

Corporate
**Responsibility
Report
2015**

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BASIC FIGURES

	2015	2014	2013	2012	2011	2010	2009
Sales (Mill. €)	3,504	2,846	2,336	2,844	3,033	2,764	3,229
Equivalent MW sold	3,180	2,623	1,953	2,119	2,802	2,405	3,145
EBIT (Mill. €)	¹ 294	191	123	(631)	131	119	177
Net Profit (€ Mill.) (Loss)	175	101	45	(659)	51	50	115
NFD/EBITDA:	-0.6x	-0.4x	1.5x	2.5x	2x	-0.6x	0.7x
Listing at 12/31(€)	15.82	7.56	7.58	1.66	3.21	5.71	11.78
Earnings per share (€) (Loss)	0.6164	0.3550	0.1796	(2.63)	0.209	0.208	0.48
Gross Dividend per Share (€/share)	² 0.152	0.083	0	0	0.051	0.119	0.21

	2015	2014	2013	2012	2011	2010	2009
Workforce	7,271	6,431	6,079	6,646	8,357	7,262	6,360
Sick Leave Frequency Index	1.08	1.72	1.74	2.39	3.84	4.19	4.91
Severity Index	0.02	0.05	0.05	0.07	0.09	0.13	0.16
% international workforce	47	41	36	36	42	36	31
% Women in the Workforce	21.26	22.68	23.65	23.74	23.17	24.55	25.52
% permanent employment contracts	92	93	92	92	88	87	86
Hours of training / employee	25.90	19.31	7.49	23.59	39.57	32.27	32.32

	2015	2014	2013	2012	2011	2010	2009
United Nations Global Compact	✓	✓	✓	✓	✓	✓	✓
Dow Jones Sustainability Index	-	-	-	✓	✓	✓	✓
FTSE4Good	✓	✓	✓	✓	✓	✓	✓
Ethibel Excellence Europe	✓	✓	✓	✓	✓	✓	✓
Global Challenges Index	✓	✓	✓	✓	✓	✓	✓
CleanTech index (CTIUS)	✓	✓	✓	✓	✓	✓	✓

	2015	2014	2013	2012	2011	2010	2009
Consumption of raw materials (t)	149,554	112,044	103,507	119,687	137,254	113,364	129,601
Energy consumption (TJ)	452	308	506	574	627	1,217	1,061
Water consumption (m ³)	126,358	97,341	80,048	95,261	101,105	93,140	91,225
Waste generated (t)	11,552	10,841	10,346	11,191	16,336	15,952	16,069
Effluents generated (m ³)	101,087	77,872	62,356	59,332	61,488	56,113	61,237
CO ₂ emissions (tCO ₂)	36,855	29,879	39,436	47,656	56,747	57,982	48,062
CO ₂ avoided (million tCO ₂)	51.91	46.85	43.25	40.15	36.21	31.25	27.37
Energy consumption rate (GJ)	129	108	217	202	207	-	-
Water consumption rate (m ³)	36	34	34	33	33	34	28
Waste generation rate (t)	3.2	3.8	4.4	3.9	5.3	5	5
Effluent generation rate (m ³)	28	27	27	20	20	20	17
CO ₂ emission rate (t)	10	11	17	16	18	21	15
CO ₂ avoided rate (t)	1,447	1,264	1,329	1,384	1,636	1,403	1,036

Note: The rate obtained is in relation to the year's sales expressed in millions of euros (Mill. €)

¹ EBIT and Net Profit excluding non-recurring items. €29 million in capital gains in EBIT terms and €5 million of losses in Net Profit terms in 2015. EBIT and Net Profit excluding non-recurrent items amounting to €9.4 million in 2014.

² Subject to approval by the 2016 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

I am proud to communicate that Gamesa's progress in 2015 perfectly reflects the nature of our company: we attained the objectives we set and, more importantly, we did so with smooth operational efficiency.

The performance achieved in 2015 highlights our team's professionalism and the efforts it has made, and confirms the strength of our business model and its adaptability to very diverse geographical and economic environments.

In this regard, the Company's financial performance surpassed the forecasts made for 2015, with the rising trend in activity that started in 2014 being consolidated along with that in operating profitability. These positive developments have allowed us to improve on and even to bring forward by one year the commitments we had made for 2017 in our Business Plan.

The Company ended the year with sales growth of 23%, reaching €3,504 million, and with an order book in December 2015 of 3,197 MW (+28%), reflecting the Company's solid competitive positioning now and for the future. We also continued to work on maintaining our structure and on continuous improvement of our variable costs, which enabled us to end the year with growing operating margins (recurring EBIT margin of 8.4%) and to maintain the solidity of the balance sheet thanks to this profitable growth and to the control of capital expenditure, ending 2015 with a net cash position of €301 million.

With regard to the competitiveness of the portfolio of products and services, in 2015 Gamesa launched a new 3.3 MW platform aimed at meeting the needs of important markets such as Europe, Mexico, Canada, Australia and South Africa, and it will soon extend its 2.5 MW platform to India and Brazil.

Lastly, Gamesa is steadily moving ahead in the search for additional opportunities for growth and value creation, beyond 2017, entering the offshore wind business by means of the creation of Adwen in 2015 and with the start of the solar photovoltaic activity in India, signing 59 MW in contracts for the development of solar projects, the first of which, for 11 MW, has already been delivered.

These advances enabled Gamesa to end the year 2015 with a net profit of €175 million before non-recurring items and to beat our main objectives, demonstrating our strength and surpassing the commitment to create value for our shareholders.

In the environmental area, Gamesa welcomes the agreements reached at the Paris COP21 Conference of Parties in which 186 countries presented voluntary objectives for reducing emissions, to achieve which more than 100 of them presented increases in the proportion of energy from renewable sources in the energy mix, and 70 countries specifically mentioned wind power.

Gamesa's voluntary subscription to international initiatives arising from these conversations, such as the American Business Act on Climate Pledge, the Paris Pledge for Action and the commitment to the United Nations' Science-Based Targets initiative bear testimony to the Group's commitment to the environment. In this new and exciting scenario Gamesa plays and will continue to play a leading role as a provider of solutions for combating climate change and air pollution, facilitating energy security, price stability and the creation of new industries and jobs.

In 2015 Gamesa installed 3,354 new megawatts of wind turbines, which brings the Group's cumulative wind energy power to 34.6 GW and allows its customers around the world to avoid emitting more than 51 million tons of CO₂ a year, thus contributing to the global reduction in greenhouse gases, mitigating their effects and promoting a more sustainable future in terms of energy. What is more, with the guarantee of doing so with efficient products that take account of the whole life cycle in assessing the potential environmental impact, as evidenced by the environmental product declaration (EPD) obtained for Gamesa's G90-2.0 MW and G114-2.0 MW products and in 2015 for the G128-5.0 MW and G132-5.0 MW turbines.

An all-round performance with commitment to the communities in which it operates forms part of the principles of business ethics and good governance that Gamesa reflects in its policies, regulations, codes and management systems, which were updated in 2015 to incorporate the corporate governance recommendations of the CNMV (Spain's securities and exchange commission) and other particularly significant requirements. Also, the monitoring committee of the Global Labor Agreement, the world's first with a company in the renewable energy sector, started work on applying best social, labor and environmental practices to all the companies forming Gamesa Group and all its employees worldwide.

Gamesa is a source of prosperity and wealth generation in the areas where it is active. Promoting a stable local economy finds expression in the allocation of resources to develop suppliers, who billed Gamesa for more than three billion euros in 2015. The Group hired more than 1,500 new employees in 2015, 63% of whom were aged under 30. These are quality jobs that guarantee equality and inclusion and avoid any kind of discrimination, and with a specific commitment to health and safety at work which in 2015, with the unanimous support of the workers' representatives, achieved a further reduction of 37% in the lost time accident frequency rate and a reduction in the associated severity index of 57%. As part of this effort we shared reflections and dynamics in the area of prevention with public and private institutions in order to promote a culture of innovation in the field of prevention.

Programs for the benefit of the communities in which we operate, in which our employees actively participate through the Social Action Program, focused on India, Mexico and Spain in 2015, with the aim of extending a long-term corporate commitment to the additional generation of local welfare. Our initiatives in the fields of health, education, care of the environment and the development of support infrastructure for the community highlight our Group's active role as a social agent of change.

By means of this report, which follows the guidelines of the Global Reporting Initiative, we seek to provide all our stakeholders with a detailed scorecard of these and other challenges, objectives and achievements, and to reaffirm our commitment to the principles of the United Nations Global Compact which since 2005 have constituted the pillars of responsible, ethical, integrity-based business conduct in our Company.

Finally, I should not like to end this Report without thanking all the stakeholders and all those persons who, through their involvement with Gamesa, have enabled us to attain all the objectives set, to continue building a more solid company and with a brand recognition that identifies us as a leading technological company in the development of solutions designed to achieve sustainable development.

Ignacio Martín
Executive Chairman

G4-2 Key impacts, risks, and opportunities

Gamesa 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 is a leading 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 63,013 MW of new wind generating capacity around the world in 2015 according to the statistics of the Global Wind Energy Council (GWEC)³, which represents annual market growth of 22%.

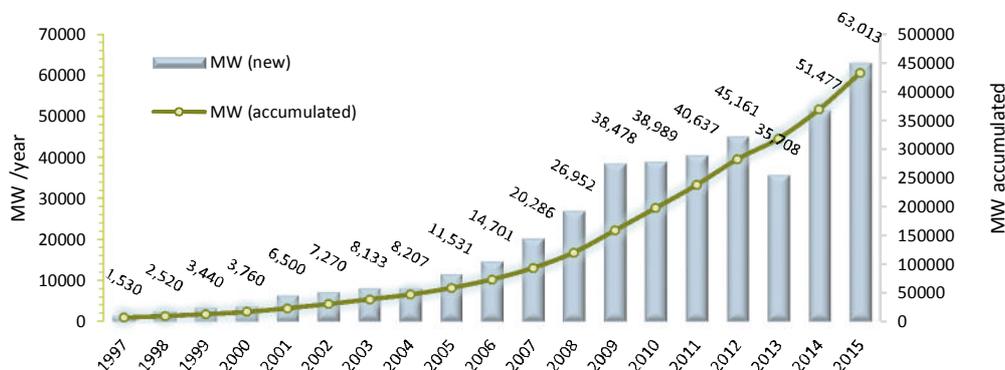
Total world wind energy capacity reached 432,419 MW at the end of 2015, representing cumulative growth of 17%.

