014	2013	2012	2011
(GJ/employee)	108.1	165.3	178.2	153.1
(GJ/€ mill. of invoicing)	244.3	430.1	416.5	421.9

⁴⁷ Direct energy consumption = (Energy acquired) + (Energy produced) - (Energy sold)

G4-EN6 **Reduction of energy consumption**

Energy reduction and energy efficiency actions have been implemented in different areas of the organization, such as the installation at the Gamesa plant in Asteasu of nozzles that dissipate heat in the grinding machine and compressor areas to outside the building in the summer and retain heat inside it in winter. Similarly, changes have been made to the temperature set and the automated programming of areas inside the factory at the Lerma plant.

Another set of measures at the Gamesa plants in India (Marmandur y Halol) has resulted in the installation of solar panels and inverse osmosis water purification plants, which are also powered by solar panels.

G4-EN7 **Reductions in energy requirements of products and services**

The products Gamesa sells are designed to consolidate its environmental leadership and energy efficiency. The Gamesa 4.5 MW⁴⁸ and G114-2MW⁴⁹ platforms are certified for ecodesign according to the ISO14006/2011 standard, which verifies their minimum environmental impact and makes them the first wind turbines to obtain an ecodesign certification anywhere 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, production optimization, reusable packaging, less civil and installation works, noise reduction, waste generation optimization during maintenance (for instance, the Gamesa G10x-4.5 MW turbine saves 31,590 liters of hydraulic oil – 23.3% less – and uses 60 air filter units less when compared to the 2 MW turbine) and modular design to facilitate dismantling.

Water

G4-DMA **Management Approach**

Best practices for water withdrawal and to ensure minimum consumption with the lowest possible impact on the environment are implemented at facilities, thereby preventing water withdrawal in water-stressed areas, and an effort is made to recycle and use water as much as possible.

An effort is made to ensure sanitary water consumption by employees at offices and control buildings is efficient and responsible. In order to do so, awareness raising campaigns are conducted and efficient systems to reduce water consumption are installed such as automated taps, for instance.

⁴⁸ <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/certificado-declaracion-ambiental-g90.pdf>
⁴⁹ <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/certificado-declaracion-ambiental-g114.pdf>

G4-EN8 Total water withdrawal by source

Water consumption amounted to **97,341 m³** in 2014, which translates into a figure of 15 m³ per employee and year. The withdrawal of groundwater is also included in the quantitative data for Europe and the rest of the world. This is not the case in all the other geographic areas, where all water consumption comes from the water supply network.

Table 81.- Total water consumption
(expressed in m³)

	2014	2013	2012	2011
Europe & Rest of the World	25,692	27,027	30,241	33,605
Water supply networks	24,241	24,020	24,384	27,938
Groundwater	1,451	3,007	5,857	5,667
United States ⁵⁰	-	1,985	3,520	3,185
China	39,891	29,298	47,512	61,144
India	31,757	21,738	13,987	3,171
Brazil	-	-	-	-
Water consumption	97,341	80,048	95,261	101,105

Table 82.- Water consumption Eco efficiency

	2014	2013	2012	2011
(m ³ /employee)	15	13	14	12
(m ³ /€ mill. of invoicing)	34	34	33	33

G4-EN9 Water sources significantly affected by withdrawal of water

There is no record of any water sources being significantly affected by water withdrawals made by Gamesa in 2014. In other words, no water sources were recorded in to have been significantly affected by withdrawals which amounted to more than 5% of the total annual average of any water mass or withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or because they are a threatened or endangered system (or because they shelter protected plants or animals), or from Ramsar wetlands or from any other local or international protected area.

All withdrawals of water are strictly regulated by public administrations, which grant permits and set the maximum withdrawal volumes allowed to ensure no significant impacts take place.

G4-EN10 Percentage and total volume of water recycled and reused

All sanitary water effluents from the Mamandur and Halol plants in India are treated at a reverse osmosis treatment plant and reused to water the facility's own green areas.

In addition, reverse osmosis water purification plants powered by solar panels have also been installed at these facilities.

⁵⁰ Note: There were no production plants in operation in the United States in 2014, just offices, whose total water consumption was deemed negligible.

Biodiversity

G4-DMA Management Approach

Gamesa's main activities include the design, manufacturing, installation, operation and maintenance of wind turbines, as well as wind farm development, construction and sales. In order to perform such activities, certain natural resources are used (water, fossil fuels and wind) to manufacture, install and maintain electric power equipment in a very extensive geographic area. Hence, interactions with a variety of ecosystems, landscapes and species come about in the performance of these activities. These interactions mainly come about in:

- The construction stage, for example, the use of vehicles and machinery, opening up paths, removal of vegetation, prolonged human presence (which temporarily affects the behavior of species of fauna in a generally reversible way) and changes made to the landscape.
- The operating stage, for example, emissions, animal mortality due to collisions and electrocution, changes made to the vegetation to maintain electric power lines, etc.

The aim is to perform the Company's activities and set up new projects in a sustainable way that would allow for a balanced coexistence, thus conserving and protecting natural assets. This respect for biodiversity and ecosystems plays a leading role in the Company's business strategy. A variety of instruments are available to achieve this, including:

- The Excellence Policy
- Facilities are operated in accordance with the permits granted by regulatory environmental authorities in each region. These permits are subject to constraints and obligations which ensure the local environment's protection. Environmental monitoring and control plans are designed, management systems are implemented – most of which have been certified according to the ISO 14001 standard –, and environmental risks are controlled.
- The management approach for new infrastructure projects is carried out in accordance with the legislation which applies when the projects are formally processed. Environmental impact studies are conducted before their construction, which are analysis and prevention mechanisms that take into account different alternatives and lay down corrective measures to avoid, mitigate or offset any possible damage.

Species and habitats are protected through a positive conservation policy and research is conducted on sites and on an extensive area of the surroundings. The actions thus carried out can be either mandatory or voluntary and aim to reach a net positive balance with the environment.

G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Gamesa had the operating facilities set out below which were located in protected and unprotected areas having high biodiversity value in 2014. Facilities adjacent to such areas have also been included.

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of asset protection
Project: Arinaga Wind Farm (Spain)					
Operational	0.0017 km ²	Playa del Cabrón	0 km	SPI	Priority Habitat 1110
		Arinaga Natural Monument	2.5 km	Geomorphological landscape	Natural monument
		Juncalillo del Sur	8 km		Special Bird Protection Area (SBPA) Site of Scientific Interest
Project: Cabezo Negro R&D Wind Farm (Spain)					
Operational	0.008 km ²	Rio Huerva y las Planas	Included	Protected area Natura Network 2000	Special Bird Protection Area (SBPA)

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of asset protection
Project: Jaulín R&D Wind Farm (Spain)					
Operational	0.008 km ²	Rio Huerva y las Planas	Included	Protected area Natura Network 2000	Special Bird Protection Area (SBPA)
Project: Boyal I and II Wind Farm(Spain)					
Operational	0.0234 km ²	Peñadil, Montecillo and Monterrey	0.8 km	Protected area Natura Network 2000	Site of Community Interest (SCI) / Special Conservation Area
Project: La Cámara Wind Farm (Spain)					
Operational	0.035 km ²	Intercontinental del Mediterráneo Andalucía (Spain) - Morocco	2.5 km	International protected area	Biosphere reserve
		Desfiladero de los Gaitanes	4.9 km	Protected area Natura Network 2000	RENPA Natural Landscape. /(SCI)/ (SBPA)
		Sierras de Abdalajís and La Encantada Sur	4.7 km	Protected area Natura Network 2000	Site of Community Interest (SCI)
Project: Zopowy Wind Farm (Poland)					
Construction completed in 2013	0.38 km ²	Mokre-Lewice	0.5 km	National protected area	Nature reserve
		Las Glubczycki	5 km	National protected area	Nature reserve
		Soos Góry Opawskie	5 km	Protected area Natura Network 2000	Space proposed to "Shadow List"
Project: Dos Arbolitos Wind Farm (Mexico)					
Construction	5.7 km ²	Istmo Regional Ecology Park.	7.8 km	Threatened rare endemic flora and fauna species under special protection or in danger of extinction	National protected area
Project: El Retiro Wind Farm (Mexico)					
Construction	5.7 km ²	Istmo Regional Ecology Park.	7.8 km	Threatened rare endemic flora and fauna species under special protection or in danger of extinction	National protected area
Project: SET electricity facility, Les Forques Wind Farm (Spain)					
Operational	0.006 km ²	Obagues del Riu Corb	3.5 km	Protected area Natura Network 2000	Special Protection Area (SPA) Site of Community Interest (SCI)
Project: SET electricity facility, Cortes (Spain)					
Operational	0.002 km ²	Peñadil, Montecillo and Monterrey	3.3 km	Protected area Natura Network 2000	Special Protection Area (SPA) Site of Community Interest (SCI)
		River Ebro	4.6 km	Protected area Natura Network 2000	Nature reserve Site of Community Interest (SCI)

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of asset protection
Project: SET electricity facility, Valdeconejos (Spain)					
Operational	0.0073 km ²	Desfiladeros del Río Martín	3.3 km	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
		Rió Martín Cultural Park	4.7 km	Protected area Natura Network 2000	Site of Community Interest (SCI) Natura Network 2000
Project: Generation SET, Valdeconejos 220/20 kV (Spain)					
Operational	0.004 km ²	Desfiladeros del Río Martín	3.3 km	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
		Rió Martín Cultural Park	4.7 km	Protected area Natura Network 2000 (SCI)	Site of Community Interest Natura Network 2000
Project: Almodóvar del Río Solar Plant (Spain)					
Operational	0.26 km ²	Sierra de Hornachuelos	3.6 km	Protected area Natura Network 2000 Regional protected area. International protected area.	RENPA, SPA, SBPA. Dehesa de Sierra Morena Biosphere Reserve
		Guadiato-Bembézar	2.5 km	Protected area Natura Network 2000	Site of Community Interest (SCI)
Project: High Voltage Line (H.V.L.) Montargüill-Les Forques (Spain)					
Operational	0.116 km ²	Obagues del Riu Corb	0.95 km	Protected area Natura Network 2000	Special Protection Area (SPA) Site of Community Interest (SCI)
Project: High Voltage Line (H.V.L.) Les Forques-L'Espluga and SET Les Forques-Support 27 Les Forques-Les Comes (Spain)					
Operational	0.096 km ²	Muntanyes de Prades	2.12 km	Several extreme climate habitats	Special Protection Area (SPA) Site of Community Interest (SCI)
Project: High Voltage Line (H.V.L.) Jaulín-Cabezo Negro (Spain)					
Operational	Overhead: 0.01352 km ² Underground: 0.0085 km ²	Rio Huerva and las Planas	Included	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
Project: High Voltage Line (H.V.L.) Valdeconejos-La Escucha (Spain)					
Operational	Overhead: 0.1006 km ² Underground: 0.00013 km ²	Desfiladeros del Río Martín	Included	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
		Río Martín Cultural Park	1.7 km	Protected area Natura Network 2000 (SCI)	Site of Community Interest Natura Network 2000
Project: High Voltage Line (H.V.L.) Ameixeiras-Masgalán (Spain)					
Operational	0.18 km ²	Serra do Candán	Included	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
	0.23 km ²	Serra do Xistral	Included	Protected area Natura Network 2000	Site of Community Interest (SCI)

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of asset protection
Project: High Voltage Line (H.V.L.) Albarellos-Cando (Spain)					
Operational	0.65 km ²	Serra do Cando	Included	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
		Pena Corneira	2.4 km	Regional protected area	Natural monument of the Galician Protected Space Network
		Serra do Candán	4.9 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
Project: High Voltage Line (H.V.L.) Ameixeiras-Cando (Spain)					
Operational	0.41 km ²	Serra do Candán	Included	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
		Serra do Cando	2.71 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
Project: High Voltage Line (H.V.L.) Montecastelo-Portodemouros (Spain)					
Operational	0.41 km ²	Sobreirais do Río Arnego	4.9 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
		Ulla-Deza River System	5 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
Project: High Voltage Line (H.V.L.) Muras I (Spain)					
Operational	0.09 km ²	Serra do Xistral	3 km	Protected area Natura Network 2000 (SCI)	Site of Community Interest
Project: High Voltage Line (H.V.L.) Serra da Loba (Spain)					
Operational	0.32 km ²	Betanzos-Mandeo	4.2 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
		Fragas do Eume	4.9 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
Project: High Voltage Line (H.V.L.) Serra of Meira (Spain)					
Operational	0.13 km ²	River Eo	3.3 km	Protected area Natura Network 2000 Regional protected area	Site of Community Interest (SCI) ZEPVN of the Galician Protected Space Network
Project: High Voltage Line (H.V.L.) BiNee Stipa II-Ixtepec Potencia CFE (Mexico)					
Construction	2.52 km ²	Istmo Regional Ecology Park	7.8 km	National protected area	Regional ecology park

G4-EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

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

Facilities are operated in accordance with the permits granted by environmental regulatory authorities in each region. These permits are subject to constraints and obligations which ensure the local environment's protection.

Any possible environmental impacts are analyzed before the facilities are built by conducting a forecast and an assessment beforehand. Where an impact is significant, the project is changed as much as possible and the available technical improvements are made and the necessary measures to correct and minimize the impact are taken. If it cannot be completely mitigated, offsetting measures are taken.

Table 83.- Biodiversity Studies

	2014	2013	2012	2011
Development stage				
Preliminary EIA	3	-	1	10
Archeology	-	3	-	1
Environmental impact studies (EIA)	7	12	12	15
Bird fauna and bats	1	39	15	33
Noise	3	15	1	15
Specific studies	3	38	9	31
Total development stage	17	107	38	105
Construction stage				
Environmental monitoring	-	10	5	1
Archeological monitoring	-	-	-	1
Other	-	1	-	3
Total construction stage	-	11	5	5
Operating stage				
Environmental monitoring	7	5	7	19
Other	2	7	-	6
Total construction stage	9	12	7	25
Total Biodiversity Studies	26	130	50	135

The fundamental impacts on biodiversity in the period have to do with removing vegetation, which is due to complying with forest fire prevention measures. However, this has not affected any protected areas.

Table 84.- Most significant impacts on biodiversity in 2014 (by type of impact)

Type of impact	Severe/ critical	Location	Corrective measures
Removal of vegetation	No	66kV high voltage line Serra da Loba Wind Farm SET Sidegasa Spain	Carried out to prevent the risk of forest fires. Environmental monitoring

As has been mentioned, control over environmental impacts does not come to an end once the facility has been built. It carries on into the operating and dismantling stages of the facility. Environmental monitoring and control plans are designed, management systems are implemented – most of which have been certified according to the ISO 14001 standard –, and environmental risks are controlled.

G4-EN13 Habitats protected or restored

No kind of incidents took place in protected habitats in 2014.

G4-EN14 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

The Group has activities in some areas where threatened species included in the IUCN Red List⁵¹ and in other national conservation lists live or could be present. This, however, does not mean that they are affected or threatened by such activities.

Hence, the identification of species on the IUCN Red List and other species included in national conservation lists which could be affected by Gamesa's activities is vital to take the necessary measures to avoid endangering them. Gamesa's control on matters having to do with biodiversity have identified the following species that are present in wind farms or high voltage lines, which have been classified by their risk of extinction:

Table 85.- Species in areas affected by operations

Species	IUCN category	Affected by wind farm	Affected by high voltage line
Tetra tetra	NT	6	0
Pleurodeles waltl	NT	1	0
Neophron percnopterus	EN	6	1
Milvus milvus	NT	6	1
Marmaronetta angustirostris	VU	1	0
Sylvia undata	NT	6	4
Chalcides bedriagai	NT	2	1
Vipera latastei	VU	2	3
Eliomys quercinus	NT	2	8
Numenius arquata	NT	0	1
Lutra lutra	NT	0	5
Colinus virginianus	NT	2	1
Staurotypus salvinii	NT	1	0
Rhinoclemmys rubida	NT	1	0
Convolvulus caput-medusae	NT	1	0
Oryctolagus cuniculus	NT	4	8
Timon lepidus	NT	3	5
Miniopterus schreibersii	NT	1	0
Rhinolophus mehelyi	VU	1	0
Rhinolophus euryale	NT	1	0
Galemys pyrenaicus	VU	0	4
Arvicola sapidus	VU	0	8
Chioglossa lusitanica	VU	0	3
Iberian frog	NT	0	6
Lacerta schreiberi	NT	0	5
Achondrostoma arcasii	VU	0	2
Cyprinus carpio	VU	0	2
Anguilla anguilla	EC	0	5
Amphipterygium adstringens	EN	0	1
Coracias garrulus	NT	0	2
Pelobates culprites	NT	2	0
Tetrax tetrax	NT	6	0
Pleurodeles waltl	NT	1	0
Neophron percnopterus	EN	6	1

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)

⁵¹ Link to: <http://www.iucnredlist.org>

Emissions

G4-DMA Management Approach

The main gas of greenhouse effect generated by the activities of the Company is CO₂. More specifically, emissions in the period amounted to **29,879 tons CO₂-eq**, a reduction of 24.27% compared with the previous year. This figure includes direct emissions (Scope 1) from the combustion of materials to generate heat, which totaled 6,122 t CO₂-eq, as well as indirect emissions (Scope 2) from buying electricity to make the Company's own resources and services operate, which amounted to 23,757 tCO₂-eq.

Table 86.- Total greenhouse gas emissions (Scope 1 + Scope 2)

(expressed in t CO ₂ e)	2014	2013	2012	2011
Europe & Rest of the World	18,749	26,050	27,355	33,262
United States	1,411	5,162	7,816	8,175
China	4,223	3,684	5,958	14,298
India	5,341	4,539	6,528	1,848
Brazil	156	20	-	-
Total CO₂ emissions	29,879	39,456	47,656	56,747

Additionally, the more than 31.2 GW installed by Gamesa prevent the emission into the atmosphere of 46.8 million tons of CO₂ a year by placing clean renewable energy on the market. The balance of this contribution indicates that the new products Gamesa has installed in 2014 (2,399 MW) have prevented greenhouse gas emissions amounting to 122 times the emissions generated by its activities.

In 2014, Gamesa once more measured the most significant emissions produced by services outside the organization's main activity (Scope 3), such as logistical transport by land and sea. This figure amounted to 242,631 t CO₂-eq in the year.

In order to calculate the indirect emissions produced by consuming electricity, the International Energy Agency's (IEA) data for 2013 have been taken into account, which include different conversion factors based on the electric energy's country of origin.

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.

The calculation entitled "Other emissions" set out in the table for indicator G4-EN21 (p. 91), 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.

G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)

Table 87.- Direct greenhouse gas (GHG) emissions (Scope 1, by origin)

(expressed in t CO ₂ -EQ)				2014				2013				2012
Combustion	CO ₂	CH ₄	N ₂ O	Totals	CO ₂	CH ₄	N ₂ O	Totals	CO ₂	CH ₄	N ₂ O	Totals
Natural gas	2,474	1.1	1.3	2,476	6,109	2.7	3.2	6,115	7,777	3	4	7,784
Propane	447	0.2	0.2	448	483	0.2	0.2	483	490	0.16	0.24	490
Gas oil	714	0.7	1.7	716	614	0.6	1.5	616	984	0.84	2.48	987
Dry ice	125	0.0	0.0	125	73	-	-	73	64	-	-	64
Gas oil A	1,887	1.9	4.6	1,894	2,010	2.0	4.9	2,017	2,719	2.32	7	2,728
Gasoline	205	0.3	5.0	210	489	0.7	12.0	502	575	0.66	15	589
Coolant gases												
R404A				0.0				0.0				97.50
R22				0.0				0.0				86.22
R407C				252.00				220.14				314.10
R410A				0.0				0.0				121.80
R417A				0.0				0.0				0.0
R422D				0.0				0.0				0.0
R134A				0.0				0.0				938.08
R401A				0.0				0.0				0.0
Dielectric												
SF ₆				0.00				0.00				0.00
Total direct CO₂ emissions (Scope 1)				6,122				10,038				14,202

Table 88.- Direct greenhouse gas (GHG) emissions (Scope 1, by geographic area)

(expressed in t CO ₂ -e)	2014	2013	2012	2011
Europe & Rest of the World	5,427	7,861	9,872	10,714
United States	142	1,790	2,215	2,599
China	111	75	661	2,012
India	304	301	1,454	666
Brazil	137	11	-	-
Total direct CO₂ emissions (Scope 1)	6,122	10,038	14,202	15,991

G4-EN16 Indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect emissions are any emissions produced by the activity, but which are generated by other organizations, such as emissions from the energy consumption of buildings and equipment through electricity consumption.

Table 89.- Indirect greenhouse gas (GHG) emissions (Scope 2, by geographic area)

(expressed in t CO ₂ -e)	2014	2013	2012	2011
Europe & Rest of the World	13,321	18,189	17,483	22,548
United States	1,269	3,372	5,601	5,576
China	4,112	3,609	5,297	12,286
India	5,037	4,238	5,074	1,182
Brazil	19	9	-	-
Total indirect CO₂ Emissions (Scope 2)	23,757	29,418	33,454	40,756

G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)

Table 90.- Other indirect greenhouse gas emissions

(expressed in t CO ₂ -e)	2014	2013	2012	2011
Land transport	2,428	1,642	4,023	n.a.
Sea transport	240,203	179,706	259,394	n.a.
Total direct CO₂ emissions (Scope 3)	242,631	181,348	263,416	n.a.

G4-EN18 Greenhouse gas (GHG) emissions intensity

Table 91.- Greenhouse gas (GHG) emissions intensity

	2014	2013	2012	2011
(tons CO ₂ /employee)	4.6	6.5	7.2	6.8
(tons CO ₂ /€ mill. of invoicing)	10.5	16.9	16.7	18.7

Direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions from energy generation (Scope 2) have been included to calculate intensity.

G4-EN19 Reduction of greenhouse gas (GHG) emissions

As mentioned in the Strategy and Analysis section, it is important to point out the Gamesa, when performing its activities, contributes directly to the reduction in greenhouse gases and therefore to the fight against climate change. This is a direct result of having placed on the market more than 31 GW of cumulative installed wind energy capacity, which prevents the emission into the atmosphere of over 46 million tons of CO₂ each year.

Moreover, a variety of actions aimed at reducing energy consumption and increasing energy efficiency were implemented and carried out throughout 2014 in several of the organization's areas. Optimizing energy management is included among these actions, which led to consumption savings of almost 1,133,239 kWh of natural gas, which are equivalent to 486 equivalent tons of CO₂ (tCO₂-e).

Table 92.- Reduction of greenhouse gases. Managed actions

Plant	Name of initiative	Natural gas (kWh)	tCO ₂ -e prevented	Status
Gamesa Burgos (Lerma)	Changing the temperature set at factory: installation of thermostats and changing temperature ranges at which the system is triggered.	83,388	180	Done
Gamesa Guipuzkoa (Asteasu)	Modification of the nozzle system to dissipate the heat from the factory caused by grinding machines and compressors in the summer, and to retain heat in the winter. At the same time, the temperature set at the factory was changed.	1,049,851	306	Done
Total tCO₂-e prevented			486	

G4-EN20 Emissions of ozone-depleting substances (ODS)

Pursuant to prevailing legislation, Gamesa does not currently have any cooling equipment which emits gases containing ozone-depleting substances.

G4-EN21 NO_x, SO_x and other significant air emissions

Table 93.- Other significant air emissions

(expressed in tons-t)	2014	2013	2012	2011
CO (t)	3.41	1.0	1.9	1.9
NO _x (t)	3.25	1.8	2.6	2.2
SO _x (t)	2.27	0.1	0.1	1.0
VOC (t)	9.20	13.4	4.0	3.9
Particles (t)	1.54	1.8	1.0	0.5
HC _x (t)	0.00	0	0	0
Total organic carbon (TOC)	4.98	2.2	14.7	11.2

Effluents and waste

G4-DMA Management Approach

The only effluents discharged by Gamesa are linked to the use and consumption of sanitary water. Effluent 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 effluents, the method of calculation contemplates values for the different parameters measured by an Authorized Control Entity in Spain and the corresponding organizations in China and India and the flows discharged at each center. The value shown is obtained from the statistical average of all the measurements.

G4-EN22 Total water discharge by quality and destination

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.

The volume discharged in the year amounted to 77,872 m³, a 24% increase on in the previous year's figure.

Table 94.- Volume discharged⁵²

(expressed in m ³)	2014	2013	2012	2011
Europe & Rest of the World	20,554	21,622	13,955	26,884
United States	-	1,588	2,816	2,548
China	31,913	23,438	32,750	29,519
India	25,406	15,708	9,811	2,357
Brazil	-	-	-	-
Total discharges	77,872	62,356	59,332	61,488

Table 95.- Eco efficiency of discharge

	2014	2013	2012	2011
(m ³ /employee)	12.10	10.25	8.92	7.35
(m ³ /€ mill. of invoicing)	27.36	26.69	20.86	20.27

Table 96.- Quality of the water discharged

	2014	2013	2012	2011
pH	7.66	7.65	7.68	7.90
Suspended solids (mg/l)	58.06	56.00	58.54	51.49
Chemical Oxygen Demand (COD)	124.87	146.19	90.66	99.29
Biological Oxygen Demand (BOD5)	38.92	52.80	36.84	27.48
Oils and fats	3.66	4.62	9.42	15.39
Total phosphorus	3.38	3.70	3.64	3.66
Total nitrogen	26.13	25.35	24.45	27.92
Total chromium	1.01	0.05	0.37	0.74

⁵² The only effluents discharged by Gamesa are linked to the use and consumption of sanitary water. Effluent 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.

G4-EN23 Total weight of waste by type and disposal method

The volume of waste in 2014 amounted to **10,841 tons**, 5% more than in the previous year; with a ratio of hazardous waste generation to non-hazardous was generation of almost 1:10. The figure for the waste generated by employee and year was of 1.6 tons.

Approximately 30% of the hazardous waste is destined to recovery, reuse or recycling, almost 9 percentage points more than in the preceding year. For its part, this percentage destined to taking advantage of used materials reached 11% in the case of non-hazardous waste.

Likewise, the RECYBLADE project, which deals with ways of recovering fiber glass waste from scrapped blades, was completed. This project also looked into the ways on how to handle the different waste flows from blade manufacturing. The project's conclusions were presented to the CDTI. This project has led to the manufacturing of elements that can be used in construction which use the waste from blades.

In order to recycle carbon fiber, Gamesa exported 10 tons of prepeg carbon fiber waste to the United Kingdom in 2014 and complied with the provisions set forth in the Basle Convention and the regulations arising thereof.

Table 97.- Waste generation by type
(expressed in tons-t)

	2014	2013	2012	2011
Hazardous waste				
Europe & Rest of the World	959	1,495	1,495	1,800
United States	0	0	0	0.875
China	30	21	21	65
India	1	14	14	266
Brazil	0	0	0	3.6
Total hazardous waste	991	1,530	1,530	1,896
Non-hazardous waste				
Europe & Rest of the World	8,199	7,722	7,722	8,810
United States	-	121	121	74.5
China	215	163	163	220
India	1,414	810	810	183
Brazil	23	0	0	6.1
Total non-hazardous waste	9,851	8,817	8,817	9,294
Total waste (hazardous and non-hazardous)	10,841	10,346	11,191	16,336

Table 98.- Eco efficiency in waste management

	2014	2013	2012	2011
(t/employee)	1.68	1.70	1.68	1.95
(t/€ mill. of invoicing)	3.80	4.42	3.93	5.38

Table 99.- Destination of waste by treatment method

	2014	2013	2012	2011
Hazardous waste				
Recovery	3.07%	2.31%	3.34%	3.28%
Disposal	69.99%	78.36%	82.26%	81.52%
Reuse	1.61%	1.92%	1.87%	0.62%
Recycling	25.33%	17.41%	12.53%	10.51%
Stand-by storage	0.00%	0.00%	0.00%	4.07%
Non-hazardous waste				
Recovery	49.13%	0.27%	0.12%	0.03%
Disposal	16.77%	64.10%	55.73%	53.78%
Reuse	6.34%	2.13%	1.86%	1.00%
Recycling	27.76%	33.50%	42.29%	44.81%
Stand-by storage	0.00%	0.00%	0.00%	0.37%

Table 100.- Most common waste transported

<i>(expressed in tons-t)</i>	2014	2013	2012	2011
Hazardous waste				
Prepeg	232	473	818	1,177
Catalyzed	41	77	115	114
Contaminated metal containers	31	36	63	91
Contaminated materials	149	287	181	362
Semi-solid resins	44	66	61	81
Used oil	84	88	92	97
Contaminated plastic containers	28	54	54	77
Non-hazardous waste				
General garbage	1,445	1,498	1,860	3,313
Paper and cardboard	281	353	336	553
Wood	1,117	921	685	2,016
Casting sand	4,825	3,009	2,689	2,387
Scrap	1,637	1,536	2,868	3,935
Polyethylene	150	372	426	632

G4-EN24 Total number and volume of significant spills

There were no significant spills in 2014. 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 twenty-two (122) small spills of hydraulic and lubrication oil having a total volume of 7.9 m³ (7,976 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.

G4-EN25 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally

In order to recycle carbon fiber, Gamesa exported 56.6 tons of prepeg carbon fiber waste to the United Kingdom in 2014 and complied with the provisions set forth in the Basle Convention and the regulations arising thereof.

G4-EN26 Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff

No spills or run-offs into aquatic habitats that could have a significant impact on water resource availability were recorded in 2014.

Products and Services

G4-DMA Management Approach

As one of the essential pillars of its excellence policy, Gamesa has set out "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." For this reason it has undertaken the "Commitment to improve products and services from the design to development stages on the basis of any environmental impacts detected throughout their life cycle, thereby avoiding the transfer of environmental impacts from one stage to another or from one category to another."

The company has been a pioneer in certifying the eco-design of its products in accordance with the ISO 14006/2011 standard. The G10X-4.5 MW and G114-2 MW platforms are included in Gamesa's eco-design certification, along with the electric vehicle recharging point. This achievement allows the environmental impact caused by wind turbines to be minimized throughout their life cycle: ranging from the design stage of all its components – a stage at which 80% of the impacts generated by a product, process or service are defined – to the materials selection, industrialization, packaging and delivery, installation, operating, maintenance and dismantling stages. Eco-design 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.

G4-EN27 Extent of impact mitigation of environmental impacts of products and services

The Business Plan 2013-2015 focuses on the development of new products that are in line with market needs, have a competitive cost of energy (CoE) and need 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 be focused on the evolution of the two current platforms, the 2 MW platform which has evolved to 2.5 MW and the multi-megawatt platform that is evolving 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)⁵³

The Gamesa 5.5 MW turbine segment offers clear advantages 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).

G4-EN28 Percentage of products sold and their packaging materials that are reclaimed at the end of their useful lives by category

Gamesa has developed a process known as "Life Cycle Assessment" (LCA), which aims to assess the environmental loads associated to a product, process or activity, taking into account its entire life cycle. In 2013, it concluded a project known as "Ecowind: Life cycle assessment of 1 kWh generated by an onshore Gamesa G90 wind farm". This project's main aim was to calculate the environmental impact associated to electric wind energy generation in Europe and was carried out on a typical wind farm equipped with Gamesa G90-2.0 MW turbines throughout its life cycle; in other words, from its creation to its final dismantling.

The report is in accordance with the UNE-IN-ISO 14.040 and 14.044 standards from 2006 and analyses the entire life cycle of the product and the processes associated to each stage. It defines the environmental impacts connected to each phase, stage or unitary process, assessing which are more or less harmful, and serves as a reference model for drawing up future designs and redesigns.⁵⁴

⁵³ AEP/THM: Annual Energy Production/Top Head Mass as a product competitiveness parameter

⁵⁴ <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/informe-analisis-ciclo-de-vida-g90-english.pdf>

This process allowed the environmental product declaration or EPD (Type III Ecolabel) to be obtained for the G114-2 MW turbine in 2014.⁵⁵

Table 101.- Impacts resulting from the generation of 1kWh at a typical Gamesa G90-2.0 MW wind farm

	Units	Production	Construction and assembly	Operation and maintenance	End of life	Total life cycle (1 kWh)
Abiotic resource depletion (ADP)	(kg Sb _{eq})	4.08 E-05	1.78 E-05	2.93 E-06	8.82 E-07	6.24 E-05
Acidification potential (AP)	(kg SO _{2eq})	2.36 E-05	1.04 E-05	1.47 E-06	4.64 E-07	3.58 E-05
Eutrophication potential (EP)	(kg PO ₄ ²⁻ _{eq})	3.34 E-06	1.48 E-06	2.14 E-07	9.61 E-08	5.13 E-06
Global warming potential (GWP)	(kg CO ₂ eq)	4.95 E-03	2.63 E-03	3.24 E-04	1.31 E-04	8.03 E-03
Ozone depletion potential (ODP)	(kg CFC-11 _{eq})	8.61 E-10	2.56 E-10	3.48 E-11	1.80 E-11	1.17 E-09
Human toxicity potential (HTP)	(kg 1,4-DB _{eq})	1.97 E-02	2.88 E-03	5.94 E-04	2.68 E-05	2.32 E-02
Fresh water aquatic ecotoxicity potential (FAETP)	(kg 1,4-DB _{eq})	4.34 E-03	5.48 E-04	9.38 E-05	4.75 E-04	5.46 E-03
Seawater aquatic ecotoxicity potential	(kg 1,4-DB _{eq})	2.42 E-03	3.90 E-04	5.83 E-05	1.84 E-04	3.06 E-03
Terrestrial ecotoxicity potential (FAETP)	(kg 1,4-DB _{eq})	1.71 E-06	4.04 E-07	4.00 E-08	7.63 E-09	2.16 E-06
Land use	(m ² /a)	2.30 E-04	1.36 E-03	7.40 E-06	1.24 E-05	1.61 E-03
Photochemical oxidation	(kg C ₂ H ₄)	1.99 E-06	7.62 E-07	7.74 E-08	1.70 E-08	2.85 E-06
Water consumption	(kg)	2.25 E-02	6.93 E-03	1.11 E-03	2.08 E-04	3.08 E-02
Non-renewable primary energy	(MJ _{eq})	8.10 E-02	3.87 E-02	6.68 E-03	2.06 E-03	1.28 E-01
Renewable primary energy	(MJ _{eq})	4.18 E-03	1.85 E-03	2.13 E-04	3.05 E-05	6.27 E-03
Cumulative energy demand (CED)	(MJ _{eq})	8.52 E-02	4.05 E-02	6.89 E-03	2.09 E-03	1.35 E-01
Electricity generated during 20 years	(kWh)	-	-	-	-	154,358,428
Energy return rate ⁵⁶		-	-	-	-	26.73:1
Amortization time ⁵⁷	(months)	-	-	-	-	9.10
Recycling rate	(%)	-	-	-	-	90.67

Table 102.- Impacts resulting from the generation of 1kWh at a typical Gamesa G114-2.0 MW wind farm

	Units	G114-2.0 MW 80m Tower	G114-2.0 MW 93m Tower
Acidification potential (AP)	(kg SO _{2eq})	3.3445 E-05	3.6340 E-05
Eutrophication potential (EP)	(kg PO ₄ ²⁻ _{eq})	1.5857 E-05	1.7408 E-05
Global warming potential (GWP)	(kg CO ₂ eq)	6.9683 E-03	7.6988 E-03
Ozone depletion potential (ODP) (20a)	(kg CFC-11 _{eq})	6.0301 E-10	6.4673 E-10
Photochemical oxidation	(kg C ₂ H ₄)	2.2068 E-06	2.5380 E-06

Compliance

G4-DMA Management Approach

As one of the essential pillars of its excellence policy, Gamesa has set out "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 energy efficiency and ecodesign, as well with any product regulations which apply".

The certified environmental management systems the Group is equipped with allows it to identify the legal requirements which apply to its activities, as well as assess its compliance thereof. Compliance reports are drawn up in cases where the management system has not been fully implemented.

G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Gamesa states that it has not received any kind of sanction for having failed to comply with environmental laws and regulations.

⁵⁵ <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/documentacion-declaracion-ambiental-g90-english.pdf>

⁵⁶ Indicates the wind turbine's energy generating capacity in relation to the energy it will consume over its life cycle

⁵⁷ The time required to generate the electric energy equivalent to the energy it will consume over its entire life cycle.

Transport

G4-DMA Management Approach

Gamesa is equipped with procedures which set out the systematic processes to exercise appropriate control over loading, unloading and transport operations of hazardous goods by land, sea and air carried out at the Group's centers with the organization's own resources or those of subcontracted companies in order to ensure suitable protection for people, goods and the environment, as well as to comply with prevailing legislation.

G4-EN30 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

The most significant impacts of the company's activities are connected with greenhouse gas emissions. The quantitative information on such emissions is set out in the emission indicator G4-EN6 (p. 81) of this report.

Overall: Expenditures and investments

G4-DMA Management Approach

Gamesa is equipped with a management procedure for investments and expenditures, which are defined in keeping with the criteria of Gamesa's Management Control Department.

G4-EN31 Total environmental protection expenditures and investments by type

Table 103.- Environmental expenditures by type of expense

(expressed in euros-€)	2014	2013	2012	2011
Facility refurbishment	7,834	47,168	3,208	7,825
Analysis	7,871	137,207	3,721	9,216
Transport Safety consultants ⁵⁸	0	8,260	5,249	3,872
Consultancy /Counseling	22,080	623,335	733,246	2,270,788
Waste management	550,706	519,246	1,043,783	1,175,181
Environmental monitoring plan	55,543	273,115	1,029,311	1,260,327
Environmental management system	22,600	49,974	49,974	101,408
Training	315,693	923,188	194,384	191,115
Other	0	57,024	-	-
Total environmental expenditure	982,328	2,638,518	3,062,875	5,020,542

⁵⁸ The subcontracting of transport safety consultants came to an end in 2014 and they are now managed in-house. Hence, the expenditure booked for them is zero in 2014.

Supplier environmental assessment

G4-DMA Management Approach

Gamesa is equipped with screening procedures for suppliers of both goods and services, through which their environmental performance is assessed with a view to their acceptance as suppliers of the Company.

G4-EN32 Percentage of new suppliers that were screened using environmental criteria

Screening processes were conducted on 532 suppliers in 2014. These processes include assessing the environmental criteria set for the process, among others.

Though the screening processes' controls are being properly applied, the Company still does not have the indicators that would allow it to accurately assess suppliers' level of environmental compliance, determine their criticality or take decisions that could affect procurement terms and conditions.

As mentioned in indicator G4-12 (p. 26), "Responsible development of the supply chain", this aspect is in the process of being suitably included in the management system through the supplier screening and grading system and the company expects to be in a position to report it in detail to stakeholders in 2015.

G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken

The statements set out in indicator G4-EN32 apply in this case.

Environmental grievance mechanisms

G4-DMA Management Approach

Gamesa has procedures to ensure that internal and external communications on environmental, energy efficiency and occupational health and safety matters are efficiently conveyed across the organization's different levels, and between it and the outside.

Said procedures include local community participation and complaints mechanisms for any cases where such communities could be affected by a project's risks or adverse impacts, in which case a participation and consultation process with them is set up (free from external manipulation, interference, coercion and intimidation), which is then carried out on the basis of accessible, comprehensible, pertinent and timely information.