Table 1.- Global wind energy market

(in MW)	New capacity installed in 2015	Accumulated 2015	Accumulated 2014	Accumulated 2013	Accumulated 2012	Accumulated 2011
China	30,500	145,104	114,604	91,412	75,324	62,364
United States	8,598	74,471	65,877	61,110	60,007	46,929
Germany	6,013	44,947	39,128	34,250	31,270	29,071
India	2,623	25,088	22,465	20,150	18,421	16,084
Spain	0	23,025	23,025	22,959	22,784	21,674
United Kingdom	975	13,603	12,633	10,711	8,649	6,556
Canada	1,506	11,200	9,694	7,823	6,204	5,265
France	1,073	10,358	9,285	8,243	7,623	6,792
Italy	295	8,958	8,663	8,558	8,118	6,878
Brazil	2,754	8,715	5,962	3,466	2,508	1,431
Rest of the World	8,676	66,951	58,359	49,914	42,140	34,631
World-wide total	63,013	432,419	369,695	318,596	283,048	238,035

³ Source: Global Wind Energy Council (GWEC)

Figure 1.- Growth of the global wind energy market



In order to ensure the sustainability of this challenge over time, the Group's economic management is based on the new 2015-2017 Business Plan⁴, presented to the markets on June 16, 2015.

This strategy follows the path of profitable growth that started with the previous 2013-2015 plan, the 2015 vision of which had already been attained ahead of time.

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.

This fact was particularly relevant in 2015, when all countries combined their efforts to achieve a universal, ambitious and dynamic treaty whereby governments commit to embarking on a new, low-carbon development model.

The objective of the **Paris Agreement**⁵ is to avoid the increase in the overall average temperature of the planet exceeding 2°C relative to preindustrial levels (with additional efforts to avoid exceeding 1.5°C), forcing global emissions to peak and decline as soon as possible and to achieve climate neutrality in the second half of the century. The strength of the agreement is such that 186 countries (97% of global emissions) presented plans for combating climate change, which represents an unprecedented global effort.

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.

⁴ 2015-2017 Business Plan: Creating value through profitable growth. (<http://www.gamesacorp.com/recursos/doc/accionistas-inversores/presentaciones/2015/2015-2017-outlook.pdf>)

⁵ Paris Agreement: <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>

⁶ Source: Asociación Empresarial Eólica (AEE)

In the quest for reduction of the environmental impact of its operations, the Company carries out various actions such as the reduction of emissions; biodiversity programs; energy efficiency activities involving the sustainable use of natural resources; the prevention of pollution and the appropriate management of the waste produced by its activities. 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 34 GW it has installed avoid air emissions totaling close to 52 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

	2015	2014	2013	2012	2011
MW installed - annual	3,354	2,421	2,071	2,265	3,309
MW installed - cumulative	34,618	31,237	28,838	26,768	24,143
GWh / year ⁷	86,545	78,092	72,095	66,920	60,357
tNO _x avoided	594,996	536,886	495,653	460,072	414,953
tSO ₂ avoided	328,871	296,752	273,961	254,294	229,356
TOE avoided	7,434,215	6,708,146	6,192,961	5,755,079	5,190,681
tCO₂ avoided ⁸	51,927,000	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.

⁷ Assuming number of effective hours = 2,500

⁸ Taking into consideration 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 tSO₂/MWh; 0,086 tep/MWh

Corporate Social Responsibility Strategy. CSR Master Plan.

At Gamesa we see Corporate Social Responsibility (CSR) as companies' responsibility for their impact on society, as defined by the European Commission in its Renewed EU strategy 2011-14 for Corporate Social Responsibility of October 25, 2011. A commitment to the essence of corporate social responsibility therefore entails incorporating environmental and social considerations into the organization's decision-making processes.

The Group seeks to be recognized and admired for having its own distinctive and differentiated business model based on a commitment to value creation and sustainable development. This is the CSR **Vision 2025**.

Gamesa's **Corporate Social Responsibility strategy** therefore focuses on positioning in the long term - Vision 2025 - addressing CSR aspects with relevance for stakeholders and incorporating these expectations into the Company's decision-making and the day-to-day management of its business. This translates into:

- Complying with Gamesa's Global CSR Policy and the policies associated with its development.
- Making Gamesa a benchmark partner for customers and investors and a model management reference for other stakeholders.

However, due to the very nature of the notion of Corporate Social Responsibility it is necessary to combine distant time horizons with action in the short-to-medium term. Actions in the relatively short term can be adapted and brought into line with changing business needs, laws and regulations, customers' and other stakeholders' requirements and even scientific and technological advances in development.

In this way the road map to 2025 is broken down into shorter periods - CSR master plans - allowing us to specify the actions to be taken along the various paths and within the various deadlines established.

In particular, the CSR 2015-2017 Master Plan develops the CSR strategy to 2017, a three-year period structured around Programs. For each program different action paths are specified, and within these, one or more specific actions, as summarized in the following table:

Table 3.- CSR Master Plan 2015-2017

Legend:  Completed  On schedule  Delayed

PROGRAM	ACTION	OBJECTIVE	TARGET	STATUS
O1 Integrity:	1. Review and update of the Corporate Social Responsibility Policy.	Policy document approved by the Board	2015	
	2. Adoption of a public responsible tax policy.	Policy document approved by the Board	2015	
	3. Regular presentation of the Progress Report on compliance with the Principles of the United Nations Global Compact.	Development of annual Communication on Progress (COP)	Annual	
	4. Development and monitoring of the Whistleblower's Channel.	Review, dissemination and training	2016-2017	
	5. Review and update of and training on the Company's Code of Conduct.	Review, dissemination and training	2016-2017	
	6. Review of the crime prevention and anti-fraud model.	Preparation of manuals	2016	
	7. Roll-out of the crime prevention and anti-fraud model in all geographical areas in which Gamesa or Group companies are active.	Training on the model	2016-2017	
	8. Development of an internal independent system of supervision of the crime prevention and anti-fraud model.	Progress report	Annual	

PROGRAM	ACTION	OBJECTIVE	TARGET	STATUS	
O2 Transparency	9. Introduction of CSR management tools.	CSR scorecard	2016		•
	10. Transfer of key CSR indicators to web-based format.	Website section	2017		•
	11. Active collaboration with organizations for the development of CSR.	Networking with organizations	Annual		•
	12. Preparation of an annual non-financial performance report.	Annual CSR Report	Annual		•
	13. Participation in international projects relating to non-financial reporting.	Report on international trends and requirements	2016		•
	14. Remaining in or being added to sustainability indexes.	75% percentile within the sector	2017		•
O3 Human Rights	15. Approval of a Policy on Human Rights.	Policy document	2016		•
	16. Establishment of a global labor agreement on Social Responsibility.	Firm agreement among Gamesa Group, workers' representatives and IndustriALL Global Union	2015		•
	17. Implement best corporate safety standards for people and assets.	Maintain operating protocols and carry out regular safety assessments in the countries in which we operate.	2015		•
	18. Make sure that safety personnel working in Gamesa centers receive training on Human Rights.	100% of the safety personnel working at Gamesa centers have received specific training on human rights	2017		•
O4 Fair labor practices	19. Reduction of accident rates and continued implementation of preventive action measures.	10% reduction in frequency index (baseline 2014)	2017		•
	20. Develop the culture of safety among Gamesa employees and contractors.	Training programs	Annual 2016 2017		•
	21. Development of a Diversity and Inclusion Policy.	Policy document	2015		•
	22. Development of the Culture of equality and diversity.	Development of monitoring KPIs	2016		•
	23. Ensure non-discriminatory selection and the incorporation of women in areas, groups or positions where they are under-represented.	Control of selection process	2016		•
	24. Increase in the percentage of women in positions of responsibility.	20% of women in positions of responsibility in 2018	2018		•
	25. Professional and career development for all Gamesa personal.	Min. 20 hours of training per employee per year. Performance assessment of 65%	2016		•
	26. Compliance with labor law and social security obligations as regards Gamesa personnel.	Labor audit of centers	2017		•
	27. Measurement of degree of implementation of best labor practices, at appropriately regular intervals.	Work environment survey	2016		•
	28. Analysis of remuneration policies.	Statistical analysis of remuneration	2017		•
29. Promotion of a culture that facilitates work-life balance and shared responsibility.	Awareness campaign and metrics dashboard for work-life balance	2016		•	

PROGRAM	ACTION	OBJECTIVE	TARGET	STATUS
O5 Supply chain	30. Approval of a supplier relations policy.	Policy document	2015	
	31. Development of a code of ethics for suppliers.	Code of conduct	2015	
	32. Development of a supplier pre-qualification and registration system.	Volume of purchases equivalent to €1.5 billion	2017	
	33. Development of a supplier CSR audit process.	100 audits as cumulative value in the period	2017	
O6 Local community	34. Development of a social action policy.	Policy document	2016	
	35. Establishment of a CSR Committee in India.	CSR Committee India and operating rules	2015	
	36. Specific social action plan for Gamesa India.	Gamesa Community Spirit Plan	2015	
	37. Investment in social initiative projects.	Cumulative investment of close to €0.5 million in the period 2015-2017	2017	
O7 Environment	38. Development of systematic calculation of the corporate environmental footprint.	Systematic calculation of the organization's environmental footprint	2017	
	39. Reduction of waste production.	Global waste production of less than 2,700 kg per MW manufactured	2017	
	40. Increased valorization and recycling of waste.	Percentage of waste destined for landfill less than 20% (5% reduction relative to 2014)	2017	
	41. Reduction and stabilization of water consumption.	Value below 25 m3 per manufactured MW for operations	2017	
	42. Renewal of environmental management certification.	Environmental management standards in accordance with ISO 14001 at all centers.	2017	
	43. Collaboration with research centers for the preservation of biodiversity.	Creation of the first cryo-bank for Iberian birds of prey	2017	
	44. Verification of greenhouse gas emissions.	Verification of the organization's greenhouse gas emissions in accordance with ISO 14064	Annual	
	45. Neutralization of CO2 emissions. Heading for carbon neutrality by 2025.	Percentage of CO2 neutralization between 2% and 12% (according to scenario) in 2017	2017	
	46. Supply of clean-source electricity.	Supply of 100% of clean electricity certified for all industrial plants and offices in Spain	2017	
	47. Performance of energy audits.	Institution of energy efficiency audits by approved experts every four years.	2017	
	48. Added value in R&D&i.	Gamesa's R&D&i expenditure on clean energy will amount to a cumulative €128 million in the period.	2017	
	49. Improving the Carbon Disclosure Project (CDP) indexes.	Achieve a CDLI score of 95 (2014: 93) and place the company in the B-List for CPLI (2014: C-List).	2017	
50. Active participation based on COP 21.	Taking an active role, explaining positioning and taking part in international business forums	2017		

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

Risk control policy

Gamesa's General Risk Control and Management Policy,⁹ approved in 2009 and last amended by a resolution of the Board of Directors on September 23, 2015, sets out the bases and general context of all the components of risk control and management, providing discipline and structure to aspects such as management objectives and philosophy, the risk identification model, assessment, measurement and control of risks, accepted risk levels, communication, reporting and oversight by the Audit and Compliance Committee and the Board of Directors, integrity, ethical values, powers and the assignment of responsibilities.

The main objectives of this policy are to comply with applicable laws, regulations, standards and contracts; to attain the strategic objectives of Group Gamesa with a volatility within reasonable limits; to provide the maximum level of assurance to shareholders; to protect the profits and reputation of the Group; to defend the interests of shareholders, customers and other stakeholders and to ensure business stability and financial strength sustained over time.

Other control policies and procedures

There are additional specific policies and procedures geared to maximizing and protecting economic, social and environmental values within a controlled degree of variability, with risk tolerance limits being set where necessary. 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.

In 2015 we revised and approved a number of different policies concerning Corporate Governance, Compliance, Risks and Social Responsibility, most notably the following:

Table 4.- List of Corporate Policies

• Corporate Governance policy	• Senior manager's statute	• General Risk Control and Management Policy
• Policy on communication and contacts with shareholders, institutional investors and proxy advisers	• Auditor appointment policy	• Global corporate social responsibility policy
• Shareholder remuneration policy	• Crime prevention and anti-fraud policy	• Diversity and inclusion policy
• Policy on defining and coordinating Gamesa Group and bases of corporate organization	• Corporate tax policy	• Policy on appointment of and relations with suppliers, contractors and other collaborators
• Policy on selection of Board Members	• Investment and financing policy	• Climate change policy
• Policy on directors' remuneration		

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 to the Audit and Compliance Committee on the evolution of the corporate risk map and on significant risks on an individual basis.
- Managers' involvement in meetings of the Audit and Compliance Committee over the course of 2015 centered on oversight of control systems for specific risks: financial and balance sheet risks, coverage

⁹ See Policy at: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/risk-policies/general-policy-for-risk-control-and-management.pdf>

of risks involved in sales guidance, risk associated with the services business unit, tax-related risks, legal risks, crime and fraud and exchange rate risk.

- Internal audits conducted on significant risks and submission of the corresponding reports to the Management Committee and the Audit and Compliance Committee.

Governance mechanisms

The Company has risk management and control systems, promoted by the Board of Directors and Senior Management, in place across the entire organization (business units, departments and companies). They follow the strategic line of globalization of industrial, technological and commercial activities in the different geographic areas in which the Company operates, giving a global, integrated overview that contributes to the achievement of business objectives, the creation of value for the various stakeholders and the sustainable and profitable development of the organization.

Gamesa's policies and systems for the control and management of risk are complemented and underpinned by appropriate definition and assignment of functions and responsibilities at operational level, and by procedures, methods, support tools and information systems appropriate to the various stages and activities in the system, allowing it to identify, evaluate, prioritize and manage the risks to which it is exposed.

The **Board of Directors** establishes the general policies and strategies, including the Company's policy on the control and management of risks and its tax strategy, and oversees their implementation, as well as overseeing the internal information and control systems.

We have an organization structured in **four lines of defense** to confront and manage significant risks: (1) risk ownership, (2) monitoring and compliance, (3) independent assurance and (4) effective oversight:

(1) Risk ownership

Management Committee and Executive Committee: as owners of the risks they are responsible for controlling and managing risks as an integral part of the business and decision-taking processes, maintaining an appropriate process of ongoing risk assessment to ensure that any risks that might affect the attainment of the Company's objectives are identified, evaluated and addressed.

(2) Monitoring and Compliance

- The Business Risk Control (BRC) Department, reporting to the Internal Audit Division, takes part/collaborates in defining the risk strategy, ensuring the proper functioning and effectiveness of the control systems and the mitigation of risks detected and sees to it that executives assess all the Company's risks - including operational, technological, legal, social, environmental, political and reputational.
- Ethics and Compliance Division: reporting to the Audit and Compliance Committee, it is responsible for the application of the Code of Conduct and the Internal Rules of Conduct in the Securities Markets, as well as for supervising implementation of and compliance with the Policy and the program for the prevention of crime and fraud. In January 2015 the Regulatory Compliance Unit became the Ethics and Compliance Division.

(3) Independent assurance

Internal Audit: carries out independent supervision of the control and management systems and informs, advises and reports to the Audit and Compliance Committee on risks associated with the balance sheet and functional areas of activity.

(4) Effective oversight

Audit and Compliance Committee: it sees to it that the risk control and management policies identify the different types of risk affecting the Company (operational, technological, financial, tax, legal, reputational, etc.), including, among financial or economic risks, contingent liabilities and other off-balance sheet risks; it periodically reviews the effectiveness of the internal control and risk management systems, including those for tax-related risks, to identify, analyze and give appropriate information on the main risks.

For further information, please consult Section E of the Annual Corporate Governance Report (ACGR) 2015.

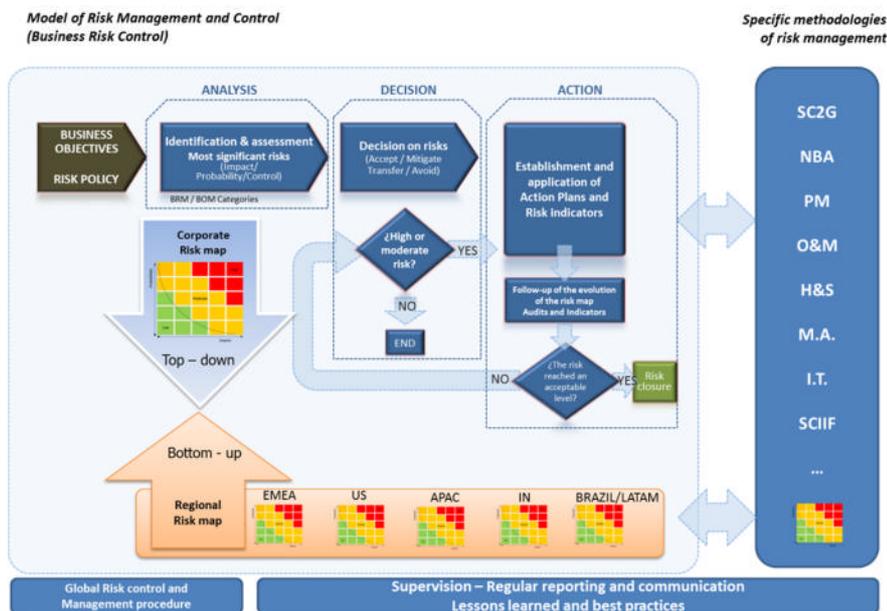
Risk control methodology

The risk management methodology forms an integral part of Gamesa's strategic activities and operations in accordance with the risk control and management procedure approved in 2008 and included in the certified management system. As a result of the continuous improvement process, it has been revised on several occasions in accordance with best practices. Gamesa considers and groups together risks according to the Business Risk Model (BRM), which was initially approved by the Board of Directors in 2004 and in its latest version via the General Policy on the Control and Management of Risks by a resolution of the Board of Directors of September 23, 2015, in order to classify risks into the following four categories, which in turn group together other sub-categories under each of them:

- **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, Code of supplier relations); 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.
- **Strategic and business environment risks** which as a result of opting for certain strategies or of external factors independent of the company's management may exert significant influence directly or indirectly on the attainment of the Company's objectives and on its long-term vision (price volatility and other market variables, such as exchange rates, interest rates, prices of financial asset and commodities, regulatory risks and others).
- **Operating risks or risks arising from the company's activity**, such as risks associated with the ineffective and/or inefficient use of resources (cost overruns), failure to meet deadlines, quality problems, 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.

The methodology applied includes the ongoing identification and analysis of significant risks and threats, assessment of impact, probability and degree of control, and the production of a corporate risk map which takes account of the four aforementioned categories and therefore of the financial, tax, operational, strategic, legal and other specific risks associated with the activities, processes, projects, products and key services serving as tools for taking actions to mitigate, transfer, share and/or avoid the risks and further the use of opportunities; and the supervision and communication of the results of the monitoring of the risk control and management.

Figure 2.- General risk management and control model (Business Risk Control)



The Risk Control and Management Systems include the integrated management of the operational risks associated with the main business and decision-making processes where risks with specific risk management procedures are identified and handled, aligned, as regards identification and assessment criteria, with those of the general corporate procedure (NBA: “New Business Approval”, PM: “Program Management”, O&M: Operation and Maintenance Services, DP: Development system for technology/new products, Continuous Improvement, monthly closings, etc.) and with specific risk management procedures which because of their differential characteristics or legal obligations require ad hoc systems and methods (H&S: management system for the prevention of risks in the workplace M.A.: management of environmental risks, etc.)

Sustainability: risks and opportunities

In 2015 the Company achieved ahead of time the objectives established in the Business Plan 2013-2015, which was publicly disclosed to the market in October 2012, and which focused 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.

In June 2015 Gamesa launched the Business Plan 2015-2017, which focuses on taking advantage of growth opportunities, controlling and improving costs, maintaining the solidity of the balance sheet, working on the competitiveness of the portfolio and preparing the organization for the future beyond 2017.

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

Based on the foregoing, in the following section we give a summary list of the main risks which could affect the attainment of the Business Plan 2015-2017 targets which were monitored in 2015, along with the response and supervision plans for said risks.

Risk map and control actions

Table 5.- Risks that could affect the objective of achieving a solid competitive positioning

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> Exchange rate risks. 	<ul style="list-style-type: none"> Mechanisms for managing the hedging of the risk associated with transactions in the main currencies in which the Company operates. Formalization of the general principles and procedure for managing exchange rate risk.
<ul style="list-style-type: none"> Country risk due to various factors: anti-social acts, social and/or political instability, lack of business infrastructure, health risks and natural disasters in certain geographical areas. 	<ul style="list-style-type: none"> Geographical and customer diversification Regular and ad hoc actions to ensure the safety of persons and assets in the countries in which the Company operates where there may be security alerts: <ul style="list-style-type: none"> Regular security evaluations in the countries where we operate, preliminary country evaluation report, approval of infrastructure and security service providers Coordination among project teams concerning the safety and self-protection plan, emergency medical evacuation and general evacuation protocols and protocols for anti-social acts. Implementation of preventive safety actions and protection plans for high-risk trips and countries: safety manuals and recommendations for travelers in countries where we are active and where socio-cultural or security conditions so require; training and information. Early warning. Strengthening and/or development of local supply chains (including their CSR).
<ul style="list-style-type: none"> Tax-related risks. 	<ul style="list-style-type: none"> Periodic reporting to the Company's management and supervisory bodies on compliance with best tax practices applied in relation to the prevention of tax-related risk and relations with tax authorities. Formalization of the Corporate Tax Policy and improvement of the organizational structure and the processes and procedures for execution and control. Management of tax-related risks: identification of risks by region and definition and monitoring of the actions defined to mitigate such risks. Implementation of an IT tool as an instrument of control between tax declarations and their accounting recognition (for direct taxation).
<ul style="list-style-type: none"> Risk of Consolidation of the sector and competition (wind turbines, operation and maintenance services). 	<ul style="list-style-type: none"> Analysis and watch on any changes in the industry. Search for alternatives to maximize opportunities for Gamesa.