G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

Gamesa states that it did not receive any grievances or complaints connected with environmental issues.

II.11.- SOCIAL DIMENSION

II.11a.- LABOR PRACTICES AND DECENT WORK

G4-DMA Management Approach: Labor Practices and Decent Work

Gamesa shares the objective of improving the quality of life, since it believes in social and professional development as an implicit component of its future success.

It will encourage employee training, particularly through the creation of job opportunities, as well as by avoiding any kind of discrimination, showing respect for diversity, encouraging a safe healthy environment and promoting communications with the workforce.

Employment

G4-DMA Management Approach

Management of **change in the organization, awareness of change and development**, both personal and professional, of people are the ultimate objectives to respond to the 2013-2015 Business Plan. This Mission is developed on the basis of three strategic lines of actions:

1.- Development of the organization:

- Geared to basic business processes, facilitating rapid decision-making.
- “Lean”, transversal and flexible.
- Appropriate in size to its environment and ready to support growth.
- Geared to results and to improving customer satisfaction and financial strength.
- Regionalization of the organization. Granting autonomy (authority and responsibility) to local management in the various regions, while at the same time ensuring alignment with corporate policies.

2.- Knowledge management

- Detecting, retaining and developing talent and the necessary knowledge, ensuring its proper transmission
- Identification and assessment of potential talent based on skills and contribution
- Skills-based management

3.- People

- Priority of health and safety of all Gamesa's people
- Professional development which is appropriate to people's experience, contribution and value
- Training for professional development
- Teamwork

The combination of these three action paths with the key factors of the Business Plan for 2013-2015 (efficiency, management of change and growth in key segments and markets) determine the key processes of Human Resources and our policies. During 2013 the company's organizational design was revised in accordance with two basic principles: regionalization and organization by processes. In tangible terms the most obvious results have been:

- The emergence of Europe+ROW as a Region.
- The designation of Operation and Maintenance (O&M) as an Executive Division with responsibility for its profit and loss account.
- The defining of the Functional Units of the General Executive Board of Directors (Commercial, Technology, Purchases, Management Control, Industrial and Human Resources)
- Implementation of the four new basic processes (Product Development, NBA (New Business Approval), Management by Projects and Continuous Improvement)

In 2014 the new organizational design was consolidated and implementation in the various Regions was completed.

Gamesa's workforce increased by 352 (5.8%) over the course of the year, due basically to the increased activity in India, China, and Latin America. The increase was mainly in direct labor, not affecting fixed salary costs.

G4-LA1 Total number and rate of employee turnover by age group, gender and region.

New hirings during the year were mainly in India, China and Brazil, which together accounted for 76% of new hirings. It should be borne in mind that in this latter region the workforce increased by 2.7 times in 2014. Additionally, 57% of new hires were under 30 years of age.

Table 104.- New hirings within the social boundary

	2014		
	Men	Women	TOTAL
Total in number	716	97	813
By age			
Age group: <25 years	162	8	170 (21%)
Age group: 25-30 years	248	44	292 (36%)
Age group: 31-35 years	168	27	195 (24%)
Age group: 36-40 years	80	11	91 (11%)
Age group: >40 years	58	7	65 (8%)
By region			
Region: Europe and the Rest of the World	108	35	143 (18%)
Region: United States	50	3	53 (7%)
Region: China	148	24	172 (21%)
Region: India	277	2	279 (34%)
Region: Brazil	133	33	166 (20%)

The number of voluntary resignations during the year was 369, compared with 280 in 2013. Of these, 323 (87.5%) were men and 46 (12.5%) women.

Table 105.- Voluntary resignations - turnover

	2014		2013	2012	2011
	Men	Women			
Total voluntary resignations by gender (M/W)	323	46	219/61	270/79	297/72
Total voluntary resignations. Group: Director	1	-	2	1	n.a.
Total voluntary resignations. Group: Managers	56	6	54	56	n.a.
Total voluntary resignations. Group: Specialists	133	27	145	194	n.a.
Total voluntary resignations. Group: Supervisors	10	-	18	16	n.a.
Total voluntary resignations. Group: Technicians	122	12	55	77	n.a.
Total voluntary resignations. Group: Experts	1	1	3	2	n.a.
Total voluntary resignations. Group: Others	-	-	3	3	n.a.
Total voluntary resignations. Age group: <25 years	62	3	18	22	54
Total voluntary resignations. Age group: 25-30 years	100	16	107	140	128
Total voluntary resignations. Age group: 31-35 years	79	13	65	93	84
Total voluntary resignations. Age group: 36-40 years	39	8	51	50	55
Total voluntary resignations. Age group: >40 years	43	6	39	44	48
Total voluntary resignations. Region: Europe & ROW	72	19	71	111	110
Total voluntary resignations. Region: United States	39	6	65	103	68
Total voluntary resignations. Region: China	88	15	54	76	126
Total voluntary resignations. Region: India	121	3	79	49	61
Total voluntary resignations. Region: Brazil	3	3	11	10	4

G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

In offering social benefits, Gamesa makes no distinction among full-time, temporary, and part-time employees.

The social benefits package offered does not distinguish between full-time and other employees. They are offered in accordance with legal obligation or the most extensive and competitive usual practices of the markets in the various countries where Gamesa is present, as well as the employee's professional category.

G4-LA3 Return to work and retention rates after parental leave, by gender

Table 106.- Parental leave and return to work

	2014		
	Men	Women	TOTAL
Number of employees entitled to parental leave	4,972	1,459	6,431 (100%)
Number of employees taking parental leave	258	230	488 (7.58%)

Labor/Management Relations**G4-DMA Management Approach**

Working relations between Gamesa and its employees are regulated by the legal regulations of each country and such pacts and agreements as may have been entered into with workers' representatives. As at the end of 2014 there were a total of 34 works councils in Spain, with which 278 meetings were held during the year. In addition, 48 meetings were held in Spain to negotiate and monitor the various temporary layoffs.

There were six labor union elections; three collective bargaining agreements were signed, specifically at the Lerma, Munguia, and Asteasu plants; the Valencia plant pact was extended, and a salary review was agreed on under the Reinos plant pact.

Also, in the context of the adjustment measures of 2012 and 2013 an employment panel was established. In 2014 the panel met eight times and a further five times for negotiations about its workings. Through this panel, 11 of the 14 people who joined the program were placed in jobs.

In 2014 Gamesa set up a Training Panel together with Spain's leading labor unions UGT, CCOO and ELA. The panel met three times during the year. This Panel will monitor training in Spain, except for the production plants.

In addition to the above-mentioned meetings with the Works Councils, a further 125 meetings were held between the company and labor union federations or their coordinators in Gamesa.

During 2014 we negotiated and agreed the Gamesa Global Labor Agreement⁵⁹ with the major Spanish labor unions (UGT, CCOO and ELA) and the IndustriALL Global Union. It was officially signed in early 2015. This agreement is the world's first with a company in the renewable energy sector, and will apply to all the companies forming the Gamesa group and all their employees worldwide, incorporating new clauses which strengthen workers' rights.

⁵⁹ <http://www.industriall-union.org/es/gamesa-industriall-global-union-y-las-federaciones-de-industria-de-ugt-y-ccoo-firman-un-acuerdo>

The usual communication channels between the company and workers continue, in particular the Gamesa intranet, with more than 718,000 visits in 2014, the employees' internal mailbox, and the Gamesa Club (15,609 views), Gamesa Flex (2,030 queries answered), and the Human Resources management mailboxes for communications relating to the workforce.

In 2014 Human Resources promoted a new mechanism for dialogue with employees, in the form of breakfast briefings with Management. More than 100 breakfasts were held, and attended by 2,100 people.

Turning to Mexico, all activity - construction, operation and maintenance - are now covered by an agreement signed with the sector labor union SUTERM.

In Brazil, notably, two agreements were signed on remuneration - one concerning variable remuneration of operatives at the nacelle plant, and the other regarding their annual salary increases.

Table 107.- Committees and dialogue panels in Spain

	2014	2013	2012	2011
Works councils	35	34	37	N.A.
Meetings with Works councils	278	212	147	130
Lay-offs Negotiation meetings	24	37	65	61
Lay-offs Monitoring meetings	24	26	31	67
Number of trades unions elections	6	6	-	-
Number of collective bargaining agreements signed	4	2	-	-
Number of meetings of the Psychosocial Risks Panel	5	4	-	-
Number of meetings of the Diversity and Equality Committee	5	8	2	2

G4-LA4

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

Concerning the minimum period for prior notice of organizational changes in Europe and Spain, legislation lays down very strict criteria concerning serving notice about such organizational changes. Even so, 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 collective layoffs. This right is not only recognized but improved upon in the collective agreement. In China and India, although there are no requirements in this regard, employees are informed appropriately and in line with the company's standards of any organizational changes that are significant or that affect them.

Occupational Health and Safety

G4-DMA Management Approach

Gamesa and the companies forming the Gamesa Group promote an appropriate policy and culture of prevention of occupational risks in order to ensure health and safety at work, compliance with current applicable legislation in each country and the adoption of such preventive measures as are necessary and/or appropriate in each case.

The aim of this policy is to implement the commitment to continuous improvement in order to consolidate observance of international practices and standards guided by criteria of excellence in applying an occupational risk prevention system.

People's health and physical safety is a corporate priority, implemented by means of the Company's various policies and processes and provided with specifically earmarked resources. The constant reduction of accident frequency and severity rates is an objective of everyone under the Gamesa Management by Objectives (GMBO) system.

Integrated Policy of Excellence

For all its processes - design, manufacture, assembly, on-site erection, commissioning, and after-sales service - Gamesa has set the objective of fully satisfying its customers, whether internal or external. This is achieved by means of the integrated occupational health and safety, environmental, and quality policy, establishing a safe working environment, ensuring the utmost respect for the environment throughout the life cycle of its products, and following an advanced quality system.

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

- Health and safety in the workplace is more than a priority - it is a value.
- Commitment to responsible action regarding the health of both people and the environment. Conscious of its interaction with its surroundings, the company is committed to complying with applicable legal requirements in the areas of health and safety in the workplace, the environment, and energy efficiency, as well as applicable product regulations.
- The creation and distribution of wealth among shareholders, employees, suppliers, customers and the communities in which it operates. This commitment aims to prevent any non-conformity at each step of the processes, and is fulfilled in a manner compatible with respect for and Improvement and conservation of health and safety in the workplace, the environment, energy efficiency, and product and service quality by means of commitment to continuous improvement.
- Sense of responsibility. Health and safety in the workplace, respect for the environment, energy efficiency, and quality requirements must be inherent to the organization. They must form an integral part of each person and each activity, and especially, of each person with responsibility for a team.

Health and safety management program consolidated

The Company has a global occupational health and safety management system, for which it has obtained OHSAS 18001 certification, applying to its worldwide operations, from TÜV Rheinland Cert GmbH.

The international OHSAS 18001 standards contribute to reducing accidents at work and increasing productivity, aiding compliance with prevention legislation and promoting a culture of prevention by making prevention an integral part of the Company's general systems.

Gamesa proactively analyzes the root causes of accidents, and has other management indicators showing the degree of penetration of this work philosophy in the day-to-day conduct of its business:

- a single, standardized, global occupational health and safety management system applying to the whole organization, with more than 100 professionals working in the field of occupational health and safety, and a service of more than 70 external workers providing preventive resources;
- 58 comprehensive audits carried out by the audit team in 2014, with the annual schedule being 89.6% fulfilled;
- 829 specific training actions on occupational health and safety, out of a total of 866 actions planned for 2014, representing an overall degree of fulfillment of 96.8%. The effectiveness of the training actions was assessed at 94.45%;
- the efforts made in investigating 100% of accidents and incidents led to a total of 1,168 actions in 2014 to improve health and safety, with programs at different stages of progress, although we would highlight that 87.6% of them have been completed.
- 15,124 safety inspections and 3,008 preventive observations scheduled, along with risk notifications and audits carried out in 2014, identified 6,196 new improvement actions, which have currently been 99.3% completed.
- 95.7% completion of health checks against plan.
- a weighted degree of fulfillment of the annual health and safety management plan of 89.24%, for all operational areas and geographic regions.

Table 108.- Management of the occupational health and safety program

	2014	2013	2012	2011
Comprehensive health & safety audits	58	33	37	83
% fulfillment of the audit program	89.6%	78.5%	71.2%	100%
Specific health and safety training actions	829	422	1,948	1,123
% attainment of the training action plan	96.8%	96.5%	96.5%	80.0%
Health and safety improvement actions	1,168	1,658	2,553	2,539
% completion of actions for improvement	87.6%	85.8%	88.1%	79.0%
Safety inspections	15,124	15,728	18,452	21,549
Preventive observations	3,008	2,510	3,068	3,020
Required actions for improvement detected:	6,196	4,163	4,797	2,345
% Implementation of actions for improvement	99.3%	98.0%	86.2%	90.4%

G4-LA5

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
Prevention Boards

Gamesa has formal, globally applicable procedures for communication on environmental, energy efficiency and occupational health and safety matters (Standard PBE-1-004).

The purpose of the Prevention Boards, which are organized by work center, is to promote initiatives on methods and procedures for the prevention of risks and to participate in the planning, implementation and evaluation of the preventive policy, as well as such other functions as may be attributed to them by the legislation in force. Their operation, and the functions of their members in each work center, are controlled by systematic, ordered and precise regulations.

In Gamesa, 100% of the workers in its centers in Spain, other European countries and the rest of the world, meaning the United States, China and India, plus Brazil, where industrial implementation started this past year, are represented by their corresponding Prevention Boards.

The setting up of these bodies ensures collegial participation in the design of the occupational risk prevention policy and control of execution of measures aimed at promoting improvements in working conditions. The Prevention Boards' functions notably include the following:

- taking part in the identification of risks that need to be evaluated and controlled.
- being consulted on the preparation, implementation, evaluation and revision of prevention plans and programs.
- taking part in prior studies of the impact on occupational health of projects for planning, work organization, and introduction of new technologies.
- being consulted on procedures, content and organization of worker information and training activities regarding health and safety.
- taking part in initiatives for improving working conditions or correcting existing deficiencies, at the proposal of one of the parties.
- being consulted on the company's assigning workers to handle preventive functions, the defining of these functions and evaluation of their fulfillment.
- taking part in the appointment of the Center's emergency teams.
- being consulted on the choice of *modus operandi*, composition and type of experts needed to establish the Prevention Service, and on the planning of its activities and evaluation of its operation.
- being consulted on the hiring, sanctioning or dismissal of members of the in-house prevention service.
- being consulted on the selection of the provider and the contracting terms if an external prevention service is to be used.
- being consulted on the design of health monitoring programs adapted to the risks, and on the evaluation of their results, within the limitations imposed by corresponding legislation.
- any others attributed to them by the particular legislation applying.

External collaboration on occupational health and safety

Gamesa has extended its commitment to look after its people, with the unanimous support of worker representation, adopting a new orientation that allows us to advance even further in the standards attained in occupational health protection, extending the objective to take in the overall promotion of health (proactive measures to promote healthy habits and behavior both at work and in worker's private lives).

This initiative is aligned with the European Union's establishment of the European Network for Workplace Health Promotion (ENWHP), the objective of which is "healthy people in healthy companies". In order to make this commitment visible, Gamesa has subscribed to the Luxembourg Declaration on Workplace Health Promotion, which contains the basic principles of the ENWHP, and has also joined the Network of Healthy Companies promoted by Spain's National Institute for Occupational Health and Safety.

This commitment also involves the design and implementation of a Health Promotion Program, with the participation of the workers' representatives, under the responsibility of the HSEQ and HR Divisions.

The Company is also cooperating with the Basque Government on drawing up the new Occupational Health and Safety Strategy for 2015-2020 via a working group of widely recognized and experienced external experts led by the Basque Institute of Occupational Health and Safety (OSALAN).

G4-LA6

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

The management of accident indicators is guided by an internal management regulation (PHS-1-011), which establishes uniform criteria for classifying, recording, notifying, investigating and analyzing incidents in order to determine the underlying deficiencies of the preventive system and other factors that could cause or contribute to the occurrence of incidents; identifying the need to implement corrective actions; as well as identifying opportunities for preventive action and continuous improvement.

In 2014, Gamesa once again recorded its lowest ever accident rates. Over the course of the year there was a 1% decrease in the frequency rate for accidents with sick leave and a 2% reduction in the associated severity rate.

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

There were no work-related fatalities recorded in 2014 for Gamesa employees. Regrettably, in the activities carried out by contractors there was one fatal accident.

Table 109.- Frequency rate (FR) of accidents involving sick leave

	2014	2013	2012	2011
FR in Europe and the Rest of the World	4.42	2.09	2.13	4.63
FR in the USA	0	1.02	3.57	4.90
FR in China	1.33	1.52	5.45	1.12
FR in India	0.00	0.00	0.00	0.00
FR in Brazil	2.61	0.00	0.00	0.00
Total Frequency rate	1.72	1.74	2.39	3.84
FR in Europe and the rest of the world (ref.200,000 hrs.)	0.88	0.42	0.43	0.92
FR in the USA (ref. 200,000 hrs.)	0.00	0.20	0.71	0.98
FR in China (ref. 200,000 hrs.)	0.27	0.30	1.09	0.22
FR in India (ref. 200,000 hrs.)	0.00	0.00	0.00	0.00
FR in Brazil (ref. 200,000 hrs.)	0.52	0.00	0.43	-
Total Frequency rate (ref. 200,000 hrs.)	0.34	0.35	0.48	0.76

Frequency rate (FR) of accidents with sick leave = (Total number of accidents with sick leave / Total hours exposure) x 1,000,000; which represents the total number of accidents with sick leave per million hours worked. The conversion to 200,000 hours is used to bring it into line with other references used internationally. The 200,000 factor derives from 50 forty-hour working weeks for 100 employees.

Illustration 9.- Trends in consolidated frequency rate for accidents with sick leave

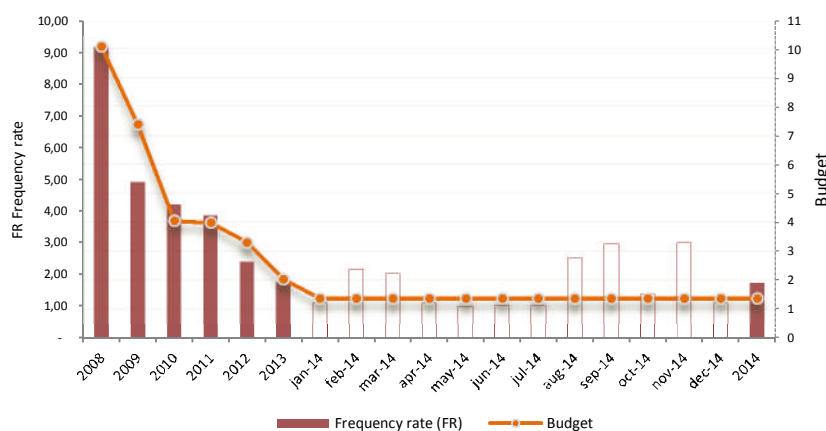


Table 110.- Accident severity rate (SR)

	2014	2013	2012	2011
SR in Europe and the rest of the world	0.141	0.061	0.072	0.110
SR in the USA	0.000	0.001	0.120	0.160
SR in China	0.085	0.169	0.124	0.004
SR in India	0.000	0.000	0.00	0.000
SR in Brazil	0,008	0,000	-	-
Total Severity rate	0.054	0.055	0.073	0.090

Severity rate (SR) = (Number of days lost per accident with sick leave / Total hours exposure) x 1,000; which represents the number of days lost per thousand hours worked.