Table 6.- Risks that could affect the objective of maintaining a sound balance sheet

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> Relevant issues affecting the activity which could lead to asset impairments. 	<ul style="list-style-type: none"> Continuous monitoring of cash flows and significant aspects of the business that could lead to asset impairment. In this regard, any potential impairments are suitably itemized in the notes to the financial statements for 2015. Monitoring and control of financial requirements and consequent compliance with covenants.

Table 7.- Risks that might affect the objective of improving the competitiveness of the portfolio of products and services

Significant risks	Actions to mitigate them and/or improve control
<ul style="list-style-type: none"> Competitiveness of the portfolio of products and services: optimization of the start-up curve and profitability in terms of Cost of Energy (CoE) and margin of contribution. Development of added value products 	<ul style="list-style-type: none"> Strict control of compliance of product development plans (time, cost, quality and profitability). Cost reduction and continuous improvement plan, seeking to increase profitability in terms of Cost of Energy (CoE) and margin of contribution. Make/Buy decisions and specific component projects.

Table 8.- 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"> Risks relating to health and safety in the workplace and in the surrounding area: Safety and ergonomic risks: Improvement in integrated operational risk management (processes and products). 	<ul style="list-style-type: none"> Maintenance and improvement of management system certificates OHSAS 18001, ISO 14001, and ISO 9001. Development of communication, inspection and training activities to reinforce the Zero Tolerance Policy. "Think Safe" program: extension of the Health and Safety culture. Constant reduction in Gamesa's accident rates over the past few years (37% year-on-year fall in the frequency rate and 58% year-on-year fall in the severity rate in 2015) Control and improvement programs for products for which Gamesa carries out maintenance and operation.

Additionally, we monitor other risks which, while not directly affecting the attainment of business objectives, nonetheless constitute priority areas for Gamesa, such as: Care of the environment and climate change; Risks relating to information system environments such as cyber-attacks and system continuity and other risks relating to Corporate Social Responsibility (RSC) such as those affecting the RSC of the supply chain or those of ethics or crime prevention, some of which are referred to in other sections of this report.

I.02- ORGANIZATIONAL PROFILE

G4-3 Name of the organization

Gamesa Corporación Tecnológica, S.A.

G4-4 Primary brand, 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 far-ranging experience in the wind energy sector and stands out as:

Being a global manufacturer of reference which installed 3,354 MW new installed in 2015 and has installed 34.6 GW of wind power capacity over the last 21 years. The wind power it has installed is beneficial to the environment and to the fight against climate change, since it leads to a 51.9 million metric ton reduction in CO₂ per year, a reduction in pollutant emissions into the atmosphere equivalent to replacing the use of 7.4 million metric tons of petroleum each year (toe/year).

Having a wide range of technologies and services, with product platforms that allow it to meet the needs of all customer segments in the wind energy industry.

Running Research and Development centers in Spain (Pamplona, Madrid and Zamudio) and engineering facilities in India, China, the United States and Brazil, with an R&D investment capacity of around €69 million, being among the top 300 European companies in terms of R&D expenditure and with a portfolio of patents numbering 721 in all the markets in which it operates.

Having a global organization with global production in Spain and China and local production capacity in India and Brazil.

Gamesa Group reportable business segments are in line with the operating structure of its business units and the financial and management information used by the Group's corresponding executive and governance bodies, namely:

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

Wind Turbines

With over 21 years of commitment to sustainable development, Gamesa develops technologies that make clean, efficient and profitable contributions to sustainability.

Since its first turbine was produced in 1994, the wind turbines developed and manufactured by Gamesa have evolved considerably, incorporating the latest technological advances, growing not only in power but also in performance for its customers.

With 34.6 GW installed in 53 countries and four product platforms (Gamesa 2.0 MW, Gamesa 2.5 MW, Gamesa 3.3 MW and Gamesa 5.0 MW), the Company is positioned as one of the world's technological leaders in the multi-megawatt segment.

The hallmarks of this wide product catalog are its robustness, high degree of reliability and adaptability to all kinds of sites and wind conditions; from the most demanding and severe locations to situations of moderate and low winds.

The multi-megawatt turbines of the **Gamesa 2.0 MW platform** enable the most competitive ratios of investment per MW installed and cost of energy produced to be achieved. This is made possible thanks to the versatile combination of a 2.0 MW rated power generator with a choice of five rotors of different

dimensions: 80, 87, 90, 97 and 114 meters diameter, to reach maximum performance in all types of locations and wind conditions. This platform has been installed so far in 37 countries for a total of 22 GW.

In order to improve the Cost of Energy (CoE) in the 2.0-3.0 MW segment, Gamesa has launched its **Gamesa 2.5 MW platform**, with three new 106, 114 and 126-meter rotors, new tower options and a power boost to 2.5 MW nominal. This platform has become a reference in the market thanks to its excellent capacity factors and high profitability.

One of the keys to Gamesa's success is the constant development of new and advanced products suited to the needs of its customers, as evidence by the launch of the **new Gamesa 3.3 MW platform** and its first model: the G132-3.3 MW wind turbine for class II sites. A new generation of multi-megawatt turbines that reaches the market to become the best solution in terms of Cost of Energy in the 3.0-3.3 MW segment.

The **Gamesa 5.0 MW platform** is the result of the evolving technology and exemplifies Gamesa's ability, based on its knowledge, experience and resources, to develop wind turbines capable of extracting the maximum amount of energy from wind. The Spanish company has taken a major step forward in one of its biggest, most ambitious technological challenges to date: the design and manufacture of the Gamesa 5.0 MW platform. With this new product range, Gamesa aims to position itself indisputably in the multi-megawatt platform segment.

Table 9.- Wind turbines: product range

Gamesa 2.0 MW	G80-2.0 MW	G87-2.0 MW	G90-2.0 MW	G97-2.0 MW	G114-2.0 MW
Rotor diameter (meters)	80	87	90	97	114
Swept area (sq.meters)	5,027	5,945	6,362	7,390	10,207
Rotational speed	9.0-19.0 r.p.m.	9.0-19.0 r.p.m.	9.0-19.0 r.p.m.	9.6-17.8 r.p.m.	7.8-14.8 r.p.m.
Blade length (meters)	39	42.5	44	47.5	56
Tower height (meters)	67,67,78 and 100	78 & 90	55.78 & 90	78, 90, 100, 104 & 120	80, 93, 106, 125 depending on site
Class	IA	IA	IA	IIA / IIIA	IIA / IIIA

Gamesa 2.5 MW	G106-2.5 MW	G114-2.5 MW	G126-2.5 MW
Rotor diameter (meters)	106	114	126
Swept area (sq.meters)	8,825	10,207	12,469
Rotational speed	7.7-14.6 r.p.m.	7.7-14.6 r.p.m.	7.1-12.9 r.p.m.
Blade length (meters)	52	56	62
Tower height (meters)	72,80, 93 and depending on site	80, 93, 93,125 and depending on site	84,102,129 and depending on site
Class	IA	IIA	IIIA

Gamesa 3.3 MW	G132-3.3 MW
Rotor diameter (meters)	132
Swept area (sq.meters)	13,685
Rotational speed	6.82-10.9 r.p.m.
Blade length (meters)	64.5
Tower height (meters)	80, 97, 114,134 and depending on site
Class	IIA

Gamesa 5.0 MW	G128-5.0 MW	G132-5.0 MW
Rotor diameter (meters)	128	132
Swept area (sq.meters)	12,868	13,685
Rotational speed	490 rpm	490 r.p.m.
Blade length (meters)	62.5	64.5
Tower height (meters)	81,95,120 and 140	95,120 and 140
Class	IA/IIA	IIA

For further information on the product catalog, please refer to Gamesa's website:

<http://www.gamesacorp.com/en/products-and-services/wind-turbines>

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 7,000 MW in the wind farms it has developed and built in 16 countries around the world, along with a portfolio of over 12,000 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 operation and maintenance once it is up and running.

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 for the maintenance of over 20,900 MW at the end of 2015. 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.
- Customer website providing quick and easy access to the information that customers need at any time and from anywhere in the world.

G4-5

Headquarters

Gamesa Corporación Tecnológica, S.A.
Parque Tecnológico de Bizkaia,
Edificio 222.
48170 Zamudio, Vizcaya, Spain
www.gamesacorp.com

G4-6 Countries in which the organization has significant operations

Table 10.- Gamesa's presence in countries at 2015 year-end

	Corporate Offices	Main sales offices	Technological development activity	Training Centers (Faculty)	Wind Turbine Installation Activity (MW ytd)	Operations & Maintenance Activity (MW ytd)	Promotion and Construction Wind farms activity (MW ytd)	Manufacturing Activity (# factories)
1. Algeria					(10) ●	(10) ●		
2. Argentina					(11) ●			
3. Australia		●						
4. Azerbaijan					(8) ●			
5. Belgium					(18) ●	(10) ●		
6. Brazil	●	●	●		(1,808) ●	(1,154) ●		(1) ●
7. Bulgaria					(90) ●	(90) ●		
8. Canada					(10) ●	(10) ●		
9. Chile					(36) ●	(36) ●		
10. China	●	●	●	●	(4,006) ●	(664) ●	(602) ●	(3) ●
11. Costa Rica					(63) ●	(50) ●		
12. Cuba					(5) ●			
13. Cyprus					(20) ●	(20) ●		
14. Dominican Rep.					(52) ●	(52) ●		
15. Ecuador					(2) ●			
16. Egypt		●			(606) ●	(285) ●		
17. Finland					(123) ●	(123) ●		
18. France		●			(788) ●	(476) ●	(146) ●	
19. Germany		●			(197) ●	(50) ●	(275) ●	
20. Greece		●			(273) ●	(149) ●	(129) ●	
21. Honduras					(176) ●	(176) ●		
22. Hungary		●			(182) ●	(182) ●		
23. India	●	●	●	●	(2,596) ●	(2,155) ●	(1,577) ●	(2) ●
24. Ireland					(54) ●	(73) ●		
25. Israel					(21) ●			
26. Italy		●			(1,713) ●	(1,103) ●	(317) ●	
27. Jamaica					(24) ●			
28. Japan		●			(110) ●	(62) ●		
29. Jordan					(66) ●			
30. Kenya					(14) ●			
31. Mauritania					(30) ●	(30) ●		
32. Mauritius					(9) ●			
33. Mexico		●	●	●	(1,667) ●	(1,583) ●	(314) ●	
34. Morocco					(238) ●	(238) ●		
35. New Zealand					(15) ●	(7) ●		
36. Nicaragua					(44) ●	(44) ●		
37. Philippines		●			(144) ●	(144) ●		
38. Poland		●			(763) ●	(677) ●	(242) ●	
39. Portugal		●			(494) ●	(494) ●	(356) ●	
40. Puerto Rico					(1) ●			
41. Romania		●			(314) ●	(274) ●		
42. South Korea					(3) ●			
43. Spain	●	●	●	●	(12,209) ●	(8,112) ●	(2,641) ●	(14) ●
44. Sri Lanka		●			(20) ●	(40) ●		
45. Sweden		●			(108) ●	(92) ●	(6) ●	
46. Taiwan					(12) ●			
47. Thailand		●			(8) ●			
48. Tunisia					(243) ●	(34) ●		
49. Turkey		●			(124) ●	(86) ●		
50. United Kingdom	●	●			(475) ●	(427) ●	(15) ●	
51. United States	●	●	●	●	(4,345) ●	(1,558) ●	(838) ●	
52. Uruguay					(200) ●	(200) ●		
53. Venezuela					(71) ●			
54. Vietnam					(1) ●			
TOTAL:					53 (34,618)	38(20,973)	13(7,460)	4(20)
Total countries					53	36	13	4

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, 2015, consisting of 279,268,787 common shares with a par value of €0.17 each, represented by book entries.

All 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 11.- Evolution of share capital

	Date	Share capital (€)	Shares
Book building process	9/8/2014	47,475,693.79	279,268,787
Paid-up capital increase	7/25/2012	43,159,721.89	253,880,717
Paid-up capital increase	7/15/2011	42,039,297.28	247,289,984
Paid-up capital increase	7/19/2010	41,770,668.89	245,709,817
3 x 1 par value split	5/28/2004	41,360,983.68	243,299,904
Capital increase (raising the par value of shares)	5/28/2004	41,360,983.68	81,099,968
Stock market flotation	10/31/2000	40,549,984.00	81,099,968

Significant shareholders and % interest

Table 12.- Shareholding structure (at December 31)

	2015	2014	2013	2012	2011
Iberdrola, S.A.	19.69%	19.69%	19.69%	19.69%	19.62%
Blackrock Inc. ¹⁰	3.17%	3.21%	4.83%	4.83%	4.96%
Norges Bank ¹¹	-	3.02%	3.29%	-	-
Dimensional Fund Advisors LP ¹²	-	2.68%	2.94%	-	-
Fidelity International Limited	1.10%	-	-	-	-
Others ¹³	76.04%	71.40%	69.24%	75.48%	75.42%

¹⁰ According to the records of the CNMV (Spain's securities and exchange commission) Blackrock Inc. held part of its 0.166% interest in Gamesa Corporación Tecnológica, S.A.'s share capital at December 31, 2015 in the form of voting rights linked to the exercise of financial instruments.

¹¹ According to the records of the CNMV (Spain's securities and exchange commission) Norges Bank held an interest exceeding 3% of Gamesa Corporación Tecnológica, S.A.'s share capital at December 31, 2014 and was therefore a significant shareholder. However, on December 29, 2015 it informed the CNMV that its holding had passed below 3% on December 22, 2015 and that it was therefore no longer a significant shareholder.

¹² According to the records of the CNMV Dimensional Fund Advisors LP held an interest exceeding 3% of Gamesa Corporación Tecnológica, S.A.'s share capital at December 31, 2014 and was therefore a significant shareholder. However, on December 22, 2015 it informed the CNMV that its holding had passed below 3% on November 20, 2015 and that it was therefore no longer a significant shareholder.

¹³ Each holding interests of less than 3%

Corporate structure

Information on the consolidated companies which comprise Gamesa Group is provided in the consolidated annual accounts report for 2015. 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): Consisting of companies dedicated to the design and manufacture of wind turbines (Gamesa Eólica, S.L. Unipersonal and Gamesa Innovation and Technology, S.L. Unipersonal) and to the promotion and sale of wind farms (Gamesa Energía S.A. Unipersonal and Gamesa Inversiones Energéticas Renovables, S.A. Unipersonal).
- United States: Consisting of Gamesa Technology Corporation Inc. and its subsidiaries, which include Gamesa Wind US LLC as the most significant.
- India: Consisting of Gamesa Renewables Private Limited and its subsidiaries.
- Brazil: Consisting of Gamesa Eólica Brasil, Sociedad Limitada.
- China: Consisting of Gamesa Wind Beijing and Gamesa Wind Tianjin as the most significant companies.

On March 9, 2015, Gamesa Corporación Tecnológica, S.A. ("Gamesa") and other companies in its group and Areva S.A. ("Areva") and other companies in its group, having obtained all the necessary authorizations, and all conditions precedent having been fulfilled, signed the agreements necessary to the creation of a Joint Venture for the joint development of an offshore wind energy business.

These agreements were signed in execution of those signed on July 7, 2014 (reported as a significant event, official register no. 208.151). The new company, called Adwen Offshore S.L. (hereinafter "Adwen" or the "JV") is based in Zamudio, Spain and has approximately 700 employees in its operations in Spain, France, Germany and the UK. The Board of Directors is formed by eight directors, four nominated by Gamesa and four by Areva.

G4-8 Markets served

Gamesa supplies the products and services set out in indicator G4-4 (p. 19) in the countries where the company operates, which are listed in indicator G4-6 (p. 22).

G4-9 Key Figures

Employees

Table 13.- Number of employees

	2015	2014	2013	2012	2011
Spain	3,814	3,812	3,863	4,233	4,853
China	615	582	525	537	1,156
United States	361	349	408	613	930
India	1,567	1,035	846	813	920
Brazil	509	303	112	78	67
Mexico	112	-	-	-	-
Rest of the World (ROW)	293	350	305	349	395
Total workforce	7,271	6,431	6,079	6,646	8,357

Sales

Table 14.- Sales/revenues by countries/regions that represent 5% or more of total revenues.

<i>(net turnover in € millions)</i>	2015	2014	2013	2012	2011
Spain	312	297	217	254	262
Rest of Europe	428	288	250	496	662
United States	469	381	49	484	417
China	275	126	11	251	670
India	814	478	466	293	530
Brazil	620	531	424	281	-
Mexico	179	360	555	360	-
Rest of the World	406	386	363	245	493
Net turnover	3,504	2,846	2,336	2,665	3,033

Costs

Table 15.- Costs included in the operating result by category

<i>(expressed in € millions)</i>	2015	2014	2013	2012	2011
Supply costs	2,478	1,996	1,390	1,825	2,301
Personnel expenses	341	303	309	365	348
Depreciation and provisions	229	175	154	415	230
Other operating expenses	307	297	258	317	356
Net (Gains) Losses from asset impairment	(32)	8	7	289	-
Total cost	3,323	2,779	2,118	3,211	3,235

Capitalization

Table 16.- Total capitalization

<i>(expressed in € millions)</i>	2015	2014	2013	2012	2011
Subscribed share capital	47	47	43	43	42
Parent company's equity	1,527	1,385	1,013	1,021	1,685
Net financial debt	(301)	(143)	420	495	710
Tangible fixed assets	1,106	1,015	1,061	1,036	877
Accumulated depreciation	(606)	(538)	(517)	(468)	(420)
Impairment	(140)	(144)	(166)	(166)	-

Products and services provided

Table 17.- Products and services provided

	2015	2014	2013	2012	2011
MWe of wind energy sold	3,180	2,623	1,953	2,119	2,802

Table 18.- Wind turbines: Track record of MW installed by country

(in MW)	YTD 2015	Additions 2015	Additions 2014	Additions 2013	Additions 2012	Additions 2011	Accumulated 2010-1994
1. Algeria	10	-	-	10	-	-	-
2. Argentina	11	-	-	-	-	-	11
3. Azerbaijan	8	-	-	-	-	8	-
4. Belgium	18	18	-	-	-	-	-
5. Brazil	1,808	940	416	356	96	-	-
6. Bulgaria	90	-	-	-	-	20	70
7. Canada	10	-	-	-	10	-	-
8. Chile	36	-	36	-	-	-	-
9. China	4,006	434	62	257	493	364	2,396
10. Costa Rica	63	10	40	-	-	13	-
11. Cuba	5	-	-	-	-	-	5
12. Cyprus	20	-	-	-	-	20	-
13. Dominican Republic	52	-	-	-	52	-	-
14. Ecuador	2	-	-	-	-	-	2
15. Egypt	606	-	118	82	-	-	406
16. Finland	123	-	92	32	-	-	-
17. France	788	24	44	60	20	13	627
18. Germany	197	12	8	-	16	-	161
19. Greece	273	94	-	7	17	69	86
20. Honduras	176	-	74	-	-	102	-
21. Hungary	182	-	-	-	-	10	172
22. India	2,596	883	569	376	222	362	184
23. Ireland	54	-	-	-	-	10	44
24. Israel	21	21	-	-	-	-	-
25. Italy	1,713	44	-	16	228	193	1,232
26. Jamaica	24	24	-	-	-	-	-
27. Japan	110	-	-	-	-	-	110
28. Jordan	66	66	-	-	-	-	-
29. Kenya	14	-	14	-	-	-	-
30. Mauritania	30	30	-	-	-	-	-
31. Mauritius	9	9	-	-	-	-	-
32. Mexico	1,667	166	450	350	360	131	210
33. Morocco	238	-	-	-	-	29	209
34. New Zealand	15	7	-	-	-	8	-
35. Nicaragua	44	-	-	-	44	-	-
36. Philippines	144	76	68	-	-	-	-
37. Poland	763	78	60	58	39	315	214
38. Portugal	494	56	-	-	8	-	430
39. Puerto Rico	1	-	-	-	1	-	-
40. Romania	314	30	10	-	62	148	64
41. South Korea	3	-	-	-	-	-	3
42. Spain	12,209	1	2	56	393	433	11,326
43. Sri Lanka	20	-	-	-	-	-	20
44. Sweden	108	51	16	14	-	23	3
45. Taiwan	12	-	-	-	-	-	12
46. Thailand	8	8	-	-	-	-	-
47. Tunisia	242	-	11	28	33	30	141
48. Turkey	124	28	28	38	-	30	-
49. United Kingdom	475	-	24	192	9	75	163
50. United States	4,345	194	230	-	509	874	2,538
51. Uruguay	200	50	50	100	-	-	-
52. Venezuela	71	-	1	41	-	29	-
53. Vietnam	1	-	-	-	-	-	1
Total	34,618	3,354	2,421	2,071	2,625	3,309	20,840