Table 111.- Incidence rate (IR)

	2014	2013	2012	2011
IR in Europe and the rest of the world	3.60	3.45	3.90	7.84
IR in the USA	0.00	0.16	9.78	9.67
IR in China	1.72	0.16	9.31	1.73
IR in India	0.00	0.00	0.00	0.00
IR in Brazil	3.30	0.00	-	-
Total Incidence rate	3.27	3.78	4.51	6.34

Incidence rate (IR) of accidents with sick leave = (Total number of accidents with sick leave / Total number of workers) x 1,000; equivalent to the number of accidents with sick leave for every thousand persons exposed.

Table 112.- Hazard rate (HR)

	2014	2013	2012	2011
HR in Europe and the rest of the world	41.87	23.96	33.78	42.89
HR in the USA	11.88	28.50	47.55	56.04
HR in China	9.33	4.57	19.63	7.29
HR in India	8.53	5.51	10.37	3.56
HR in Brazil	10.42	88.42	-	-
Total Hazard Rate	15.60	21.52	32.04	36.85

Hazard rate (HR) = (Total number of accidents with sick leave + work related illnesses + first aid (FA) + medical treatment (MT) + restricted work (RW)) / total hours exposure) x 1,000,000

Table 113.- Accident lost day rate (LDR)

	2014	2013	2012	2011
LDR in Europe and the rest of the world	28.25	12.21	14.32	21.28
LDR in the USA	0.00	0.20	24.01	32.43
LDR in China	17.05	33.84	24.86	0.78
LDR in India	0.00	0.00	0.00	0.00
LDR in Brazil	1.56	0.00-	-	-
Total lost day rate	10.84	11.00	14.70	18.38

Lost day rate (LDR) = (No. of days lost / Total hours lost) x 200,000

Table 114.- Occupational disease rate (ODR)

	2014	2013	2012	2011
ODR in Europe and the rest of the world	0.177	0.159	0.071	0.088
ODR in the USA	0.000	0.000	0.000	0.000
ODR in China	0.000	0.000	0.000	0.000
ODR in India	0.000	0.000	0.000	0.000
ODR in Brazil	0.000	0.000	-	-
Total occupational disease rate	0.049	0.121	0.048	0.057

Occupational disease rate (ODR) = (number of cases of occupational disease / Total hours exposure) x 200,000

Table 115.- Accident rates for external personnel: construction, projects and maintenance

	2014	2013	2012	2011
Construction and project personnel: Frequency rate	2.82	4.17	4.39	6.07
Construction and project personnel: Frequency rate ⁶⁰	0.56	0.83	0.87	1.21
Construction and project personnel: Severity rate	0.12	0.10	0.09	0.13
Maintenance personnel: Frequency rate	2.68	3.22	5.21	7.38
Maintenance personnel: Frequency rate ⁶¹	0.54	0.64	1.04	1.47
Maintenance personnel: Severity rate	0.08	0.09	0.12	0.28

Note: In relation to accident data for contracted personnel, their activities are centered on the construction of and maintenance services for wind farms, on which they worked more than 15.7 million hours in 2014. In certain cases data have had to be estimated.

Table 116.- Absenteeism rate ⁶²

	2014	2013	2012	2011
Europe and the Rest of the World	5.36%	5.10%	4.28%	5.49%
United States	n.a.	n.a.	5.94%	4.57%
China	1.45%	2.06%	1.50%	1.86%
India	0.97%	0.49%	1.52%	3.11%
Brazil	1.46%	7.71%	6.62%	-

G4-LA7

Workers with high incidence or high risk of diseases related to their occupation

The majority of the companies in the Gamesa Group carry out preventive monitoring of its employees' health, and the medical units are responsible for carrying out regular medical check-ups.

In general terms, the Company considers that in carrying out their activities its workers are not exposed to occupational or work-related diseases that can be considered as having a high level of incidence or risk. In 2014 in the Group's Spanish companies, as well as the regular medical examinations, work continued on the study of psychosocial risks. Depending on the results, a protocol will be designed to mitigate or correct the effects of these types of risks.

Health monitoring

The Company has standardized systems (PHS-1-010 and derivatives) and general principles to ensure monitoring of the state of health of all company personnel and establish actions that make it possible to:

- detect the effects of working conditions on health in a timely manner;
- draw conclusions relating to the suitability of jobs to people;
- determine the need to apply or improve protective and preventive measures;
- identify workers who are particularly sensitive to certain risks.

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

⁶⁰ Per 200,000 hours

⁶¹ Per 200,000 hours

⁶² The absentee rate is calculated as the number of hours lost / number of hours worked. This criterion is applied in Europe and the rest of the world, China, and India. Due to special market characteristics, in the case of the United States absenteeism is defined as "total hours scheduled to be worked that were not worked." In all cases, the figures refer to absentee rates of direct labor at production sites.

Evaluation of psychosocial risks

Gamesa and employee representatives have started work on an action plan to optimize the potential risk situations identified in the study of psychosocial risks carried out in September 2014.

The documentary basis of the study of psychosocial risks in Gamesa's corporate offices in Spain consists of the results surveys, the high level of participation in which (around 64% of the nearly 1,900 persons) reflects the considerable interest aroused by the study and gives it a high degree of reliability.

The methodology used was developed by the National Institute of Health and Safety in the Workplace, and evaluates "aspects of the design and organization of work and their social and organizational contexts that might be psychologically or physically harmful", producing indicators of potential risks of this nature with a view to preventing possible problems for the health of Gamesa employees.

Of the nine aspects studied, the results obtained for five of them were clearly satisfactory: working time, autonomy, psychological demands, variety/work content, and social relations and support.

Two aspects were identified as priorities: the demands made by tasks, their difficulty and the degree of sharing; and the need to clearly define the functions to be performed, together with the degree of attention to workers' interests.

Both the detailed assessment and the following phases of the project (action plans and their deployment and monitoring) will be carried out jointly by employee representatives and management through the various bodies involved (Occupational Health Committees, Prevention Boards and Project Group), under the supervision of Gamesa's Joint Prevention Service.

The company and the labor unions will also start preparing to extend this study to the rest of Gamesa's working centers in Spain.

G4-LA8**Health and safety topics covered in formal agreements with labor unions.**

The bodies coordinating and monitoring the implementation of preventive principles and procedures are the Prevention Boards, in close collaboration with the Gamesa Joint Prevention Service. All the work centers and administrative units of the companies that have signed collective bargaining agreements are assigned to local health and safety committees. There are 25 such committees, all of them established in accordance with the Prevention of Risks in the Workplace Act, with parity of representation between management and workers. In 2014 the committees met at least quarterly and were the main bodies for consultation, participation and control as regards the management system for the prevention of occupational risks, being the forum in which the formal agreements with the labor unions on these matters were reached.

Formal agreements and negotiations with the unions are as a general rule established locally, not globally. These agreements cover aspects relating to occupational health and safety, either because this matter is regulated in the applicable country, or because the negotiating process incorporates the criteria, indicators and requirements of Gamesa's health and safety management model.

Apart from this, there is labor union representation through the Prevention Boards where the labor framework facilitates it (as in Spain), or failing that, there is always workers representation, addressing matters and agreements involving, *inter alia*:

- data on occupational accidents;
- personal protective equipment;
- participation of workers' representatives in inspections, audits, and investigation of accidents relating to health and safety;
- training and education on health and safety;
- complaints mechanisms, observation of unsafe conditions, etc;
- right to refuse dangerous work;
- regular inspections.

Occupational health and safety management plans are presented to the Prevention Boards.

Training and Education

G4-DMA Management Approach

The company has global personnel hiring policies and processes to identify and define all the milestones of the selection process and to ensure the optimization of its various stages: recruitment, candidate evaluation tools, hiring excellent professionals and integrating them into their positions.

The process ensures that no candidate is discriminated against in any phase of the selection process due to gender, age, race, religion, beliefs or opinions. Evaluation criteria deal exclusively with professional requirements, ensuring evaluation of knowledge, abilities, and skills. The process also ensures compliance with currently applicable laws on employing persons with disabilities and actions for the elimination of all kinds of forced or compulsory labor, the eradication of child labor and forced labor for repaying debt, and for the elimination of any other type of coercive work.

In the countries where it is established, Gamesa makes seeking and attracting local talent a priority. It also promotes internal mobility, whether local or international, within the group, encouraging universality and transfer of knowledge. In this regard there were 803 international postings in Gamesa in 2014, 14 of them long-term.

In 2014, local management personnel was 93% in Spain, 100% in India, 50% in the United States, 83% in China and 100% in Brazil.

G4-LA9 Average hours of training per year per employee by gender, and by employee category

Total training during the year amounted to 119,968 hours, delivered through 1,860 training actions.

Table 117.- Hours of training⁶³

			2014	2013	2012	2011
	Men	Women	TOTAL			
Hours of training	103,913	16,055	119,968	45,553	183,184	323,694
Executives	1.15%	0.13%	1.28%	0.1%	1%	1%
Managers	7.52%	1.28%	8.80%	6.9%	9%	15%
Specialists	11.89%	1.20%	13.09%	23.1%	36%	45%
Supervisors	7.45%	1.61%	9.06%	2.5%	3%	2%
Technicians and experts	58.61%	9.16%	67.77%	67.4%	51%	37%
Training participation rates ⁶⁴	16.73	2.58	19.31	7.49	23.59	39.57
Europe and rest of the World	13.47	3.17	16.64	10.71	27.85	40.35
United States	37.03	2.54	39.57	1.64	30.52	55.73
China	10.86	1.42	12.27	0.01	5.31	36.34
India	28.20	1.19	29.39	-	10.52	19.93
Brazil	10.09	0.54	10.63	0.44	-	-
Number of training actions			1,860	889	3,752	6,166
Europe and rest of the World			1,385	865	n.a.	n.a.
United States			197	14	n.a.	n.a.
China			138	1	n.a.	n.a.
India			94	-	n.a.	n.a.
Brazil			46	9	-	-

⁶³ The final distribution of hours of training by professional category, training participation rates, and the breakdown of training actions by region have had to be estimated since separate data is not available for all training actions.

⁶⁴ Average number of hours of training per year per employee

Gamesa Training Center (Gamesa Faculty)

Gamesa maintains a specialized training center, the Gamesa Training Center⁶⁵, a resource aimed at ensuring ongoing training to cover the needs arising from constant technological advances and innovations in wind energy, and to benefit customers by increasing up-time of their machines, thus obtaining greater benefits in energy generation and reducing future costs. It thus has both internal and external training objectives.

This resource has various training centers in the US, China, India and Mexico, markets with sufficient business volumes to be able to replicate the central training center located in Spain (Navarra). The centers have teams of trainers including full-time specialists and specialists in each component, with the participation of Gamesa suppliers.

In order to serve Gamesa's entire structure and to cover training globally, we work with in-house standards and new industry standards, applying diversified methods (classroom, online platforms, video streaming and simulators), with a range of 55 courses available, specializing in the Gamesa 850 kW, Gamesa 2.0-2.5 MW and Gamesa 5.0 MW platforms and associated systems: mechanical, electrical, electronic, hydraulic, construction, assembly, maintenance, etc.

In countries where smaller scale implementation is required but where the workforce is expected to increase, we seek alternatives such as partnerships with local technical colleges, online methods, video training, etc. For small-scale projects, in order to minimize employee travel, the trainers visit the countries continually to provide training locally and follow up on the wind farms.

Table 118.- Gamesa Training Center

	2014	2013	2012	2011
Hours of training delivered	3,573	2,600	2,400	2,000
Cumulative hours of training received	131,839	97,200	n.a.	n.a.
Number of courses held	328	389	157	200
Number of in-house persons trained	2,583	2,049	2,097	n.a.
Number of external persons trained	584	586	313	323

G4-LA10**Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.**

The basic tool for determining training needs is the performance evaluation. In 2013, because of the internal reorganization, the performance evaluation was not carried out. However, it resumed in 2014. Over the course of the year we revised the procedure (new process, new tools), with the objective focused on our employees' professional development. At the same time, we consolidated the following professional development and talent capturing programs:

- High potential program. Detecting high-potential talents in order to accelerate their development and training
- The *Gamesa Leadership Program*, the purpose of which is to develop key personnel's skills by means of executing multifunctional projects of a markedly international scope.
- The *Gamesa Premium Scholarship Program*, centered on incorporating young graduates, on a scholarships basis, so that by having a multifunctional project assigned to them, they can acquire the knowledge and develop the skills necessary for them to join the company, thus ensuring success in the capturing of talent.
- In-house mentoring program. Aimed at key personnel with high development potential.

⁶⁵ Link: <http://www.gamesacorp.com/recursos/doc/productos-servicios/operacion-y-mantenimiento/gamesa-faculty.pdf>

We would highlight the following training actions in 2014:

- Gamesa China carried out a specific action on Leadership Development in the area of O&M
- Training sessions for management teams and key personnel on Transversal Management and Inclusive Leadership.
- Mentoring: support training for mentors in the in-house Gamesa Leadership Program.

The international mobility program responds to our internationalization, which is now thoroughly consolidated, given that more than 90% of our revenues come from outside Spain, and we have a large team of professionals with many years of international experience, supported by a management team with great knowledge and experience of mobility. In 2014 there were 803 postings, to 34 countries on an "ISP" (International Service Person) basis, i.e. temporary posting of an employee to another work center in a country other than the one in which he is employed.

Table 119.- International mobility 2014

	⁶⁶ ISPs long term	⁶⁷ ISPs short term	Total
Europe and the Rest of the World	4	550	554
United States	-	47	47
China	-	48	48
India	-	32	32
Brazil	10	112	122
Total international mobility	14	789	803

G4-LA11

Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

Table 120.- Personnel subject to performance evaluation: by geographic region

	2014	2013	2012	2011
Performance evaluation: Europe and rest of the World	2,815 (68%)	(*)	2,613 (67%)	2,952 (65%)
Performance evaluation: United States	173 (49%)	(*)	212 (6%)	326 (7%)
Performance evaluation: China	272 (49%)	(*)	302 (8%)	473 (11%)
Performance evaluation: India	784 (82%)	(*)	707 (18%)	789 (17%)
Performance evaluation: Brazil	115 (56%)	(*)	49 (1%)	-
% employees evaluated:	65%	(*)	58%	54%
Total personnel evaluated	4,159	(*)	3,883	4,540

(*)In 2013, because of the internal reorganization, the performance evaluation was not carried out. However, it resumed in 2014.

Table 121.- Personnel subject to performance evaluation: by gender

	2014
Total number of employees	6,431
Men	4,972
Women	1,459
Employees with performance evaluations	65%
Men	73%
Women	27%

(*)In 2013, because of the internal reorganization, the performance evaluation was not carried out. However, it resumed in 2014.

⁶⁶ Minimum duration one year, up to three, extendable to five in case of need.
⁶⁷ Between 15 days and one year

Diversity and Equal Opportunity

G4-DMA Management Approach

Gamesa integrates equality, cultural diversity, the combating of discrimination and support for equal opportunity into the management of its Human Resources and, more specifically, ensures equal opportunities in all its processes (selection, promotion, etc.) These principles are contained explicitly in the in the revised text of the Gamesa Code of Conduct approved by the Board Directors on November 10, 2011.

For Gamesa therefore, complying with the current legislation on managing diversity is a priority. There are many rules on equality and anti-discrimination in the area of labor forming the legislative framework.

From the Charter of the United Nations of 1945 and the Universal Declaration of Human Rights in 1948 through to the standards of the International Labor Organization, they envisage commitment to compliance with the principles relating to fundamental rights, and among them the elimination of discrimination in the field of employment and occupation.

In this respect, Gamesa takes good account of the legislation of each country where it operates.

Policy and commitments

In 2014 Gamesa reconfirmed its commitment to equality and presented its first **Diversity and Inclusion Policy**⁶⁸, the principles of which apply to all geographic regions where Gamesa is present, with the aim of ensuring equality and inclusion and avoiding any kind of discrimination based on race, sex, civil status, ideology, political opinions, nationality, religion or any other personal, physical or social characteristic. The text was ratified by the Board Directors in September, and the Diversity Committee, comprising the HR managers of all the regions, oversees promotion of compliance in a working environment that fosters dignity and respect for others.

Equality Plan

At national level, in Spain, compliance with the Organic Law on the Effective Equality of Men and Women finds expression in the *Second Gamesa Equality Plan*. In September 2010, Gamesa signed the First Equality Plan with the workers' representatives. In September 2014 Gamesa reaffirmed its commitment to diversity and equal opportunity for men and women by signing the Second Equality Plan, which was published in the Official State Gazette of 6 October 2014)⁶⁹.

The first Equality Plan established fundamental bases to work on in the field of equality. The second Equality Plan confirms Gamesa's commitment to equal opportunity and introduces several improvements in order to continue moving forward in this area.

The Equality Plan is based on seven axes:

- Culture and communication
- Selection
- Training and professional development
- Remuneration
- Work-life balance and shared responsibilities
- Prevention of harassment in the workplace
- Support for women victims of gender-based violence

⁶⁸ See link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/diversity-and-inclusion-policy.pdf>

⁶⁹ See link: <http://www.gamesacorp.com/recursos/doc/capital-humano/english/our-people/equality-plan-gamesa.pdf>

Each axis has objectives to be met and specific actions to be taken to do so. These objectives and actions are contained in a timetable specifying areas of responsibility and committed dates for the completion of each action.

To this must be added the agreement on the extension of work-life balance measures also signed this past year and the provision of nursing rooms in the three office centers (Madrid, Pamplona, and Zamudio). In November 2014, the Company subscribed to the Charter of Diversity.

Harassment protocol

Gamesa has a protocol stipulating how to prevent harassment in the workplace⁷⁰ with the aim of preventing the occurrence of sexual, gender-based and/or psychological harassment, which offends dignity, is harmful to the working environment and has undesirable effects on people's health, morale, confidence and self-esteem.

This protocol defines the various forms of inappropriate conduct and the specific means available for preventing them and the channels through which anyone who suffered from them can report them or complain about them. To this end, we have established an effective and rapid investigation procedure which will be set in train whenever an instance of such conduct is reported; this procedure ensures confidentiality and protects the identity of the persons affected, as well as that of all those involved in the process.

Measures taken toward diversity:

Various initiatives in favor of diversity and equality were carried out during the year, both in Spain and abroad, among them:

- subscribing to the Charter of Diversity, promoted by the Diversity Foundation, an initiative driven by the European Commission and the Spanish Ministry of Equality whereby companies that voluntarily subscribe to the Charter of Diversity comply with standards and rules in force regarding equal opportunity and anti-discrimination and adopt the basic guideline principles established in the declaration;
- subscribing to the Socially Responsible Hiring Forum and collaborating with the ONCE Foundation to promote the employment of persons with disabilities;
- creation of a diversity and inclusion microsite on the employees' intranet;
- preparing a plan for online induction;
- signing an agreement with workers' representatives on the extension of work-life balance measures in Spain;
- provision of nursing rooms in the Zamudio, Pamplona and Madrid offices, under the Second Equality Plan;
- participation in the Pegasus campaign to promote youth employment, sponsored by the Novia Salcedo Foundation. This initiative aims to put youth employment on the Global Human Development Agenda through the declaration by the United Nations General Assembly of the Youth Employment Decade 2019-2028 .

These new initiatives are in addition to Gamesa's joining the Declaration of Women's Empowerment Principles on October 29, 2010. These principles, drawn up by means of a multilateral consultative process under the aegis of UNIFEM and the UN Global Compact, offer a view of gender that enables businesses to measure and analyze the initiatives under way. This scenario encompasses all corporate and social activities designed to eliminate discrimination, marginalization and exclusion, despite the fact that equality between men and women is a universal precept recognized internationally as a fundamental and inviolable human right.

⁷⁰ See link: <http://www.gamesacorp.com/recursos/doc/capital-humano/english/our-people/protocol-in-the-event-of-harassment.pdf>

Basic data on diversity

At year-end, the percentage of women in the workforce stood at 23% (1,459), practically unchanged from previous years.