Figure 2 3.-Wind turbines: Track record of MW installed by Gamesa

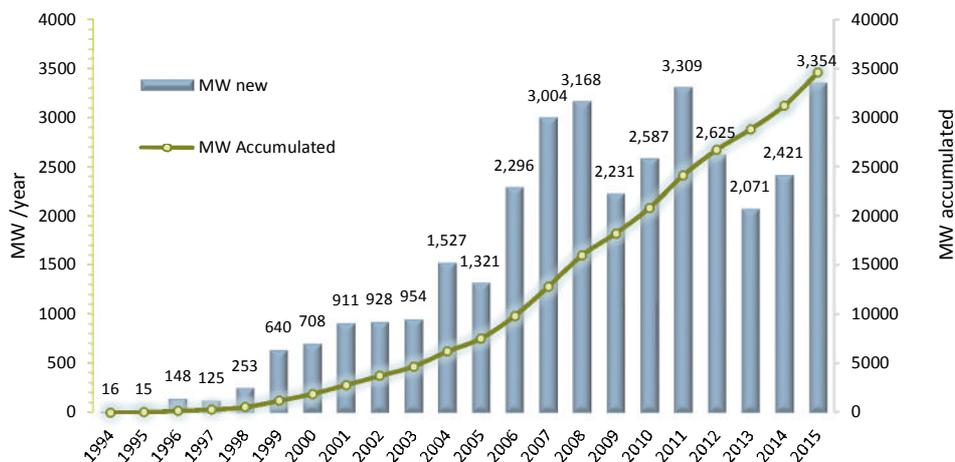


Table 19.- Wind turbines: Track record of MW installed by region and platform model

(in MW)	Made	Gamesa 660 kW	Gamesa 850 kW	Gamesa 2.0 MW	Gamesa 2.5 MW	Gamesa 5.0 MW	Total MW installed
APAC	1	-	17	274	-	-	292
BRAZIL	-	-	-	1,808	-	-	1,808
CHINA	22	7	2,322	1,654	-	-	4,006
EMEA	1,521	2,014	5,119	10,334	33	169	19,189
INDIA	44	-	932	1,640	-	-	2,616
LATIN AMERICA	75	11	310	1,956	-	-	2,352
NORTH AMERICA	-	-	57	4,298	-	-	4,355
Total	1,664	2,032	8,758	21,964	33	169	34,618

Figure 4.- MW installed YTD by region

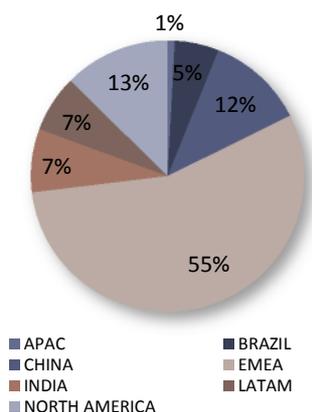


Figure 5.- MW installed YTD by platform

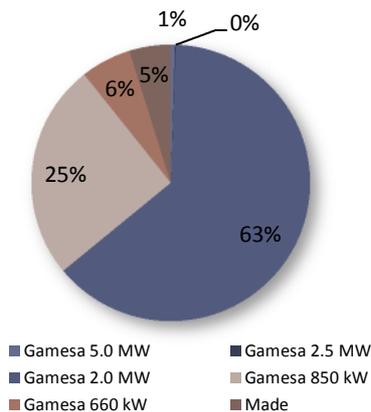


Table 20.- Operation and Maintenance: Track-record of MW in Operation and Maintenance (O&M)

(in MW)	AEXX	G4X	G5X	G8X	G9X	G114	G10X	Others	Total MW (O&M)
Algeria	-	-	10	-	-	-	-	-	10
Belgium	-	-	-	-	-	10	-	-	10
Brazil	-	-	-	180	930	44	-	-	1,154
Bulgaria	-	-	-	90	-	-	-	-	90
Canada	-	-	-	-	10	-	-	-	10
Chile	-	-	-	36	-	-	-	-	36
China	-	-	118	324	222	-	-	-	664
Costa Rica	-	-	-	50	-	-	-	-	50
Cyprus	-	-	-	20	-	-	-	-	20
Dominican Republic	-	-	-	-	52	-	-	-	52
Egypt	-	-	85	200	-	-	-	-	285
Finland	-	-	-	-	-	-	123	-	123
France	-	4	108	294	62	-	-	8	476
Germany	-	-	2	36	12	-	-	-	50
Greece	-	-	82	38	4	-	-	25	149
Honduras	-	-	-	152	24	-	-	-	176
Hungary	-	-	-	182	-	-	-	-	182
India	24	-	934	-	1,194	2	-	-	2,155
Ireland	-	-	39	15	-	-	-	19	73
Italy	-	-	617	354	118	14	-	-	1,103
Japan	-	-	-	62	-	-	-	-	62
Mauritania	-	-	-	-	30	-	-	-	30
Mexico	-	-	209	1,106	268	-	-	-	1,583
Morocco	-	-	216	22	-	-	-	-	238
New Zealand	-	-	7	-	-	-	-	-	7
Nicaragua	-	-	-	44	-	-	-	-	44
Philippines	-	-	-	144	-	-	-	-	144
Poland	-	-	9	590	74	4	-	-	677
Portugal	-	-	-	430	14	-	50	-	494
Romania	-	-	-	274	-	-	-	-	274
Spain	380	1,193	2,037	4,103	147	-	46	207	8,112
Sri Lanka	20	-	10	-	10	-	-	-	40
Sweden	-	-	3	20	56	13	-	-	92
Tunisia	34	-	-	-	-	-	-	-	34
Turkey	-	-	-	52	34	-	-	-	86
United Kingdom	-	-	46	382	-	-	-	-	427
United States	-	-	66	1,194	298	-	-	-	1,558
Uruguay	-	-	-	50	150	-	-	-	200
Total	459	1,197	4,600	10,443	3,709	87	219	259	20,973

Table 21.- Wind farm development and construction: Track record of MW

	Wind farms built	Portfolio /Pipeline
North America & Latin America	1,152 MW	2,844 MW
United States	838 MW	
Mexico	314 MW	
Europe	4,127 MW	4,462 MW
Spain	2,641 MW	
Rest of Europe	1,486 MW	
China & India	2,179 MW	5,188 MW
China	602 MW	
India	1,577 MW	
Total	7,460 MW	12,495 MW

G4-10 Workforce

Table 22.- Workforce by country and gender

	2015		2014		2013		2012	2011
	Men	Women	Men	Women	Men	Women	TOTAL	TOTAL
Australia	-	-	1	1	2	2	4	-
Brazil	418	91	245	58	79	33	78	67
Bulgaria	1	-	2	-	2	-	6	5
Chile	2	1	1	-	1	-	-	-
China	470	145	442	140	386	139	537	1,156
Costa Rica	2	-	3	-	1	-	-	-
Dominican Republic	1	-	-	-	-	-	1	1
Egypt	10	1	12	1	14	1	16	17
Finland	14	-	9	-	4	-	-	-
France	19	8	19	9	18	7	32	36
Germany	20	6	19	4	16	4	23	36
Greece	13	2	12	2	12	2	21	24
Honduras	2	-	2	-	1	-	-	1
Hungary	3	-	3	-	3	1	5	4
India	1,523	44	998	27	820	26	813	920
Ireland	2	1	2	1	1	1	1	-
Italy	62	11	62	14	64	14	95	114
Japan	1	-	1	-	1	-	1	1
Mexico	73	39	47	16	36	12	38	26
Morocco	6	1	6	1	6	1	8	9
Philippines	5	1	-	-	-	-	-	-
Poland	20	6	21	6	22	5	31	35
Portugal	7	5	6	4	8	4	17	17
Romania	9	2	9	2	11	2	13	14
Singapore	-	-	-	-	1	-	6	7
Spain	2,702	1,112	2,704	1,108	2,746	1,117	4,233	4,853
Sri Lanka	9	-	10	-	-	-	-	-
Sweden	8	2	6	1	6	1	6	4
Tunisia	-	-	-	-	-	-	-	1
Turkey	5	1	5	1	4	-	4	7
United Kingdom	15	8	31	7	29	5	44	72
United States	302	59	293	56	346	62	613	930
Uruguay	1	-	1	-	-	-	-	-
Subtotal	5,725	1,546	4,972	1,459	4,640	1,439		
Total workforce		7,271		6,431		6,079	6,646	8,357

Table 23.- Workforce by type of employment contract and gender

	2015		2014		2013		2012	2011
	Men	Women	Men	Women	Men	Women	TOTAL	TOTAL
Permanent workers	5,234	1,441	4,601	1,365	4,247	1,332	6,156	7,315
Temporary workers	491	105	371	94	394	106	490	1,042
Subtotal	5,725	1,546	4,972	1,459	4,640	1,439		
Total workforce		7,271		6,431		6,079	6,646	8,357

Table 24.- Workforce by type of employment contract and gender

	2015		2014		2013		2012	2011
	Men	Women	Men	Women	Men	Women	TOTAL	TOTAL
Direct workers	2,065	218	1,493	210	1,354	230	1,878	2,201
Indirect workers	1,578	232	1,416	198	1,511	251	2,175	3,088
Structure workers	2,082	1,096	2,063	1,051	1,776	957	2,593	3,068
Subtotal	5,725	1,546	4,972	1,459	4,640	1,439	-	-
Total workforce		7,271		6,431		6,079	6,646	8,357

Table 25.- Workforce including external personnel¹⁴

	2015	2014	2013	2012	2011
Internal staff	7,271 (97%)	6,431 (98%)	6,079 (99%)	6,646 (99%)	8,357 (94%)
External staff	247 (3%)	125 (2%)	63 (1%)	64 (1%)	528 (6%)
Total workforce (incl. external)	7,518	6,556	6,142	6,710	8,885

Figure 6.- Changes in total workforce

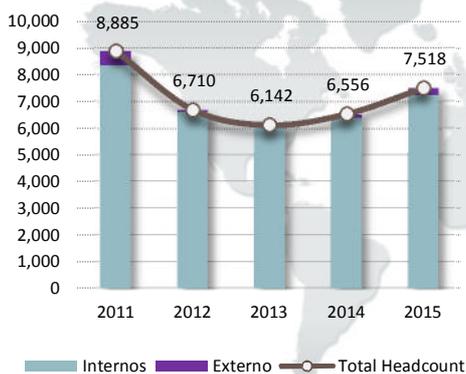


Figure 7.- Changes in workforce by Area

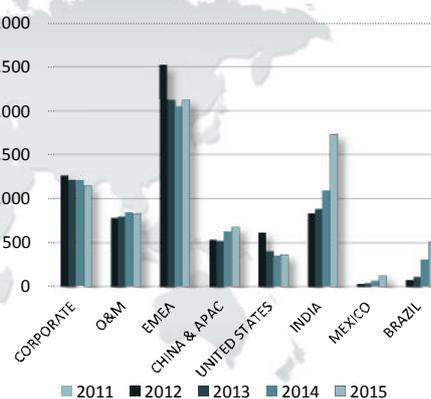


Figure 8.- Average age of the workforce in 2015

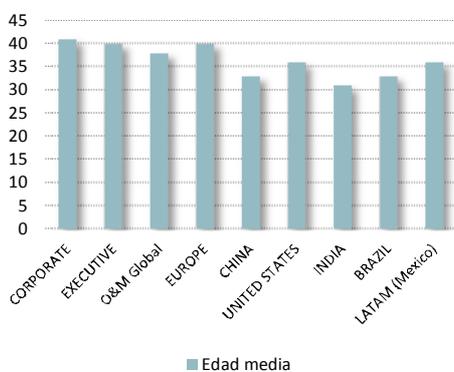
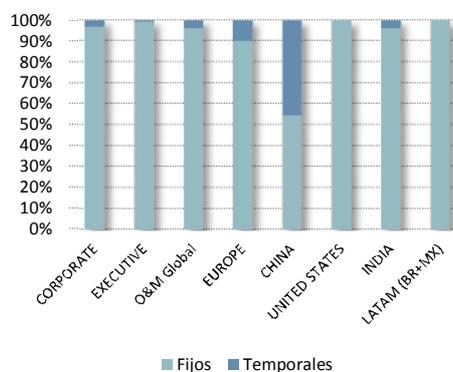


Figure 9.- Workforce by type of employment contract 2015



¹⁴ External personnel: personnel hired through a temporary employment agency working at Gamesa work centers.

G4-11 Employees covered by collective agreements

In general terms, Gamesa Group 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 26.- Employees covered by collective agreement

(percentage in the region in brackets)	2015	2014	2013	2012	2011
Europe and the Rest of the World	1,404 (34.3%)	1,298 (31.2%)	1,377 (33%)	1,658 (36%)	2,069 (38.6%)
USA	-	-	63 (15.4%)	186 (30.3%)	332 (35.6%)
China	-	-	-	-	-
India	-	-	-	-	-
Brazil	324 (63.7%)	166 (54.8%)	29 (25.9%)	22 (28.2%)	-
Mexico	-	-	-	-	-
Total covered	1,728	1,464	1,469	1,866	2,401
% of total workforce	23.77%	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.

The global positioning is detailed in the *Policy on appointment of and relations with suppliers, contractors and other collaborators of Gamesa*¹⁵ - updated in 2015 - by means of a text approved by a resolution of the Board of Directors on September 23, 2015. This declaration deals with the action principles on the basis of which Gamesa aims to establish a global framework for the control and management of the risks arising from the activities of purchasing and contracting works and services, guided by the spirit of value creation for the various stakeholders.

From the perspective of choosing suppliers, it commits to a supplier, contractor and external collaborator selection process that is impartial and objection.

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.

¹⁵ See Policy at: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/social-resp-policies/hiring-policy-and-relationship-with-suppliers-contractors-and-collaborators.pdf>

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 2015, the Company 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 G114 CS 106m for India – aimed at maximizing annual energy production (AEP) at the lowest possible cost.
- Increasing AEP through the Max Power concept (a 5% increase in rated power) to improve the turbines' competitiveness (in the G114 2.0 MW and 2.5 MW and G97 2.0 MW).
- Development of supply chains in Europe for the 2.5 MW version of the G114.
- Continuous improvement of the mainstream G97 and G114 by means of the Model Year concept (combining all the cost-improving product changes into a single model change per year so as to make our assembly plants more efficient).
- Specific cost reduction plans for BOP, construction and logistics. In the case of logistics, in pursuit of greater competitiveness we have negotiated freight rates directly with ship-owners.
- 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. Gamesa's supply base in 2015 thus comprised **9,528 suppliers around the world**, serving a procurement volume of over **€3,026 million**.

Table 27.- Supply base: number of suppliers

	2015	2014	2013	2012	2011
EMEA	5,001	5,103	4,959	5,526	5,198
Direct suppliers ¹⁶	944	719	590	739	749
Indirect suppliers	4,057	4,384	4,369	4,787	4,449
USA	737	824	847	1,187	1,390
Direct suppliers	118	138	79	132	149
Indirect suppliers	619	686	768	1,055	1,241
CHINA and APAC	735	712	624	886	1,037
Direct suppliers	280	302	209	254	265
Indirect suppliers	455	410	415	632	772
INDIA	1,674	1,478	1,231	1,147	833
Direct suppliers	242	198	105	114	83
Indirect suppliers	1,432	1,280	1,126	1,033	750
BRAZIL	1,274	1,032	639	508	407
Direct suppliers	136	96	37	29	16
Indirect suppliers	1,138	936	602	479	391
LATIN AMERICA (1)	553	(1)	(1)	(1)	(1)
Direct suppliers	27	(1)	(1)	(1)	(1)
Indirect suppliers	526	(1)	(1)	(1)	(1)
Total suppliers in the supply base	9,528	8,862	8,300	9,254	8,866

(1) Note: Until 2015, Mexico and the rest of Latin America were included in "Europe and the Rest of the World" geographical unit.

By procurement volume, Spain (28%), India (17%), China (16%) and Brazil (13%) accounted for three quarters of total procurement in 2015.

¹⁶ Materials and procurements directly associated with or forming part of the wind turbine.

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

Table 28.- Volume of purchases by suppliers' country of origin

	2015	2014	2013	2012	2011
Spain	28.56%	33.59%	41.49%	36.74%	39.41%
India	17.83%	14.98%	9.82%	7.60%	8.59%
China	16.72%	12.77%	8.71%	10.24%	16.11%
Brazil	12.69%	11.01%	9.03%	4.12%	0.95%
United States	7.55%	7.10%	6.33%	21.52%	19.49%
Mexico	3.24%	4.76%	8.06%	7.35%	3.05%
Germany	2.81%	2.80%	2.41%	1.74%	1.47%
Italy	1.38%	1.58%	1.78%	1.22%	0.71%
Philippines	1.32%	-	-	-	-
France	0.88%	1.30%	2.31%	1.34%	1.47%
Greece	0.69%	0.35%	0.32%	0.26%	0.63%
Poland	0.68%	0.43%	1.03%	2.58%	2.90%
Denmark	0.58%	-	-	-	-
United Kingdom	0.53%	0.94%	1.23%	1.15%	1.11%
Procurement volume (€ million)	3,026	2,242	1,978	2,359	2,476

Purchasing Volume

Figure 10.- Changes in purchasing volumes (Mill. €)



Figure 11.- Distribution of procurement volumes by Gamesa geographical regions (2015)

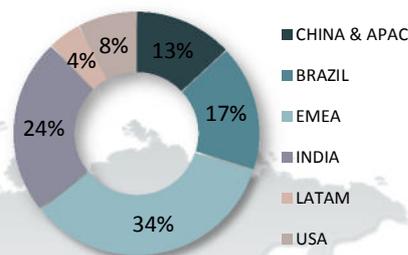


Figure 12.- Distribution of supplies by category, 2015

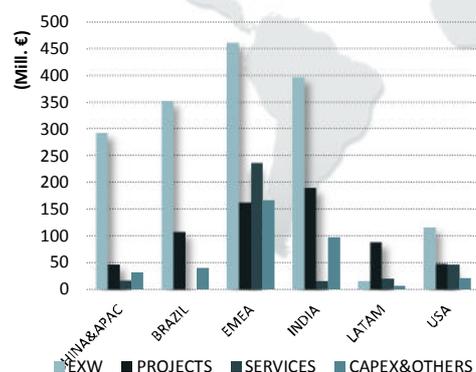


Figure 13.- Distribution of supplies by type, 2015

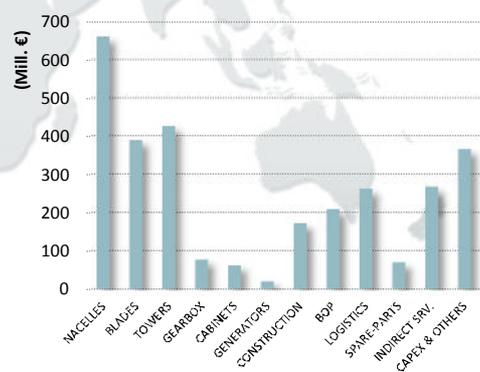


Table 29.- Direct procurement supply base (by business areas)

	2015		2014		2013		2012		2011	
	No.	%	No.	%	No.	%	No.	%	No.	%
DIRECT PURCHASES										
Nacelles	373	21.6%	391	25%	432	30%	447	31%	698	79%
Blades	129	7.47%	146	9%	148	10%	190	13%	134	15%
Towers	81	4.69%	72	5%	65	5%	86	6%	49	5%
Services	579	33.53%	583	37%	523	37%	474	33%	-	-
Gearboxes	345	19.98%	209	13%	180	13%	184	13%	-	-
Converters	150	8.69%	83	5%	78	5%	77	5%	-	-
Generators	70	4.05%	79	5%	-	-	-	-	-	-
INDIRECT PURCHASES										
Construction	1,174	24.37%	-	-	-	-	-	-	-	-
BOP	439	9.11%	-	-	-	-	-	-	-	-
Logistics	382	7.93%	-	-	-	-	-	-	-	-
Capex and Overheads	2,467	51.21%	-	-	-	-	-	-	-	-
Remaining indirect purchases	355	7.37%	-	-	-	-	-	-	-	-

Local supplier development and wealth creation

Gamesa also sends its material engineers and supplier quality development personnel to work at suppliers' facilities in order to ensure their technological development and competitiveness.

For example in India, we have developed suppliers of internal tower components (Powerhigh), cables (Apar, Siechem and Nicco), rotor lock plates (Wheels) and torque arms (Synergy).

In China we have consolidated regular deliveries of cabinet casings from a new manufacturer (ONOFF), LED lighting (Nanhua), forged steel generator shafts (Tegang), large-size fasteners (Fastenal), tower flanges (Hengrun) and mechanized casting from new suppliers (Dongjan, Dingyi and Xufeng).

In Brazil, Gamesa has approved suppliers of yaw brake clamps (Antec), large-size fasteners (Metaltork and Friedberg), and medium voltage cells (Ormazabal). We also continue to support repetitive casting and mechanization processes (BR Metals and Romi).

In Mexico, Gamesa has resident process engineers at the TPI plant, which makes blades designed by Gamesa. We also validated the processes of tower manufacturer Trinity's new plant in Huehuotoca.

Local capacity is boosted through the supply chain's localization in the different regions. Thus we have achieved globalization of the supply profile: global suppliers with local presence, new local suppliers and internationalization of existing suppliers.

Proof of this is that the degree of localization (local procurement) achieved in 2015 was 89% in China, 63% in India and 52% in Brazil.