The percentage of the workforce with university degrees was 63%, compared with 37% non-graduates.

By age groups, the most numerous is that of the over-40s (1,764, or 27%), closely followed by the 31-35 age group, with the same percentage, then by the 36-40 group with 1,705 or 25%, while the 25-30 age group accounts for 18% and the under-25s for 3%.

Spanish nationality is the majority in Gamesa, with a representation of 59.6%, followed by Indian (16%) and Chinese (8.9%).

At the national level (Spain), the average number of persons employed by the Gamesa Group with a disability equal to or greater than 33% stood at 18 in 2014, twelve employees and six management staff. Compensatory measures applied in 2014 amounted to €694,871, through contracts for the provision of products and services to special employment centers.

G4-LA12**Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.**

Table 122.- Workforce diversity indicators

	2014	2013	2012	2011
Breakdown by gender				
Men	4,972 (77%)	4,641 (76%)	5,068 (76%)	6,420 (77%)
Women	1,459 (23%)	1,438 (24%)	1,578 (24%)	1,937 (23%)
Breakdown by professional group				
University graduates	4,022 (63%)	3,664 (60%)	3,795 (57%)	4,477 (54%)
Non university graduates	2,409 (37%)	2,415 (40%)	2,851 (43%)	3,880 (46%)
Breakdown by age groups				
Employees aged <25 years	223 (3%)	162 (3%)	166 (2%)	460 (5%)
Employees aged 25-30 years	1,138 (18%)	1,125 (18%)	1,408 (21%)	2,201 (26%)
Employees aged 31-35 years	1,705 (27%)	1,704 (28%)	1,932 (29%)	2,303 (28%)
Employees aged 36-40 years	1,601 (25%)	1,465 (24%)	1,471 (22%)	1,620 (19%)
Employees aged > 40 years	1,764 (27%)	1,623 (27%)	1,669 (25%)	1,773 (21%)
Breakdown by nationality				
Spanish	59.6%	61.9%	64.9%	58%
China	8.9%	8.4%	7.7%	13%
India	16.0%	13.7%	12.2%	11%
US	4.7%	5.9%	6.9%	10%
Brazilian	4.2%	1.3%	1%	0.7%
Others	6.6%	8.9%	7.4%	7.3%
Other indicators of diversity (Spain only)				
Employees with disabilities > 33%	12	12	18	18
Administrative personnel with disability > 33%	6	5	5	1
Total Personnel with disabilities > 33%	18	17	23	19
Amount of compensating measures (euros)	694,871	596,124	-	-

Table 123.- Employees by category in diversity
(as of December 31)

	2014	2013
Directors	10	10
Men	9 (90%)	9 (90%)
Women	1 (10%)	1 (10%)
Age >40 years	10 (100%)	10 (100%)
Senior Management	5	5
Men	5 (100%)	5 (100%)
Women	0 (0%)	0 (0%)
Age <25 years	-	-
Age 25-30 years	-	-
Age 31-35 years	1 (20%)	-
Age 36-40 years	-	-
Age >40 years	4 (80%)	5 (100%)
Executives	100	84
Men	90 (90%)	78 (93%)
Women	10 (10%)	6 (7%)
Age <25 years	-	-
Age 25-30 years	-	-
Age 31-35 years	4 (4%)	4 (4.8%)
Age 36-40 years	10 (10%)	12 (14.3%)
Age <40 years	86 (86%)	68 (80.9%)
Administrative personnel	3,865	3,611
Men	2,961 (77%)	2,739 (76%)
Women	904 (23%)	884 (24%)
Age <25 years	125 (3.2%)	56 (1.5%)
Age 25-30 years	571 (14.8%)	554 (15.3%)
Age 31-35 years	1,070 (27.7%)	1,071 (29.6%)
Age 36-40 years	1,079 (27.9%)	1,010 (28.0%)
Age <40 years	1,020 (26.4%)	920 (25.6%)
Employees	2,461	2,379
Men	1,916 (78%)	1,832 (77%)
Women	545 (22%)	548 (23%)
Age <25 years	98 (4.0%)	106 (4.5%)
Age 25-30 years	567 (23.0%)	569 (23.9%)
Age 31-35 years	630 (25.6%)	622 (26.1%)
Age 36-40 years	512 (20.8%)	443 (18.6%)
Age >40 years	654 (26.6%)	639 (26.9%)

Equal Remuneration for Women and Men

G4-DMA Management Approach

The compensation system ensures that pay is in line with the professional level and the market salary, which ensures, in any case, that employees are offered fair and competitive remuneration. Gamesa's remuneration and reward policy determines a remuneration package which is defined on the basis of the following aspects:

- Remuneration offered ensures external competitiveness and internal fairness and reflects the positive performance of the Group, the Teams and the Individual in an environment that invests in professional development.
- Promoting the high-level personal and organizational performance and recognition of effort, commitment, value creation and contribution to the achievement of the established objectives.
- Promoting the transparency of Gamesa's reward philosophy, as well as the tools and specific policies that it develops.

The remuneration policy in 2014, given the situation of generalized crisis in the sector, was one of containment, although in all cases we complied with the legislation in force or agreements in place whether collective or individual.

G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

The following table shows the salary ratio between men and women within the social aspect boundary. While the data might suggest a contradiction with the management approach described above, the differences between salaries of men and women are the result of the way the structure of the workforce has evolved, not of any discriminatory policy, since each professional category groups together:

- different professional levels with different proportions of men and women, and
- groups belonging to different geographical regions, in different currencies and salary bands.

Table 124.- Ratio of salaries between men and women in the social aspect boundary

	Spain	China	Brazil	USA	India
Executives	n.a.	n.a.	n.a.	n.a.	n.a.
Middle management and qualified technicians	1.18/1	1.20/1	1.34/1	n.a.	n.a.
Skilled workers and support staff	1.03/1	0.58/1	0.74/1	n.a.	n.a.

With regard to this information, we would point out that for managers we have not applied a ratio since women represent just 9% of this group, which is not considered a sufficiently significant figure to provide a reliable ratio. The same applies to India, where women form just 3% of the workforce, and to the US where the percentage of women is 16%.

Supplier Assessment for Labor Practices**G4-DMA Management Approach**

Gamesa's management approach to procurement practices is described under G4-12 (p. 26 ff.) "Description of the supply chain" of this report. New suppliers are assessed in accordance with the above management approach, and any significant risks relating to labor practices are managed through the quality processes in place and regular audits.

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria

In 2014 approval processes were carried out for 532 suppliers. These include, among other aspects, an evaluation of labor practice criteria for suppliers defined in the procedure.

Although the controls on the approval process are being correctly applied, the Company does not yet have indicators enabling it unequivocally to determine the degree of suppliers' compliance with best labor practices or the degree of criticality or to take decisions that might affect the contracting terms.

As mentioned under indicator G4-12 (p.26), "Responsible development of the supply chain", this aspect is being appropriately incorporated into the management system through the supplier registration and approval system, on which the Company hopes to report to stakeholders in detail with reference to fiscal 2015.

G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

The statements made under indicator G4-LA14 apply.

Labor Practices Grievance Mechanisms**G4-DMA Management Approach**

As a general rule, Gamesa promotes amicable resolution of labor disputes.

G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

As a result of Gamesa's positioning regarding the promotion of the amicable settlement of disputes, the proportion of formal grievances in 2014 was not large. In fact, during the reporting period, Gamesa was the defendant in four mediation proceedings, 56 conciliations (31 of them in Spain), and 95 judicial proceedings (58 in Brazil, of which 70% were brought by subcontracted workers).

II.11b.- HUMAN RIGHTS

G4-DMA Management Approach: Human Rights

The Company is explicitly committed to the defense of human rights, and has equipped itself with a set of instruments to ensure their respect, preventing or impeding their violation and ensuring that the Company's practices are aligned with the principles recognized internationally in defense of universal human rights.

To this end, Gamesa has a corporate social responsibility policy approved by the Board of Directors, which contains mandatory principles for all professionals in the Group, regardless of location. It has also approved other policies which are complementary to the CSR policy in defense of human rights, such as the Policy of Diversity and Inclusion and the policy on the contracting of, and relations with, suppliers.

Together with these policies, in order to put this culture into practice, Gamesa has a Code of Conduct governing the conduct of all professionals in the Group and specifically conduct relating to the defense of human rights, also establishing oversight mechanisms and disciplinary measures in case of non-compliance. The Code stresses respect for human rights and public freedoms, and the application of the contents of the United Nations Global Compact, to which Gamesa officially subscribed on December 21, 2004; the preservation of the natural environment in which it develops its activities; collaboration on sustainable development and well-being of the communities with which it interrelates; and the constant promotion of equal opportunity, respecting the minimum international standards for the protection of the fundamental rights and liberties of those affected by its activities and, in particular, the United Nations Regulations on the responsibilities of international companies and other commercial companies in the field of Human Rights; the OECD guidelines, the Tripartite Declaration of principles concerning multinational companies and the social policy of the International Labor Organization and the women's empowerment principles of the United Nations Development Fund for Women (UNIFEM).

In particular, the commitments are developed on the basis of the elimination of all kinds of forced or compulsory labor, the eradication of labor carried out under arduous, extreme, inhumane or degrading conditions, child labor and compulsory work for the payment of debts, and the elimination of any other kind of work under coercion.

Investment

G4-DMA Management Approach

The above policies, codes and procedures also apply to Gamesa's investments, so the Group is confident that they comply strictly with principles of respect for human rights, and is not aware of any actions contrary to these rights, whether of internal or external origin. Consequently, although the investment agreements entered into might not specifically include these kinds of clauses, they are all protected by the Company's procedures.

G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

There were no significant ⁷¹investment agreements during 2014 that could put the protection of human rights at risk, affect the company's reputation or the stability of these investments.

G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

Since 2009, Gamesa has carried on an important and continuous training activity with regard to the code of conduct in general and human rights in particular.

Specifically, in 2013, training in India and China was reaffirmed. when the General Secretary and Corporate General Manager delivered training to the management teams of both countries. In 2014 no specific training was carried out in this area.

Table 125.- Employee training on aspects of Human Rights

	2014	2013	2012	2011
Information to employees on Human Rights	-	-	100%	100%
Objective of specific training on Human Rights	-	-	750	1,000
Number of employees trained	-	-	848	1,040

Also, since 2012 work has been carried out by a working group composed of members from the purchasing, health and safety, environmental, quality, sustainability and regulatory compliance divisions, which has led to the preparation of a policy for the hiring of, and relations with, suppliers and the amendment of the general purchasing conditions.

Non-Discrimination**G4-DMA Management Approach**

Gamesa promotes equality, without discrimination. To this end, in 2014 it approved its Policy of Diversity, and agreed with Spanish worker representation on the Second Equality Plan. It also has an action protocol for the prevention of harassment in the workplace. For further information please refer to the indicator "Diversity and Equal Opportunity", on page 113.

G4-HR3 Total number of incidents of discrimination and corrective actions taken.

The Company has mechanisms geared to detecting potential incidents relating to discrimination:

- Regulatory Compliance Unit: During 2014, the Regulatory Compliance Unit did not detect any incidents of discrimination due to race, color, gender, religion, political opinions, origin or class based on the International Labor Organization's (ILO) definition, or other kinds of discrimination affecting internal or external stakeholder groups.
- Committee for the prevention of harassment: no incident reports were received in 2014 through the whistle-blower's channel run by the Committee under the protocol for the prevention of sexual or gender-based harassment, psychological harassment or bullying for Europe and Asia.

⁷¹ Significant investments are considered to be those that must be communicated as Relevant Facts to the National Securities Commission (CNMV), and they must be reported if knowledge of them could reasonably influence an investor to acquire or sell securities or financial instruments and as such having palpable influence on its pricing in a secondary market.

Freedom of Association and Collective Bargaining**G4-DMA Management Approach**

Gamesa and the companies forming the Gamesa Group promote and put into practice workers' right to freedom of association, union membership and the effective right to collective bargaining. The importance attached to this fundamental right of labor is embodied in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

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

In China, the law on labor unions recognizes workers' right to form a labor union and request support from the employer to do so. Currently, the national labor union is working for the employees to constitute their own unions, and the management of Gamesa in China supports and coordinates with the national labor union the initiatives to facilitate the progress of this proposal. In this process, Gamesa covers the activities that usually would be provided by the labor unions to the company's employees, such as the development of social activities, canteen service and transportation service to the work center.

In India, labor union activities are a legal right of workers and it is contrary to the law to oppose them. Gamesa in India is therefore not opposed to the formation of a union, nor is there any oral or written condition to workers restricting a labor union, and of course it rejects any form of reprisal against workers for belonging to a union. Indeed, we firmly support all measures oriented to the creation of a positive labor environment where there are no barriers between management and workers, encouraging all negotiation processes. At present there are workers in the nacelle plant in India with committees set up to deal with matters such as the canteen, safety and suggestions and complaints procedures.

In the USA, despite the fact that ILO conventions C087 and C098 on freedom to join unions and the right to collective bargaining have not been ratified, given the socio-political characteristics of the country, Gamesa considers that there is no risk of violation of these rights for the Group's workers.

Table 126.- Labor union representation in Spain

Labor union	Country	2014		2013		2012	
		# union representatives	% of total	# union representatives	% of total	# union representatives	% of total
Unión General de Trabajadores (UGT)	Spain	74	38.5%	74	37.9%	84	38.5%
Comisiones Obreras (CCOO)	Spain	71	37.0%	74	37.9%	81	37.2%
Eusko Langileen Alkartasuna (ELA)	Spain	24	12.5%	30	15.4%	33	15.1%
Langile Abertzaleen Batzordeak (LAB)	Spain	10	5.2%	8	4.1%	8	3.7%
Confederación Intersindical Galega (CIG)	Spain	3	1.6%	3	1.5%	5	2.3%
Independents	Spain	3	1.6%	2	1.0%	2	0.9%
Unión Sindical Obrera (USO)	Spain	-	-	-	-	2	0.9%
Solidaridad Obrera (SO)	Spain	-	-	-	-	2	0.9%
Central Sindical Independiente y de Funcionarios (CSIF)	Spain	-	-	-	-	1	0.5%
LIBRE	Spain	1	0.5%	1	0.5%	-	-
Asociación de Técnicos y Profesionales de la Energía (ATYPE)	Spain	5	2.6%	3	1.5%	-	-
Total		192	100%	195	100%	218	100%

Child Labor**G4-DMA Management Approach**

Gamesa and the companies forming the Gamesa Group work to eliminate child labor or compulsory labor performed by school-age children in the countries concerned, and any kind of work under coercion. To do so it has put in place the policies, commitments, procedures and measures necessary to minimize this risk. The importance attached to this fundamental right of labor is embodied in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

As a preventive measure, and with a global scope, during 2014 we negotiated and agreed the Gamesa Global Labor Agreement with the major Spanish labor unions (UGT, CCOO and ELA) and the IndustriALL Global Union. It was officially signed in early 2015. With regard to the prevention of child labor, this agreement centers on compliance with Minimum Age Convention 138 of 1973 and the Worst Forms of Child Labor Convention 182 of 1999.

Considering countries at risk to be those that have not ratified the aforementioned conventions on the prevention of child labor, it has been decided that in India Gamesa will formally carry out the process of adaptation to the SA8000 standard, which will be completed in the first few months of 2015. This is a voluntary certification aimed at promoting improved working conditions, and it contains rules regarding working hours, salaries, anti-discrimination, child labor, and forced labor. In particular, we have produced a "Social Accountability Manual", containing practices for minimizing the potential risk and associated management procedures for this geographical division.

The information relating to suppliers screened for child labor practices can be found in section G4-12 (p.26).

Forced or Compulsory Labor**G4-DMA Management Approach**

Gamesa and the companies forming the Gamesa Group work to eliminate forced or compulsory labor, labor carried out under arduous, extreme, inhumane or degrading conditions, and any kind of work under coercion. To do so it has put in place the policies, commitments, procedures and measures necessary to minimize this risk. The importance attached to this fundamental right of labor is embodied in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

As a preventive measure, and with a global scope, during 2014 we negotiated and agreed the Gamesa Global Labor Agreement with the major Spanish labor unions (UGT, CCOO and ELA) and the IndustriALL Global Union. It was officially signed in early 2015. With regard to the prevention of forced labor, this agreement centers on compliance with Conventions 29 of 1930 and 105 of 1957 on forced labor.

Considering countries at risk to be those that have not ratified the aforementioned conventions on the prevention of forced labor, it has been decided that in India Gamesa will formally carry out the process of adaptation to the SA8000 standard, which will be completed in the first few months of 2015. This is a voluntary certification aimed at promoting improved working conditions, and it contains rules regarding working hours, salaries, anti-discrimination, child labor, and forced labor. In particular, we have produced a "Social Accountability Manual", containing practices for minimizing the potential risk and associated management procedures for this geographical division.

The information relating to suppliers screened for child labor practices can be found in section G4-12 (p.26).

Security Practices

G4-DMA Management Approach

The main objective of Gamesa's corporate security department is to plan and set policies and techniques for the comprehensive protection of the Company's tangible and intangible assets, such as its people, goods, information and knowledge.

Gamesa does not operate in countries involved in armed conflicts, and therefore does not envisage risks deriving from possible human rights violations arising in such circumstances, which it absolutely condemns.

The corporate security department currently has a fixed workforce of 8 employees, spread among Spain, Brazil and India. The rest of the staff is contracted through security companies which are duly approved by the relevant governmental authorities. The general contracting conditions, and specifically the clauses relating to the protection of human rights and the prevention of fraud and corruption, apply to 100% of contracting. The contracting of security guards varies with business requirements.

Among the indispensable demands made of providers are approval by a government body authorizing them to perform the services in question, and the existence of a health and safety policy.

Management of security alerts and incidents

In 2014 we analyzed 624 alerts (natural, health, technological and/or social risks), of which we directly managed 163, most of them resolved by adopting preventive measures, informing employees of the forecast of alerts and recommendations to follow, as well as by making control calls to make sure employees were unharmed.

Also, the corporate security department handled 190 security incidents spread among 18 countries around the world.

It also carried out 79 emergency support actions in ten countries, the most serious ones being:

- traffic accidents with fatalities and injuries.
- urgent assistance and hospitalizations of transferred personnel.

Over the course of 2014, 17 training actions were carried out on self-protection programs in risky zones (nine in Spain, two in China, three in India, and three in Mexico).

Lastly, there was continuous monitoring of the security of Gamesa employees traveling internationally. In 2014, 1,551 employees traveled abroad at least once, and 40% of the destinations were in medium- or high-risk countries. As part of the continuous monitoring, in 2014 the security calls program was launched. This program is based on an agreement between the employee and the security department whereby the traveler is monitored by telephone or e-mail. In summary, in 2014 we opened 18 security call programs, covering seven countries and 104 travelers.

G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

Responsibility for contracting and managing security services lies with the 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 corporate security department.

Table 127.- Contracted security personnel ⁷²

	2014	2013	2012	2011
Spain	60	60	60	100
United States	5	5	14	22
China	7	7	41	52
India	55	55	55	43
Brazil	2	2	2	-
Total:	129	129	172	217

Indigenous Rights

G4-DMA Management Approach

Gamesa and the companies forming the Gamesa Group, in application of the Code of Conduct and its corporate policies, are committed to respecting the rights of ethnic minorities and indigenous peoples in the places where they operate, and to promoting channels of communication and dialogue with the various groups affected by the group's activities, with a view to reaching a harmonious blend of corporate values and social expectations.

The importance attached to this fundamental right is reflected in the Corporate Responsibility Policy and in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-HR8 Total number of incidents of violations involving rights of indigenous people and actions taken

In 2014 there were no reports of any actions by the Group involving a violation of the rights of indigenous communities.

Assessment of impact on Human Rights

G4-DMA Management Approach

G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments

The information relating to operations that have been subject to impact assessments in respect of fundamental human rights is described under the G4-HR4, G4-HR5 and G4-HR6 indicators in this section.

Apart from this, as indicated in the section "Labor/Management Relations" (p. 101), the Company, the IndustriALL Global Union, CCOO de Industria, MCA-UGT and FITAG-UGT signed a Global Framework Agreement on social, labor and environmental matters, the first global agreement guaranteeing labor rights by a company in the renewable energy sector.

The agreement applies to all companies in the Gamesa Group and all workers in the world, and incorporates new clauses which strengthen workers' and unions' rights.

One of the most innovative points is that Gamesa management will monitor and oversee the agreement jointly with IndustriALL Global Union and the Spanish unions that are signatories to it (FITAG-UGT, CCOO de Industria and MCA-UGT). To do this, we are setting up a coordination and monitoring body, which will meet regularly and issue a scorecard every two years showing the degree of application of the agreement, so that any possible updates to it can be studied.

⁷² Permanent security personnel in offices, production plants, warehouses and equipment holding areas.

Supplier Human Rights Assessment**G4-DMA Management Approach**

Gamesa's management approach to procurement practices is described under G4-12 (p. 26 ff.) "Description of the supply chain" of this report. New suppliers are assessed in accordance with the above management approach, and any significant risks relating to fundamental human rights are managed through the quality processes in place and regular audits.

G4-HR10 Percentage of new suppliers that were screened using human rights criteria

In 2014 approval processes were carried out for 532 suppliers. These include, among other aspects, an evaluation of aspects of human rights applicable to suppliers defined in the procedure.

Although the controls on the approval process are being correctly applied, the Company does not yet have indicators enabling it unequivocally to determine the degree of suppliers' compliance with best labor practices or the degree of criticality or to take decisions that might affect the contracting terms.

As mentioned under indicator G4-12 (p.26), "Responsible development of the supply chain", this aspect is being appropriately incorporated into the management system through the supplier registration and approval system, on which the Company hopes to report to stakeholders in detail with reference to fiscal 2015.

G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken

The statements made under indicator G4-HR10 apply.

The Group's general contracting conditions for the purchase of equipment, material, works and services are public and available on www.gamesacorp.com, and both general conditions and framework supply agreements incorporate specific supplier corporate social responsibility clauses based on the UN Universal Declaration of Human Rights, ILO conventions and the principles of the UN Global Compact.

During the life of the contract, the supplier authorizes Gamesa to review the degree of compliance with the principles established in it, and if the Company detects any non-compliance and corrective action is not taken, it reserves the right to terminate the contract. Gamesa is not aware of any non-compliance of this nature in its supply chain in 2014.

Human Rights Grievance Mechanisms**G4-DMA Management Approach**

The grievance procedures and tools in the area of human rights that Gamesa makes available to its stakeholder groups, and the associated management processes, are reflected in the Group's Code of Conduct and on Gamesa's website, which has a Whistleblower's Channel⁷³ through which employees and the general public can inform the Regulatory Compliance Unit (RCU) of any conduct failing in ethics or integrity or violating the principles contained in the Code of Conduct.

⁷³ <http://www.gamesacorp.com/es/capital-humano/canal-de-denuncia.html>

G4-HR12**Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms**

The Company has mechanisms geared to detecting potential incidents relating to discrimination:

- Regulatory Compliance Unit: No grievances regarding human rights were detected by the Regulatory Compliance Unit during 2014.
- Committee for the prevention of harassment: no grievances relating to human rights were received in 2014 through the whistle-blower's channel run by the Committee under the protocol for the prevention of sexual or gender-based harassment, psychological harassment or bullying for Europe and Asia.

II.11c.- SOCIETY**G4-DMA Management Approach: Society**

Gamesa is willing to contribute to the improvement of quality of life and creation of wealth, both by providing its own services and promoting and launching new business activities, and by driving economic-social development through non-business channels. The principles maintained in its relationship with the Community are the following:

- 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 by institutional respect and legal compliance.

The importance attached to this matter is reflected in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

Local Communities**G4-DMA Management Approach**

Gamesa is present in some 50 countries around the world, and as an institution it faces its business responsibilities in the societies where it is present, whether as an employer, customer, supplier, or administratively by paying its taxes.

Equally, the range of products and services which Gamesa offers responds to the major challenges faced by society nowadays, namely population growth, economic and social change and growing urbanization, and seeks to satisfy demand for clean, inexhaustible energy and care of the environment.

These commitments are complemented by the provision of other services handled through non-company channels, with a long-term view, centered on the creation of well-being in local communities affected by the Company's operations.

Gamesa's commitment in countries in which it operates finds expression both in social actions in collaboration with administrations, institutions and organizations in civil society and in sponsorship and patronage actions.

The Company involves itself in the local communities where it operates, through action programs aimed at fostering well-being, generating local income and promoting local technological development, through initiatives which include, but are not limited to: i) local development cooperation programs, ii) programs in support of access to education and skills development, iii) programs to preserve local culture, iv) the provision of healthcare services, v) programs and services aimed at strengthening the community's institutions, groups and local authorities, and vi) environmental, social and cultural programs involving local networks and many institutions.

These social actions in support of local communities are carried out directly by Gamesa or directly by its subsidiary or associate companies in their respective areas of action.

As regards the involvement of interested parties in the decision-making process, we must point out that, in Gamesa's sphere of operations, energy planning (energy sources, technologies and long-term requirements) is carried out by the public authorities, this being the institutional sphere in which the various stakeholder groups can take part depending on the mechanisms established in each country.

Once the most appropriate infrastructure has been selected, the views of the affected communities are taken into account through a process of consultation, which varies depending on the country and type of installation. Many of these processes, which are included in the environmental impact assessments for the installations, are regulated and are conditions for obtaining construction and operation approvals. During the planning and development phase, the Company conducts prior consultations and maintains an active dialogue with the affected communities and the interested parties in order to identify and address their concerns or areas of interest.

G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs
G4-SO2	Operations with significant actual and potential negative impacts on local communities

Impact assessment

Given that the impacts deriving from the commissioning of wind farms can be significant, in the countries in which the Company promotes these kinds of installations, applicable legislation may require an environmental impact study, which must be approved by the competent public authorities. Gamesa considers these studies appropriate for safeguarding the rights of communities, since they cover the most important points for the affected areas. With wind farm projects, we should point out that the occupation of the land is temporary and that it does not involve a change of use of the land, since the turbines and associated equipment occupy barely 5% of the total land used, and the agricultural land or woods where they are located suffer only minimal losses in productivity, which are compensated by the lease contracts. As an indirect effect, the majority of rural land used is turned over to industrial use, which may involve a revaluation for the owner. Once the impacts have been identified, the preventive and corrective measures needed to mitigate them are established and, if necessary, the appropriate budgetary items are included in order to meet the commitments given. To conclude the process, monitoring programs are carried out to follow up on the various issues identified.

Development programs for local communities

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

Especially in India, the Company carries out initiatives in the fields of health, education, care of the environment and the development of support infrastructure for communities. The actions carried out in favor of the community are various. For 2014 they can be summarized as follows:

Project for the construction of a school in India, in Anantapur, in the State of Andhra Pradesh.

The project will directly benefit nearly 60 Dalit children in the region who will be able to attend school from an early age, thus facilitating their integration into society and in the future, their access to the labor market. Moreover, the school will also serve as a meeting place for local residents or associations of women and persons with disabilities.

It has to be borne in mind that the State of Andhra Pradesh, where the school will be located, is one of India's poorest: one in five families lacks a decent home, and the majority of the population has no access to clean drinking water. Only 67% of the adult population is literate, below the national average of 74%, placing it 31st out of the country's 35 states.

Sports for Development project- Gamesa Soccer League (GSL) – soccer for homeless young Indians

This project is being carried out in collaboration with Slum Soccer and KVSN, an organization which since 2000 has been working with homeless young Indians, using soccer as the perfect vehicle to bring a change to their lives. Thanks to this project, the young people take part in training sessions in which they will not only be able to develop their soccer-playing skills, but will also receive education on care of the environment or good eating habits, for example.

The inauguration of the Gamesa Soccer League took place recently (January 9) in Chennai. In this competition, seven teams composed of youngsters from Tamil Nadu and Maharashtra, who live near wind farms, will represent Gamesa against teams from other companies and institutions. They will receive exhaustive training three days a week for 24 weeks. The program includes exercise and a healthy diet.

Leisure project for persons with disabilities.

The objective of this project is to promote social inclusion, and the artistic capabilities and cultural action of persons with intellectual disabilities, by organizing leisure activities. For this, Gamesa has reached an agreement with Anfas (Navarra Association in support of persons with intellectual disabilities), an association that has been supporting these kinds of programs for more than 40 years.

Leisure and free time activities take place largely outside the family surroundings. Without a leisure program such as this one, many persons with intellectual disabilities would find it very difficult to gain access to the community's leisure resources by themselves.

The Anfas center holds workshops on pottery, dance, acting, make-up, first aid, painting, needlework, etc. for more than 500 persons, and on weekends the emphasis is on taking part in group leisure activities: movie theaters, eating out, discotheques, walks, parties, group activities and excursions. In other words, activities that respond to the basic need to relate to other people and have friends in normal atmospheres.

Project on dietary and environmental habits for Mexican children.

This project is carried out in collaboration with CESAL (*Centro de Estudios y Solidaridad con America Latina* or "Center for Studies and Solidarity with Latin America), a Spanish NGO present in 11 Latin American and African countries with projects in education, health, water and sanitation, etc.

The joint Gamesa/CESAL project will be carried out in the municipalities of Juchitán de Zaragoza and Unión Hidalgo, in the Isthmus of Tehuantepec, Mexico. The project aims to promote good eating habits in children and young people in the communities of Juchitán de Zaragoza and Unión Hidalgo, and to raise awareness of the importance of cleanliness. To this end, two educational programs will be developed, on environmental health and nutrition.

Pegasus Project.

In 2014 Gamesa joined the Pegasus campaign to promote youth employment, in collaboration with the Novia Salcedo Foundation. This initiative aims to put youth employment on the Global Human Development Agenda through the declaration by the United Nations General Assembly of the Youth Employment Decade 2019-2028.

As part of this initiative, Gamesa sponsored and took part in the Bilbao Youth Employment Forum on November 24-25, 2014.

For our part, to facilitate the incorporation of young professionals to Gamesa, the Company launched its Gamesa Scholarship Program, an initiative whereby it identifies and recruits high-potential students in Spain's major universities. The objective is to train talented young people who can develop professionally in the Company, for which they have a training period of between 12 and 18 months in which they pass through various departments or regions where Gamesa is present.

In India Gamesa carried out a corporate social responsibility program under the name “Gamesa Community Spirit”. This program consists of five strategic elements:

- **Gamesa Academic Excellence Program (GAEP):** a program aimed at giving students in rural schools similar skills and educational grounding to those of their urban counterparts. The objective is to provide support to 500 pupils, 467 of whom joined the program. Under this program too, the Shuddi project seeks to educate children on hygiene, based on the construction of washbasins in rural schools, which has started in 20 schools.

Table 128.- Gamesa Academic Excellence Program (GAEP) 2014

	State: Andhra Pradesh.	State: Madhya Pradesh	State: Maharashtra	State: Tamil Nadu.	Total
Number of rural schools	7	7	5	1	20
Number of students in the program	207	53	179	28	467

- **Gamesa Gram Arogya Project (GGAP):** this program seeks to initiate sustainable medical care project in rural villages close to Gamesa's wind farms. The areas of special attention are eye care and care of pregnant women in these villages, for which Gamesa provides the necessary medical resources, periodic inspections and medical prescriptions necessary, and gives these people a medical follow-up card. In 2014 we worked with about 3,000 patients in five rural villages in the states of Andhra Pradesh and Madhya Pradesh.

Table 129.- Gamesa Gram Arogya Project (GGAP) 2014

	Beneficiaries Rural villages	Medical resources (hours)	Gamesa employee resources (hours)
General coverage of the program	2,700	600	600
Eye protection program	40	100	150
Pre-natal care program	143	100	150

- **Gamesa Vocational Training Program (GVTP):** the GVTP program is divided into two actions:
 - ⇒ The *wood recycling* program, whereby waste wood is converted into classroom furniture for use in the schools of the villages close to Gamesa's manufacturing plants in Mamandur and Redhills (on the outskirts of Chennai). Since it started in 2012 we have trained and employed more than 100 people in this work and more than 3,100 metric tons of wood have been recovered and recycled to make 3,058 bench desks, benefiting some 10,000 students.
 - ⇒ The *My Career* program aims to empower rural students with professional capabilities and a sustainable job, educating them in operation and maintenance (O&M) work and ensuring their future employment with Gamesa Wind Turbines (Gamesa India). At present there are 35 students in the program.
- **Sports for Development-Gamesa Soccer League (GSL):** *See description on previous page.*
- **Employee volunteering (EV):** the program aims to promote social conscience among the employees of Gamesa India, and to serve as a platform for employees to involve themselves in social activities. Around this program such activities are held as Global Wind Day, International Week of the Deaf, blood donation campaigns and other charitable activities (*Joy of giving week*)

Anti-corruption**G4-DMA Management Approach**

Gamesa and the companies forming the Gamesa Group ensure that their activity is based on the principle of respect for the law and the fight against corruption in all its forms, and work to establish the best guidelines to govern both the conduct of their people and the processes defining the working and decision-making methods. Specifically, they have adopted a set of measures designed to prevent, detect and react to any offenses that might be committed, and to combat fraud.

Apart from this, the Company declares itself opposed to influencing the intentions of third parties outside the Group to obtain any benefit by using unethical practices, and does not allow other persons or entities to use these practices in their dealings with the persons affected by this principle.

The importance attached to this is reflected in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

The internal regulations regarding: corporate governance and business risk policies; direct and indirect purchase of investments and services; approval of material and component suppliers; approval and monitoring of subcontractors; investment in tangible and intangible fixed assets; accounting policies and principles; approval of contracts; management of the legal-corporate structure and of the governing bodies and delegated powers of Gamesa; management of travel, advances, petty cash and credit cards; protection of Gamesa's technological assets, know-how and intellectual property; security of information; protection of data of a personal nature; use of communication resources; occupational health and safety; environmental protection and general conditions of contracts; encompass and affect all areas and business and corporate units in any location of the company, and, therefore, it can be affirmed that all of them are the object of the analysis and control activity regarding risks related to corruption. These regulations were reviewed in 2011 and 2012.

G4-SO4 Communication and training on anti-corruption policies and procedures

These control systems are rounded out by the whistle-blowing channel, which in 2011 was subject to an appropriate standardization process and made available on the intranet, website and by mail, as well as the regime of rights, obligations, warranties, terms and conditions of access and use.

Training on the Code of Conduct, the dissemination of the culture of compliance and respect for the law, and in particular the defense of human rights and the fight against corruption, have been extended since 2009 to all organizational levels within Gamesa. Since then, specific training has been provided to 2,961 people, to specific key groups and in different geographical areas through the regulatory compliance unit by means of on-site training. However in 2013, and given the organizational adjustment carried out, there was no specific training in this area, although it will be resumed in the next few years.

However, information about policies, practices and mechanisms for fighting corruption covers the whole workforce and is also incorporated into the regular communication processes with employees, intranet and induction processes.

G4-SO5 Confirmed incidents of corruption and actions taken

Table 130.- Number of reports received by the Regulatory Compliance Unit

	2014	2013	2012	2011
Spain	5	4	0	16
United States	0	0	0	1
China	0	0	0	4
India	0	1	0	0
Brazil	0	0	0	-
Rest of the World	0	0	0	1
Total	5	5	0	22

In 2014 no reports of conduct allegedly contrary to the provisions of the code of conduct relating to corruption were received through the whistle-blowing channel.

Public Policy**G4-DMA Management Approach**

Gamesa participates in developing public policy related to wind power through its membership in industry associations in the countries where it operates. These associations defend the interests of wind power and work to reinforce it as a response to the climate and energy crisis, and as a key option for meeting targets for reducing harmful emissions.

The Company contributes to the formulation of wind industry policy positions on key issues, helping to create a regulatory framework in which Gamesa can operate successfully and to fashion policies that strengthen the development of wind markets, infrastructure and technology by means of:

- implementation of standards favoring wind power, developing strategic initiatives to influence public policy such that stable markets are created and maintained and barriers to wind energy overcome;
- defending efficient systems of public incentives for renewable energy, principally feed-in-tariffs, shown to be the most effective for providing security, continuity and trust to investors; The most developed wind markets use feed-in-tariffs.
- establishing ambitious objectives for the share of renewables in the energy mix;
- eliminating technological, bureaucratic, and market barriers that limit the growth of wind power;
- promoting R&D&i;
- making politicians, opinion leaders, the media, public opinion, NGOs and other interest groups aware of the benefits of wind power.

G4-SO6 Total value of political contributions by country and recipient/beneficiary

Relations of Gamesa and the companies forming the Gamesa Group with the public authorities are guided by institutional respect and compliance with the law. Any links to, membership of or collaboration with political parties, institutions, foundations or associations with purposes that exceed those of Gamesa and the companies forming the Gamesa Group, and any contributions to them, must be conducted in such a way as to make clear their personal nature, without in any way involving the Company and its political neutrality.

The importance attached to this is reflected in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

Specifically In the United States, lobbying is a permitted practice, recognized and regulated. Financial contributions that Gamesa makes for this activity are public and available on the Lobbying Disclosure Database.⁷⁴

Anti-Competitive Behavior

G4-DMA Management Approach

Gamesa and the companies forming the Gamesa Group are committed to competing in the markets fairly, promoting free competition, complying fully with applicable legislation and avoiding any conduct constituting collusion, abuse or restriction of free competition.

Any agreements that might have negative effects on free competition must be verified in advance by the Company's Legal Department.

The importance attached to this is reflected in the revised text of the Company's Code of Conduct approved by the Board of Directors on November 10, 2011.

G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

Gamesa has neither instigated nor been subject to any legal action of this nature.

Compliance

G4-DMA Management Approach

Compliance with the letter and spirit of the law in countries where the Group operates is one of the basic rules contained in the Company's Code of Conduct. Another such rule is the avoidance of any conduct which, while not violating the law of a country where it operates, goes against the values, principles or ethical behavior established in the Code.

G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

Gamesa has not been subject to any sanctions for non-compliance with laws and regulations. As far as we are aware, Gamesa complies with all legal provisions and regulations.

⁷⁴ <http://soprweb.senate.gov/index.cfm?event=selectfields>

Supplier Assessment for Impacts on Society**G4-DMA Management Approach**

Gamesa's management approach to procurement practices is described under G4-12 (p. 26 ff.) "Description of the supply chain" of this report. New suppliers are assessed in accordance with the above management approach, and any significant risks relating to possible impacts on society are managed through the quality processes in place and regular audits.

G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society

In 2014 approval processes were carried out for 532 suppliers. These include, among other aspects, an evaluation of possible social impacts for suppliers defined in the procedure.

Although the controls on the approval process are being correctly applied, the Company does not yet have indicators enabling it unequivocally to determine the degree of suppliers' potential impact on society or the degree of criticality or to take decisions that might affect the contracting terms.

As mentioned under indicator G4-12 (p.26), "Responsible development of the supply chain", this aspect is being appropriately incorporated into the management system through the supplier registration and approval system, on which the Company hopes to report to stakeholders in detail with reference to fiscal 2015.

G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

The statements made under indicator G4-SO9 apply.

Grievance Mechanisms for Impacts on Society**G4-DMA Management Approach**

The grievance procedures and tools in the area of impacts on society that Gamesa makes available to its stakeholder groups, and the associated management processes, are reflected in the Group's Code of Conduct and on Gamesa's website, which has a Whistleblower's Channel⁷⁵ through which employees and the general public can inform the Regulatory Compliance Unit (RCU) of any conduct failing in ethics or integrity or violating the principles contained in the Code of Conduct.

G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

No grievances about impacts on society were detected by the Regulatory Compliance Unit during 2014.

⁷⁵ <http://www.gamesacorp.com/es/capital-humano/canal-de-denuncia.html>

II.11d.- PRODUCT RESPONSIBILITY**G4-DMA Management Approach: Product Responsibility**

Gamesa's objective is optimally, reliably and competitively to satisfy its customers' requirements and expectations.

It promotes the establishment of durable commercial relationships with its customers, based on a constant attitude of service, trust, and contribution of value, developing solutions that exceed their expectations and do not entail risks to their health or safety, respecting commitments, announcing any changes in agreements well in advance, and remaining committed to honesty, professional responsibility and transparency in its dealings with them, over and above compliance with legal requirements.

Gamesa and the companies forming the Gamesa Group guarantee the confidentiality of their customers' data, undertaking not to disclose them to third parties without the customer's consent except in the case of legal obligation or to comply with judicial or administrative orders.

Customer Health & Safety**G4-DMA Management Approach**

The Company assesses the impacts of its products on the health and safety of its customers from the initial development stages and takes any necessary steps to remedy them. There are management procedures for establishing the activities, responsibilities and workflows to assure this. Specifically, the PHS-TEC-004 framework standard establishes an appropriate application environment in the Solution Design System for Gamesa Customers (SC2G) by means of an evaluation of health and safety. Its purpose is to detect intrinsic characteristics in design that could unnecessarily generate future risks or dangers deriving from a poor design of the safety features which could affect the health and safety of workers throughout the useful life of the component.

G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Gamesa offers its customers a global capability for manufacturing products, by means of an industrial base with an optimal vertical integration which provides numerous competitive advantages:

- extensive technological knowledge of the design principles for key components, enabling it to quickly implement pioneering technologies in new models and designs (segmented blades, generators, and latest generation gear reducers);
- industrial experience in efficient supply, based on extensive knowledge of the cost structures and critical components;
- excellent service based on operational experience with the key components, enabling it to optimize maintenance and repairs.

Furthermore, the operation and maintenance (O&M) service, with 21 years of experience, expertise and global presence, has a large team of people (own and outsourced), logistics network and central, regional and in wind farm warehouses, with an inventory of spare parts that ensures maximum availability of materials in the shortest possible time.

The technical offices have all kinds of specialists who study and analyze the performance of our products and carry out the modifications and adaptations necessary to maximize the results for the customer, as well as out-of-warranty service contracts adapted to customer requirements and at competitive prices.

In any case, the countries where Gamesa operates have extensive environmental and labor legislation to ensure that such risks as exist for people's health and safety are kept within regulated limits. The Group provides the necessary training and information for checking that in the construction, operation and maintenance of the equipment and in the provision of services the functional conditions provided in the regulations and in the technical specifications are maintained.

G4-PR2 **Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes**

Gamesa is not aware of any incidents of non-compliance of this kind in 2014.

Product and Service Labeling**G4-DMA** **Management Approach**

Gamesa places special importance on providing an appropriate degree information and labeling regarding the sustainability of its products and services. Given the nature of the equipment sold, warranties are contained in customer-supplier contracts.

G4-PR3 **Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements**

In order to provide truthful commercial information about its products, technologies and services, Gamesa maintains commercial and marketing practices that respect the legitimate interests and rights of the recipients, and which provide the appropriate information to facilitate their selection.

In addition, the commercial messages developed by Gamesa fall within a transparent and truthful commercial marketing policy in which no subjective comparisons are made and no information is given that could conflict with the rights of third parties or with good-faith business and contractual relationships with them. These policies cover all geographical areas where Gamesa has a commercial presence and ensure compliance with legal regulations.

G4-PR4 **Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes**

Gamesa has no knowledge of any claims nor has it been the object of any penalties related to the sales communications tools it used for its products during 2014.

G4-PR5 **Results of surveys measuring customer satisfaction**

In its commercial activities, Gamesa aims to meet its customers' expectations, to improve the channels of relationship with them, and to ensure the maximum quality of the offering. The priority actions in this line are clear: orient the offering to their needs and to the development of new technologies that allow the productivity, sustainability and excellence parameters of products and services to be improved, resulting in benefit for customers.

In order to maintain proximity and permanent dialogue, Gamesa establishes continuous feedback mechanisms and processes. The company has made a notable effort in recent years to stay close to its customers, strengthening personal attention through the opening of new sales offices, which has made it possible to provide more comprehensive information on available products and their characteristics, and to respond better to queries, complaints and claims.

Additionally, taking part in international fairs and holding specific events with customers provides additional communication channels which contribute to strengthening commercial relations.

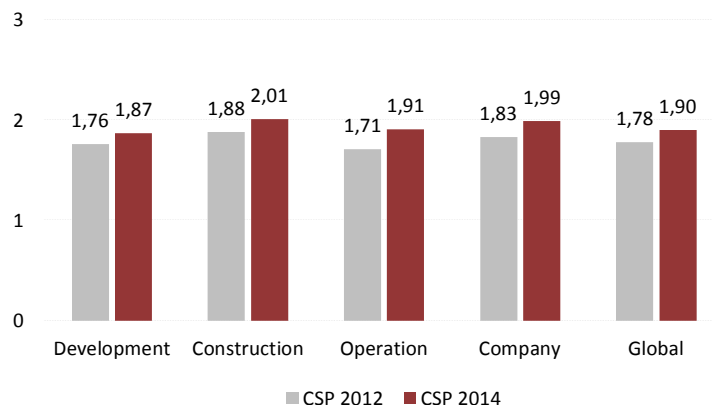
Every two years, Gamesa carries out the customer satisfaction project (CSP), a personalized survey of the main customers which allows it to establish direct communication and to measure the quality of its products and services. In this survey, issues linked with the development, construction and operations phases of the projects are evaluated, obtaining a satisfaction index for each of these phases, as well as a general perception of the Company.

In the last CSP, carried out in 2014, 71 customers in 17 different countries took part, giving a representativeness of 81% (based on the % of MW sold/contracted in the period assessed). In all the phases assessed in the 2014 CSP, Gamesa obtained levels that indicate that its customers are satisfied, the construction and global phases being the most highly valued.

Table 131.- Characteristics of the 2014 CSP

Methodology	Enables us to	Profile of customers surveyed
<ul style="list-style-type: none"> Face-to-face interview with each customer. Questionnaire divided into four areas with closed- and open-ended questions, with minimal variation to ensure traceability. Evaluation of the level of importance and satisfaction in the closed-ended questions. Inclusion in the open-ended questions of a section in which Gamesa is compared with its competitors. Questionnaire focusing on the customer's activities, setting an improvement on their processes as a priority. 	<ul style="list-style-type: none"> Strengthen customer orientation Focus on key aspects of the business Define a framework to gather highly valuable information for their companies Use of a format that facilitates more dynamic interviews. Gather data with a view to improving future questionnaires 	<ul style="list-style-type: none"> 71 companies in 13 different countries. Steps were taken to ensure that the sample included companies with different profiles and that it was big enough to provide offer a statistically reliable result.

Illustration 10.- Results of the 2014 CSP



The results obtained indicate that Gamesa's customers are satisfied, the construction phase and the section on overall satisfaction with Gamesa as a company being the aspects most highly valued.

Table 132.- Conclusions of the 2014 CSP

Phase	Strong Points	Points for improvement
Development	<ul style="list-style-type: none"> Warranty of power factor Quality of offering in content and delivery times 	<ul style="list-style-type: none"> Site adaptation Noise levels
Construction	<ul style="list-style-type: none"> Compliance with erection deadlines Quality of ex-works product Compliance with delivery terms ex-works 	<ul style="list-style-type: none"> Quality and compliance with completion deadlines depending on capacity. Quality of project management
Operation	<ul style="list-style-type: none"> Quality of preventive maintenance work Availability of Gamesa 2.0MW and Gamesa 850kW 	<ul style="list-style-type: none"> Quality of SCADA remote control Quality of information to customer on completion of work
Gamesa as a Company	<ul style="list-style-type: none"> Commitment to health and safety 	<ul style="list-style-type: none"> -

Marketing Communications

G4-DMA Management Approach

Gamesa operates in the field of advanced technology and does not supply products or services to the general consumer market, so this is not a material aspect.

In 2014 Gamesa took part with its own stand in international trade fairs, exhibitions and conferences of the sector. In this way, the Company maintained a presence at top-level trade fairs in priority markets, and also drove the introduction of Gamesa to new markets. Participation in these events also went together with presence in the respective conference programs, with specific presentations on the offering of products, services and technological solutions developed by the Company. Some of the major fairs and events in the sector in which Gamesa was present included:

- **Mexico Windpower 2014** (Mexico City, Mexico, February 26-27). This forum brings together the major players consolidating the development and growth of wind energy in the country, and displays a wide range of products, solutions, state-of-the-art technologies and services, aimed at one of the fastest growing sectors in Mexico, with great business opportunities.
- **EWEA 2014** (Barcelona, Spain, March 10-13). Gamesa took part for the eleventh consecutive year in EWEA, one of the main events on the sector's calendar, organized by the European Wind Energy Association (EWEA). This year there were more than 8,000 participants, from 80 countries. In this new edition, the Company was present with the development and evolution of its product portfolio, aimed at proposing competitive technological solutions, reducing the cost of energy (CoE) for its customers.
- **Seminar on technological solutions** in Panama (Panama, March 25 and 26) a great success, with far more participants than expected: 43 for the reception dinner on March 25, and 47 in the seminar the next day. Gamesa met representatives from Mexico, Colombia, Nicaragua, the US, Costa Rica, Puerto Rico and Panama, among others, as well as promoters, banks, institutions and other key players in the market. Conferences not only provide cutting-edge technological knowledge on Gamesa's portfolio of products and services, but also intense debates on financial and market issues. Spain's ambassador to Panama opened the seminar together with representatives from Gamesa, which was a great honor which significantly raised the profile of the occasion.
- **AWEA Windpower 2014** (Las Vegas, Nevada, May 5-8 May) The American Wind Energy Association's Windpower 2014 is one of the main events of the sector, an opportunity for professionals of the industry to meet and share information and to generate viable ideas to strengthen and extend the industry. Gamesa had a 185 m² stand, and organized a series of events, meetings and activities designed to strengthen our presence in the market, educate customers, showcase key products, and promote the expansion of our offering of operation and maintenance services.
- **PWEA 2014** (Serock, Poland, May 27-28). Once again Gamesa was present at the PWEA 2014 Conference & Exhibition and took part with a 36m² stand which showcased its portfolio of products and the Company's presence in the country. Although the event, organized by the Polish Wind Energy Association, is mainly local, its strategic importance in this region is undeniable. With more than 600 participants and 50 exhibitors, the event brought together the major players in the wind energy sector and in Polish energy.
- **First Gamesa Technological Seminar in Chile** (Santiago de Chile, June 25) with the objective of i) creating commercial awareness among local developers, consultants, banks and institutions; ii) obtaining institutional support ; iii) increasing experience and credibility, and iv) offering itself as a cutting-edge technological partner with its products and services.
- **Brazil Windpower 2014** (Rio de Janeiro, August 26-28), an event organized by GWEC (Global Wind Energy Council) for the Brazilian wind power market, which received 1,141 visitors to the exhibition and 626 delegates to the conference, and welcomed 376 exhibitors. Gamesa took advantage of this space to promote its Gamesa 2.0-2.5 MW platform, with special emphasis on the G114-2.0 MW turbine.

- **Gamesa Seminar in Nordic Countries** (Finland, September 17), with more than 35 participants in the event, with presentations, visits to wind farms and first-hand testimonials
- **Wind Energy Hamburg** (September 29) with a program of presentations at the stand to enable customers to get to know the Company's products and services better and to showcase its technical and technological experience developed over 20 years in the wind power industry . These presentations emphasized the new developments in technology, products and services and were enhanced by ideas from relevant experts from Gamesa on the development of new products in Gamesa, Gamesa WindNet® PRO and Life Extension.
- **Gamesa Services Seminar** (Paris, October 16) within the program of conferences that Gamesa intends to organize with customers and other players in the sector in countries such as Italy, the UK, Poland, China and India in 2015.

G4-PR6 Sale of banned or disputed products

The products and services sold by Gamesa are not banned in any of the markets in which it operates.

G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

Gamesa has no record of incidents caused by the marketing and advertising of its products in 2014. Gamesa has neither instigated nor been subject to any claim against or by any third party.

Customer Privacy

G4-DMA Management Approach

In the countries in which the Group is present, the privacy of customers' personal information is protected by mandatory application of the Code of Ethics, which establishes that Gamesa and the companies forming the Gamesa Group will guarantee the confidentiality of customers' data, undertaking not to disclose them to third parties without the customer's consent, except in the case of legal obligation or pursuant to a judicial or administrative ruling.

G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

In 2014, Gamesa is not aware of any complaints regarding breaches of customer privacy and losses of customer data. Gamesa has neither instigated nor been subject to any claim against or by any third party.

Compliance**G4-DMA Management Approach**

Compliance with the letter and spirit of the law in countries where the Group operates is one of the basic rules contained in the Company's Code of Conduct. Another such rule is the avoidance of any conduct which, while not violating the law of a country where it operates, goes against the values, principles or ethical behavior established in the Code.

G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

There is no record of any significant fines or sanctions relating to non-compliance with product and services health and safety requirements, or to non-compliance regarding product related information. Nor are there records of any penalties relating to marketing communications, including advertising and promotion.

There is no record of penalties relating to non-compliance with contractual conditions, nor therefore of administrative or judicial rulings that have resulted in penalty for such cause.

ANNEXES

ANNEX I: GRI G4 CONTENT INDEX



GENERAL STANDARD DISCLOSURES

General Standard Disclosure	Page	External Assurance		Description
Strategy and Analysis				
G4-1	5	✓	148	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.
G4-2	6	✓	148	Description of key impacts, risks, and opportunities
Organizational profile				
G4-3	17	✓	148	Name of the organization
G4-4	17	✓	148	Primary brand, products and services
G4-5	19	✓	148	Location of the organization’s headquarters
G4-6	20	✓	148	Countries in which the organization has significant operations
G4-7	21	✓	148	Nature of ownership and legal form.
G4-8	22	✓	148	Markets served
G4-9	22	✓	148	Scale of the organization
G4-10	25	✓	148	Workforce
G4-11	26	✓	148	Employees covered by collective bargaining agreements
G4-12	26	✓	148	Description of the supply chain
G4-13	31	✓	148	Significant changes during the reporting period
G4-14	32	✓	148	Precautionary principle
G4-15	32	✓	148	External principles or initiatives subscribed to
G4-16	33	✓	148	Associations to which the organization belongs
Identified material aspects and boundaries				
G4-17	34	✓	148	Entities included in the consolidated financial statements and in the scope of the report
G4-18	35	✓	148	Determination of the GRI content and application of its principles
G4-19	36	✓	148	Identified Material Aspects
G4-20	37	✓	148	Aspect Boundary within the organization
G4-21	37	✓	148	Aspect Boundary outside the organization
G4-22	38	✓	148	Reformulation of information provided in previous reports
G4-23	38	✓	148	Significant changes in the boundaries or scope of the report
Stakeholder Engagement				
G4-24	39	✓	148	Stakeholder groups related to the organization
G4-25	39	✓	148	Basis of selection of stakeholder groups
G4-26	39	✓	148	Approach adopted to relations with stakeholder groups
G4-27	43	✓	148	Key issues arising from stakeholder participation
Report profile				
G4-28	44	✓	148	Period covered by the report
G4-29	44	✓	148	Date of last report
G4-30	44	✓	148	Report presentation cycle
G4-31	44	✓	148	Contact person for matters relating to the report
G4-32	44	✓	148	GRI contents in relation to the “in accordance” option chosen
G4-33	44	✓	148	External Assurance

GENERAL STANDARD DISCLOSURES

General Standard Disclosure	Page	External Assurance		Description
Governance				
G4-34	45	✓	148	Governance structure
G4-35	48	✓	148	Delegation of authority by the highest governance body to senior management
G4-36	48	✓	148	Executive-level positions with responsibility for economic, environmental and social topics
G4-37	49	✓	148	Processes for consultation between stakeholders and the Board of Directors
G4-38	50	✓	148	Composition of the highest governance body
G4-39	50	✓	148	Indicate whether the chairman of the highest governance body is also an executive officer and if so, the reasons for this
G4-40	52	✓	148	Nomination and selection processes for the highest governance body
G4-41	53	✓	148	Processes for the highest governance body to ensure conflicts of interest are avoided
G4-42	54	✓	148	Roles of the highest governance body and of senior management in developing, approving and updating mission, strategies, policies and objectives
G4-43	55	✓	148	Highest governance body's knowledge of economic, environmental and social topics.
G4-44	56	✓	148	Highest governance body's performance
G4-45	56	✓	148	Highest governance body's procedures for supervising the identification and management of economic, environmental and social performance, and its role in applying due diligence processes in consultations with stakeholder groups
G4-46	57	✓	148	Highest governance body's role in supervising the effectiveness of management of risks and opportunities in economic, environmental and social aspects
G4-47	57	✓	148	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
G4-48	58	✓	148	Highest committee or position that formally reviews and approves the report
G4-49	58	✓	148	Procedures for communicating critical concerns to the highest governance body
G4-50	58	✓	148	Critical concerns communicated to the highest governance body
G4-51	58	✓	148	Remuneration policies for the highest governance body and senior executives and how they relate to economic, environmental and social performance
G4-52	59	✓	148	Procedure for determining remuneration of the highest governance body and senior management, indicating whether independent consultants are involved
G4-53	59	✓	148	Report how stakeholders' views are sought and taken into account regarding remuneration policies
G4-54	60	✓	148	Relation among different levels of remuneration in the organization
G4-55	60	✓	148	Increase in remuneration in the organization
Ethics and integrity				
G4-56	61	✓	148	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.
G4-57	64	✓	148	Internal and external mechanisms for seeking advice on ethical and lawful behavior
G4-58	64	✓	148	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Omissions	External Assurance	Description
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Category: ECONOMIC

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Economic Performance	G4-DMA	68	-	✓	148	Management Approach
	G4-EC1	72	-	✓	148	Direct economic value generated and distributed.
	G4-EC2	72	-	✓	148	Financial implications and other risks deriving from climate change
	G4-EC3	73	-	✓	148	Coverage of the organization's defined benefit plan obligations
	G4-EC4	73	-	✓	148	Financial assistance received from government
Market Presence	G4-DMA	73	-	✓	148	Management Approach
	G4-EC5	73	-	✓	148	Ratios of standard entry level wage to local minimum wage
	G4-EC6	74	-	✓	148	Proportion of senior management hired from the local community at significant locations of operation
Indirect Economic Impacts	G4-DMA	74	-	✓	148	Management Approach
	G4-EC7	74	-	✓	148	Development and impact of infrastructure investments and services supported
	G4-EC8	74	-	✓	148	Significant indirect economic impacts, including the extent of impacts
Procurement Practices	G4-DMA	75	-	✓	148	Management Approach
	G4-EC9	75	-	✓	148	Proportion of spending on local suppliers

Category: ENVIRONMENTAL

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Materials	G4-DMA	78	-	✓	148	Management Approach
	G4-EN1	78	-	✓	148	Materials
	G4-EN2	78	-	✓	148	Percentage of materials used that are recycled input materials.
Energy	G4-DMA	79	-	✓	148	Management Approach
	G4-EN3	79	-	✓	148	Energy Consumption within the organization
	G4-EN4	80	-	✓	148	Energy Consumption outside of the organization
	G4-EN5	80	-	✓	148	Energy Intensity
	G4-EN6	81	-	✓	148	Reduction of energy consumption
	G4-EN7	81	-	✓	148	Reductions in energy requirements of products and services
	G4-EN8	82	-	✓	148	Total water withdrawal by source.
Water	G4-DMA	81	-	✓	148	Management Approach
	G4-EN9	82	-	✓	148	Water sources significantly affected by withdrawal of water
	G4-EN10	82	-	✓	148	Percentage and total volume of water recycled and reused
	G4-EN11	83	-	✓	148	Operational sites in protected areas and areas of high biodiversity value outside protected areas
Biodiversity	G4-DMA	83	-	✓	148	Management Approach
	G4-EN12	87	-	✓	148	Impacts of activities, products, and services on biodiversity
	G4-EN13	87	-	✓	148	Habitats protected or restored
	G4-EN14	88	-	✓	148	IUCN red list and national conservation list species with habitats in areas affected by operations
	G4-EN15	90	-	✓	148	Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16	90	-	✓	148	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
	G4-EN17	90	-	✓	148	Other indirect greenhouse gas (GHG) emissions (Scope 3)
	G4-EN18	91	-	✓	148	Greenhouse gas (GHG) emissions intensity
Emissions	G4-DMA	89	-	✓	148	Management Approach
	G4-EN19	91	-	✓	148	Reduction of greenhouse gas (GHG) emissions
	G4-EN20	91	-	✓	148	Emissions of ozone-depleting substances (ODS)
	G4-EN21	91	-	✓	148	NO _x , SO _x and other significant air emissions
	G4-EN22	92	-	✓	148	Total water discharge
	G4-EN23	93	-	✓	148	Total weight of waste by type and disposal method
	G4-EN24	94	-	✓	148	Total number and volume of significant spills
	G4-EN25	94	-	✓	148	Transported waste deemed hazardous
Effluents and waste	G4-DMA	92	-	✓	148	Management Approach
	G4-EN26	94	-	✓	148	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators		Omissions	External Assurance		Description
Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Products and services	G4-DMA	95	-	✓	148	Management Approach
	G4-EN27	95	-	✓	148	Extent of impact mitigation of environmental impacts of products and services
	G4-EN28	95	-	✓	148	Products sold and their packaging materials that are reclaimed
Compliance	G4-DMA	96	-	✓	148	Management Approach
	G4-EN29	96	-	✓	148	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Transport	G4-DMA	97	-	✓	148	Management Approach
	G4-EN30	97	-	✓	148	Significant enviromental impacts of transporting products and other goods and materials for the organization’s operations, and transporting members of the workforce
Overall	G4-DMA	97	-	✓	148	Management Approach
	G4-EN31	97	-	✓	148	Total environmental protection expenditures and investments
Supplier Environmental Assessment	G4-DMA	98	-	✓	148	Management Approach
	G4-EN32	98	-	✓	148	Percentage of new suppliers that were screened using environmental criteria
	G4-EN33	98	-	✓	148	Significant actual and potential negative environmental impacts in the supply chain and actions taken
Environmental Grievance Mechanisms	G4-DMA	98	-	✓	148	Management Approach
	G4-EN34	98	-	✓	148	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

Category: SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Employment	G4-DMA	99	-	✓	148	Management Approach
	G4-LA1	100	-	✓	148	Number and rates of new employee hires and employee turnover
	G4-LA2	101	-	✓	148	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	G4-LA3	101	-	✓	148	Return to work and retention rates after parental leave
Labor/Management Relations	G4-DMA	101	-	✓	148	Management Approach
	G4-LA4	102	-	✓	148	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
Occupational Health and Safety	G4-DMA	103	-	✓	148	Management Approach
	G4-LA5	104	-	✓	148	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
	G4-LA6	106	-	✓	148	Types and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
	G4-LA7	108	-	✓	148	Workers with high incidence or high risk of diseases related to their occupation
Training and Education	G4-LA8	109	-	✓	148	Health and safety topics covered in formal agreements with labor unions.
	G4-DMA	110	-	✓	148	Management Approach
	G4-LA9	110	-	✓	148	Average hours of training per year per employee by gender, and by employee category
	G4-LA10	111	-	✓	148	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
Diversity and Equal Opportunity	G4-LA11	112	-	✓	148	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
	G4-DMA	113	-	✓	148	Management Approach
	G4-LA12	115	-	✓	148	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators		Omissions	External Assurance		Description
Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Equal Remuneration for Women and Men	G4-DMA	116	-	✓	148	Management Approach
	G4-LA13	117	-	✓	148	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
Supplier Assessment for Labor Practices	G4-DMA	117	-	✓	148	Management Approach
	G4-LA14	117	-	✓	148	New suppliers screened using labor practices criteria
	G4-LA15	117	-	✓	148	Significant negative impacts in the supply chain
Labor Practices Grievance Mechanisms	G4-DMA	118	-	✓	148	Management Approach
	G4-LA16	118	-	✓	148	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: HUMAN RIGHTS

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Investment	G4-DMA	119	-	✓	148	Management Approach
	G4-HR1	120	-	✓	148	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
	G4-HR2	120	-	✓	148	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
Non-Discrimination	G4-DMA	120	-	✓	148	Management Approach
	G4-HR3	120	-	✓	148	Total number of incidents of discrimination and corrective actions taken.
Freedom of Association and Collective Bargaining	G4-DMA	121	-	✓	148	Management Approach
	G4-HR4	121	-	✓	148	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
Child Labor	G4-DMA	122	-	✓	148	Management Approach
	G4-HR5	122	-	✓	148	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
Forced or Compulsory Labor	G4-DMA	122	-	✓	148	Management Approach
	G4-HR6	122	-	✓	148	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
Security Practices	G4-DMA	123	-	✓	148	Management Approach
	G4-HR7	123	-	✓	148	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations
Indigenous Rights	G4-DMA	124	-	✓	148	Management Approach
	G4-HR8	124	-	✓	148	Total number of incidents of violations involving rights of indigenous people and actions taken
Assessment	G4-DMA	124	-	✓	148	Management Approach
	G4-HR9	124	-	✓	148	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
Supplier Human Rights Assessment	G4-DMA	125	-	✓	148	Management Approach
	G4-HR10	125	-	✓	148	Percentage of new suppliers that were screened using human rights criteria
	G4-HR11	125	-	✓	148	Significant actual and potential negative human rights impacts in the supply chain and actions taken
Human Rights Grievance Mechanisms	G4-DMA	125	-	✓	148	Management Approach
	G4-HR12	126	-	✓	148	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Omissions	External Assurance	Description
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SUB-CATEGORY: SOCIETY

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Local Communities	G4-DMA	127	-	✓	148	Management Approach
	G4-SO1	128	-	✓	148	Percentage of operations with implemented local community engagement, impact assessments, and development programs
	G4-SO2	128	-	✓	148	Operations with significant actual and potential negative impacts on local communities
Anti-corruption	G4-DMA	131	-	✓	148	Management Approach
	G4-SO3	131	-	✓	148	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
	G4-SO4	131	-	✓	148	Communication and training on anti-corruption policies and procedures
	G4-SO5	132	-	✓	148	Confirmed incidents of corruption and actions taken
Public Policy	G4-DMA	132	-	✓	148	Management Approach
	G4-SO6	132	-	✓	148	Total value of political contributions by country and recipient/beneficiary
Anti-Competitive Behavior	G4-DMA	133	-	✓	148	Management Approach
	G4-SO7	133	-	✓	148	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes
Compliance	G4-DMA	133	-	✓	148	Management Approach
	G4-SO8	133	-	✓	148	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations
Supplier Assessment for Impacts on Society	G4-DMA	134	-	✓	148	Management Approach
	G4-SO9	134	-	✓	148	Percentage of new suppliers that were screened using criteria for impacts on society
	G4-SO10	134	-	✓	148	Significant actual and potential negative impacts on society in the supply chain and actions taken
Grievance Mechanisms for Impacts on Society	G4-DMA	134	-	✓	148	Management Approach
	G4-SO11	134	-	✓	148	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Aspect	Disclosure	Page	Omissions	External Assurance	Page reference	Description
Customer Health and Safety	G4-DMA	135	-	✓	148	Management Approach
	G4-PR1	135	-	✓	148	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
	G4-PR2	136	-	✓	148	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes
Product and Service Labeling	G4-DMA	136	-	✓	148	Management Approach
	G4-PR3	136	-	✓	148	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements
	G4-PR4	136	-	✓	148	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes
	G4-PR5	136	-	✓	148	Results of surveys measuring customer satisfaction
Marketing Communications	G4-DMA	138	-	✓	148	Management Approach
	G4-PR6	139	-	✓	148	Sale of banned or disputed products
	G4-PR7	139	-	✓	148	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes
Customer Privacy	G4-DMA	139	-	✓	148	Management Approach
	G4-PR8	139	-	✓	148	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
Compliance	G4-DMA	140	-	✓	148	Management Approach
	G4-PR9	140	-	✓	148	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

ANNEX II: EXTERNAL ASSURANCE REPORT



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INDEPENDENT REVIEW REPORT OF THE SUSTAINABILITY INFORMATION INCLUDED IN THE GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'S 2014 CORPORATE RESPONSIBILITY REPORT

To Gamesa Corporación Tecnológica, S.A.'s Chief Corporate Officer-General Secretary

Scope

We have carried out, at the request of the management of Gamesa Corporación Tecnológica, S.A. (hereinafter, Gamesa), the review of the sustainability information included in the Gamesa's 2014 Corporate Responsibility Report (hereinafter, the report) and in the table of GRI indicators included as an Annex. This information was prepared in accordance with:

- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 4.

The boundary determined by Gamesa for the development of its 2014 Corporate Responsibility Report is determined in the indicator "G4-17" of the attached report.

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

Criteria

Our review was carried out based on the following review guidelines:

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

Applied procedures

Our review consisted in requesting information from Gamesa's Corporate Social Responsibility Department and the various business lines, and in applying analytical procedures and sampling review tests, as described below:

1. Interviews with the staff responsible for the elaboration of the sustainability information, in order to gain an understanding of the way the objectives and sustainability policies are considered, implemented and integrated in the Gamesa's strategy.

2. Analysis of the adaptation of the structure and content of the report as indicated in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 4.
3. Checks on selected samples of the quantitative and qualitative information included in the indicators of the report and their adequate compilation from data supplied by information sources. The review tests have been defined to provide assurance levels in line with the criteria described in this report.

The scope of this review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered an audit report.

Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

Conclusions

As a result of our review of the sustainability information included in the Gamesa's 2014 Corporate Responsibility Report and in the table of GRI indicators included as an Annex, we conclude that

- No matter came to our attention that would indicate that this information had not been prepared according to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, as indicated in the report.

This report has been prepared solely for the management of Gamesa, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated 18th March 2015. In case of any discrepancy, the Spanish version always prevails.)

ANNEX III: LIST OF CENTERS

Main locations and business offices

Germany Wailandtstraße 7 63741 Aschaffenburg	Spain (Navarra) Av. Ciudad de la Innovación, 9-11. 31621- Sarriguren (Navarra) <i>Registered Office</i>	India(Chennai) 334, 8th Floor, Block-B, The Futura IT Park. Rajiv Gandhi Salai Sholingnallur 600119-Chennai <i>Registered Office</i>	United Kingdom Glasgow Braidhurst House. Finch Way. Strathclyde Business Park. ML4 3PE Bellshill, Glasgow
Germany Stadthausbrücke 1-3, 5 Stock. 20355 Hamburg	Spain (Navarra) Avd. Ciudad de la Innovación, 2. 31621- Sarriguren (Navarra)	India(Ananthapur) Kalyandurga plot 154,155 515761-Ananthapur (Andrapradesh)	United Kingdom 16 Palace Street 5th floor SW1E 5JD London <i>Registered Office</i>
Germany Staulinie, 14-17. 26122- Oldenburg	Spain (Santiago Compostela) Parque empresarial Costa Bella Rúa Amio, 114, 2ª 15707-Santiago de Compostela (La Coruña)	India(Bangalore) Residency Road Prestige Poseidon 1 st floor No 139 560025-Bangalore (Karnataka)	Romania Calea Floreasca, Building A, 4th floor, office 2051 014459-Bucharest
Australia 167 Macquarie St, Level 13 Sydney, New South Wales 2000	Spain (Zamudio) Parque Tecnológico de Bizkaia. Edificio 222. 48170 Zamudio, Vizcaya, Spain <i>Registered Office</i>	India(Mumbai) Nehru Road, Pressman House 70 A Vileparle (east) 400099-Mumbai (Maharashtra)	Romania Mamaia Avenue 135a-137 5th floor, Room 52 Millenium Business Center. 900590-Constanta
Brazil Rua Hungria, 1240, 3º Andar, Jardim Europa. 01455-000 São Paulo (SP) <i>Registered Office</i>	United States 3001 Broadway Street, NE Suite 695 55413 Minneapolis Minnesota	India(Pune) Uday Park, B Building Flat 4, opposite Rahul Nagar 411029-Pune (Maharashtra)	Sri Lanka Puttalam Town Anuradhapuram 61300-Puttalam Town
Brazil Av Brigadeiro Fabia Lima 4th & 5th floors Pinheiros, CEP-04538-133 São Paulo,	United States 610 West Ash Street, suite 10 92101-San Diego California	Ireland 1 Stokes Place St Stephens Green Dublin	Sweden Master Sasmuelsgatan 8TR 11121 - Stockholm
Brazil Av Tancredo Neves, 1632 Edif.Salvador Trade Center 1704 Torre Norte. Caminho das Arvores 41820-020 Salvador de Bahia	United States 1150 Northbrook Drive 19053Trevose Pennsylvania <i>Registered Office</i>	Italy Via Pio Emanuelli, 1, 00143- Rome	Sweden Strandvag 78, 7th floor, 171 54 - Solna
Bulgaria 53-55 Blvd. Gen. Eduard I Totleben Blvd 14, Floor 1 1000-Sofia	Finland Mannerheimintie, 00100- Helsinki Finland	Italy Via Mentore Maggini, 48-50. 00143- Rome	Turkey Büyükdere Cad. Astoria, Merkezi A Block, Floor 8 34394-Esentepe, Istanbul
Chile Nueva Tajamar Pio 21 T. Norte Las Condes Santiago de Chile	France Parc mail bat G6 Allé I Joliot Curie 69791-Lyon	Japan Kanagawa TOC bldg. 10F, 1-1-7 Sakuragi Cho, Naka-Ku, 231-0062 Yokohama-Shi,	Uruguay Avd. Luis Alberto de Herrera Torre B, Piso 17 WTC 11300-Montevideo
China (PRC) 23rd Floor, No.1 Prosper Centre No. 5 Institution Guanghua Road 100020-Beijing <i>Registered Office</i>	France Zac Paris Rive Gauche 118-122 Avenue de France 75013-Paris	Morocco 345, Lot Gzennaya A B.P 397 Tangiers (Boukhalef)	Venezuela Avda. Francisco de Miranda Centro Lido Piso 8, oficina 81 c El Rosal
China (PRC) Silver Center, 1388 North Shan Xi Road, Putuo District 200060-Shanghai	France Le Syrius-B6, 5, Rue du Professeur Vellas. 31300-Toulouse	Mexico Torre Diana, piso 14. Av. Pº de la Reforma 389 Colonia Cuahatemac, 06500- Mexico DF	
China (PRC) Tianjin No. 8 Hi Tech Chuangxin Fourth road, Hi-Tech Industry Park. 300384	Greece 23 Adrianeiou Street. 11525-Athens	Poland Ul. Krucza 16/22, 7 p. 00-526, Warsaw	
Costa Rica Bulevar Multiplaza, San Rafael de Escazu 10208-San José, Costa Rica	Honduras Calle República de Colombia. Tegucigalpa	Poland Ul. Galaktyczna 30, 80-299, Gdansk	
Egypt Cairo 3, 218 St. Degla, 11431-Maadi Cairo, Egypt	Hungary Gyor 9027, Ipári Park Szentiváni út konforgalom H-9200 Mosonmagyaróvár	Portugal Núcleo Empresarial II, Rua da Bica – Armazém H 2665-608 Venda do Pinheiro.	
Spain (Madrid) Ramirez Arellano, 37 28043 Madrid <i>Registered Office</i>	India(Redhills) No. 489, GNT Road, Thandal Kazhani Village, Vadagarai Post, Redhills 600 052-Chennai , Tamilnadu	United Kingdom 25 Napier Place, Wardpark North, Cumbernauld G68 0LL, Glasgow	

Production centers

Brazil Camaçari Rua dos Polímeros, s/n – Polo Petroquímico / Camaçari – BA – CEP 42810-220 <i>Nacelle assembly plant</i>	Spain (A Coruña) Polígono Industrial s/n, As Somozas s/n, 15565, A Coruña (Galicia) <i>Blade plant</i>	Spain (A Coruña) Polígono Ind. de Sigüeiro, parcela 52 15688 Sigüeiro (Oroso) A Coruña <i>Gearbox repair plant</i>	Spain (Burgos) Polígono Industrial Villalonquejar, Condado de Treviño 39, 09001, Burgos (Castilla y León) <i>Gearbox plant</i>
Spain (Burgos) Polígono Vega de Santa Cecilia, C/ A, 09340, Lerma (Burgos) <i>Gearbox plant</i>	Spain (Burgos) Polígono Industrial de Bayas c/Suzana, Parcela 137 09200 Miranda de Ebro (Burgos) <i>Blade plant</i>	Spain (Cantabria) Pº Alejandro Calonge, 3, 39200, Reinosa (Cantabria) <i>Generator plant</i>	Spain (Cuenca) Polígono Los Palancares, km. 2 - Ctra. Valencia, 16004, Cuenca (Castilla-La Mancha) <i>Blade root plant</i>
Spain (Gipuzkoa) Ctra. Asteasu cruce Alkiza, 20159, Asteasu (Guipúzcoa) <i>Gearbox plant</i>	Spain (Madrid) Enertrón Avda. Fuentemar 5, 28820, Coslada (Madrid) <i>Converter plant</i>	Spain (Navarra) Urbanización Área de Reparto Polígono industrial Aoiz AR-3, 31430, Aoiz, Navarra <i>Blade plant</i>	Spain (Soria) Polígono Industrial Valdepié II, Parcela 3, 42100, Ágreda (Soria) <i>Nacelle assembly plant</i>
Spain (Valencia) PQ. Empr. Turianova, manzana 3 naves 1-7 Ctra. Benissano-Olocau, 46181, Benissano (Valencia) <i>Converter plant</i>	Spain (Vizcaya) Polígono Industrial Trobika, Martintxone Bidea 31, 48100, Munguía (Vizcaya) <i>Gearbox plant</i>	Spain (Zaragoza) Polígono Industrial Las Rozas s/n, 50660, Tauste (Zaragoza) <i>Nacelle assembly plant</i>	India(Halol) Gidc Halol, Phase 3 Panchmahal District 389350 Gujarat <i>Blade plant</i>
India(Mamandur) Madhuranthagam Taluk Kancheepuram District Chennai, Tamil Nadu. <i>Nacelle plant</i>	People's Republic of China (Tianjin) Nº 8 Fourth road, Hiatai Creative Road Huayuan 300384.-Tianjin <i>Gearbox plant</i>	People's Republic of China (Tianjin) Nº 8 Fourth road, Hiatai Creative Road Huayuan 300384.-Tianjin <i>Generator plant</i>	People's Republic of China (Tianjin) Nº 8 Fourth road, Hiatai Creative Road Huayuan 300384.-Tianjin <i>Nacelle assembly plant</i>

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