Table 30.- Degree of procurement localization

	2015	2014	2013	2012	2011
USA (United States + Asia)	-	-	-	79% (G97)	62% (G8X)
CHINA	89% (G8X) 89% (G97) 90% (G114)	88% (G8X) 88% (G97)	- 94% (G97)	98% (G8X) 99% (G97)	95% (G8X) 82% (G5X)
INDIA	63% (G97)	61% (G97)	74% (G97)	74% (G97)	46% (G5X)
BRAZIL	52% (G97)	29% (G97)	49% (G97)	52% (G8X)	48% (G8X)

In order to provide a response to the Business Plan, the Procurement Division has also been working jointly with local suppliers and the Technology and Quality Division on reducing the cost of energy by designing turbine models which optimize AEP, like the ad-hoc turbine designs for specific markets, for example the G114 CS 106m turbine for India, the project to increase AEP through the Max Power concept (5% increase in rated power) in order to make turbines more competitive, as well as continuing to work on the redesign of components involved in the Costwise Product Evolution and Critical Component Development programs. Both factors contributed to the significant cost savings in 2015.

We also brought transformers in Europe into line with the Ecodesign Directive.

In 2015, 344 projects on different product platforms to generate alternative suppliers were successfully concluded in China (94), India (93), Europe (100) and Brazil (57).

Table 31.- Alternative suppliers' generation projects

	G8X	G97	G114	Others	2015	2014	2013	2012	2011
EMEA	10	31	45	14	100	116	61	85	36
USA	-	-	-	-	-	-	3	22	22
CHINA and APAC	3	14	64	13	94	92	95	61	43
INDIA	4	56	32	1	93	65	88	79	28
BRAZIL		35	15	7	57	34	19	20	4
Total projects					344	307	266	267	133

It is thus evident that the Group's activity has an indirect effect on the local economy generated by wealth creation through changes in productivity of companies, industries and the local economy. At the same time, it improves qualifications and knowledge in the professional community and generates 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 supplier TPI in Mexico and the development of the G114 blade model at supplier LM, with more production lines, in China were particularly important, as was the launch of this product in the United States.

Ongoing contact with 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:

- Supplier events held in 2015 in China, Spain and Germany
 - China (Tianjin), January 27, 2015, approximately 85 suppliers
 - Spain (Pamplona), May 27, 2015, approximately 40 suppliers
 - Germany (Bremen), June 11, 2015, approximately 140 suppliers

The purpose of these events is to share with suppliers the Company's challenges in terms of new products, new market requirements or increasing demand and therefore capacity. These events have a global focus, and in the case of Bremen a local one too (in the case of Pamplona for the EMEA region and that of Tianjin for APAC) with the aim of effectively conveying the need to contribute jointly with Gamesa to the attainment of the business plan.

- Supplier portal, for exchange of product technical documentation, quality documentation, and documentation for delivery management.
- Gamesa website, containing:
 - The new general buying conditions, which in their 2015 revision include the Supplier Code of Conduct
 - Supplier quality manual.

Responsible development of the supply chain

The purchasing division, within the scope of its responsibility, has a supplier management model which aims at long-term value creation by means of managing the risks and opportunities deriving from the relevant economic, environmental and social variables, the main characteristics of which are:

Table 32.- Responsible measures on the supply chain

	Preventive measures	Incentive measures
Actions on Gamesa's behavior	<ul style="list-style-type: none"> • Gamesa supplier contracting and relationship policy (<i>updated September 2015</i>) • Gamesa Code of Conduct • Global CSR policy • ISO 9001 procurement procedures • 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 contracting and relationship policy (<i>updated September 2015</i>) • Gamesa Supplier Code of Conduct (<i>November 2014</i>) • Supplier screening and grading system • General Procurement Terms and Conditions for goods and services (<i>updated March 2015</i>) • 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

Gamesa's Policy on appointment of and relations with suppliers, contractors and other collaborators¹⁷ - updated in 2015 - establishes the action principles on the basis of which Gamesa Group aims to establish a global framework for the control and management of the risks arising from the activities of purchasing and contracting works and services, guided by the spirit of value creation for the various stakeholders.

The **Code of Conduct applicable to Gamesa's suppliers, contractors and collaborators**¹⁸ establishes rules for ensuring that working conditions in the Company's supply chain are safe, that the workers are treated with respect and dignity and that commercial transactions are ethically, socially and environmentally responsible. This code is kept independent and updated as and when appropriate to reflect Gamesa's standards and transactions with suppliers, contractors and collaborators.

The **supplier registration, classification and control system** which is currently being implemented analyzes, classified and assesses key suppliers insofar as they might have a negative or significant effect on the attainment of the Company's strategic objectives if they were to default or supply defective goods. The system gives priority to suppliers with advanced third-party-certified management systems, particularly as regards the environment, quality and health and safety at work, and to those with CSR actions in place.

The **supplier audit system** which is currently being implemented and is reflected in the CSR Master Plan for 2015-2017, has been designed as an effective tool for evaluating the performance of key suppliers relative to the expectations set out in the policies and codes applicable to them, while at the same time securing suppliers' continued process of improvement. In 2015 we carried out 15 full audits of suppliers to the Group.

In addition to contractual elements that comply with the legislation in force in the countries involved in any given transaction, **supply contracts** include clauses on social responsibility (through the general procurement terms and/or supply agreements), which are reflected in the Supplier Code of Conduct and which suppliers must accept.

¹⁷ See Policy at: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/social-resp-policies/hiring-policy-and-relationship-with-suppliers-contractors-and-collaborators.pdf>

¹⁸ See: <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/proveedores/codigo-de-conducta-de-proveedores-2015-esp.pdf>

Gamesa's **general purchasing conditions**¹⁹ explicitly include provisions on the respect for human rights and labor practices, as well as taking a clear stand against fraud and corruption, and the Company is working to implement them fully throughout its supply chain.

Compliance with the general procurement terms and conditions in terms of volume is 100% in the United States, 94% in China and APAC, 90% in India, 76% in EMEA and 64% in Brazil. In Latin America, a region in which Gamesa has only recently established itself, compliance reaches 99%.

Table 33.- Implementation of general purchasing conditions

	2015		2014		2013		2012		2011	
	% Vol.	% Sup.								
EMEA	76%	32%	84%	41%	94%	44%	91%	45%	96%	52%
USA	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CHINA and APAC	94%	76%	96%	80%	98%	88%	97%	77%	96%	77%
INDIA	90%	51%	96%	60%	97%	68%	87%	72%	75%	50%
BRAZIL	64%	59%	60%	61%	80%	66%	86%	72%	73%	15%
LATIN AMERICA	99%	67%	-	-	-	-	-	-	-	-

G4-13 Significant changes during the reporting period

Changes in the supply chain: No significant changes came about in the supply chain of Gamesa Corporación Tecnológica, S.A. 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 2015.

Changes in the share capital structure: No significant changes came about in the Company's share capital structure in 2015. For further information, please refer to indicator G-7 on share capital (page 23).

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

¹⁹ See: <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/proveedores/spain-purchasing-conditions.pdf>

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

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

Table 34.- External initiatives to which the Company subscribes

<p>United Nations Global Compact (Global Compact) ²⁰</p>	<p>Voluntary. Since 2005. 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.</p>	
<p>Global Reporting Initiative (GRI) ²¹</p>	<p>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.</p>	
<p>Caring for Climate: The business leadership Platform ²²</p>	<p>Voluntary. Since 2007. 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.</p>	
<p>Carbon Disclosure Project (CDP)</p>	<p>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.</p>	
<p>Subscription to the Luxembourg Declaration ²³</p>	<p>Voluntary. In 2014 Gamesa aligned itself with 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.</p>	
<p>University of Cambridge Institute for Sustainability Leadership (CISL).</p>	<p>Voluntary. 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). Furthermore, in 2015 Gamesa reaffirmed its commitment to a safe and stable climate in which the rise in temperature is limited to less than two degrees Celsius. In signing up to the Paris Pledge for Action ²⁴ we welcomed the adoption of a new universal agreement at the COP 21 in Paris and pledged our support to ensuring that the aspirations established by the agreement will be attained or surpassed.</p>	

²⁰ See link: <https://www.unglobalcompact.org/what-is-gc/participants/4098-Gamesa-Corporacion-Tecnologica-S-A-#company-information>
²¹ See link: <https://www.globalreporting.org/Pages/default.aspx>
²² See link: <http://caringforclimate.org/>
²³ http://www.enwhp.org/fileadmin/rs-dokumente/dateien/Luxembourg_Declaration.pdf
²⁴ <http://www.parispledgeforaction.org/wp-content/uploads/2015/12/Paris-Pledge-for-Action-English.pdf>

Subscription to the Diversity Charter ²⁵	Voluntary. In 2015 Gamesa signed up to the Diversity Charter, promoted by the Diversity Foundation and supported by the European Commission and Spain's Ministry of Equality, with the commitment to comply with equal opportunity and anti-discrimination laws and regulations.	
Advanced Management System	Voluntary. In 2015 Gamesa joined the advanced management system and received the Advanced Management diploma granted by the Euskalit (Basque Quality) Foundation which recognizes the Gamesa's commitment and the progress it has made in advanced management, a term which the Foundation defines as the quest for better results via five paths: strategy, customers, people, society and innovation.	

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. In 2015 Gamesa was an active member of 45 organizations and associations in Spain and 47 associations in the rest of world in 2015, which amounted to a total expenditure of €1,294,294 in membership fees.

Table 35.- 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 36.- 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 (AUÉE)	• 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)	

²⁵ http://www.enwhp.org/fileadmin/rs-dokumente/dateien/Luxembourg_Declaration.pdf

Table 37.- Main associations and volume of expenditure

	2015	2014	2013	2012	2011
Number of Spanish associations	45	29	22	23	21
Number of international associations	47	31	26	26	24
Expenditure in Spanish associations (€)	300,128	287,468	245,207	625,608	567,758
Expenditure in international associations (€)	949,166	507,484	511,390	656,966	723,431

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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 more than 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 activities that are significant for the Group from the economic, environmental and social standpoints.

For the purpose of this report,

- the Spanish company Gamesa Corporación Tecnológica, S.A., Gamesa's Group parent company, is referred to as "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 referred to as the "Gamesa Group" or the "Group".
- the set of companies in which Gamesa holds an interest, but without having capacity to exercise control, are called "Associates".

Boundary

The consolidated annual accounts for the year ended December 31, 2015 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 associates and refers to all of the Company's activities. The economic information included in this report for 2015 comes from the annual accounts, the annual management report and the audit report for 2015.

Social and environmental consolidation

The principles and the corporate policies which Gamesa 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 significant in terms of sustainability.

Limitations of the information

The corporate responsibility report for 2015 covers Gamesa and its subsidiaries which make up the group. This means that this document includes all the corporate responsibility information of Gamesa and its companies. There are therefore no other documents drawn up by the subsidiaries to complete the picture.

This report does not include any qualitative or quantitative information on joint ventures or associates 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 drawing 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 corporate responsibility issues, such as the Dow Jones Sustainability Indices, 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 corporate responsibility reports.

Gamesa's corporate responsibility report for 2015 includes reporting on aspects identified by the GRI Guidelines and provides continuity with previous years' reporting. These aspects are specifically identified in Appendix I to 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 2015.

Thus, more than 200 issues of interest to stakeholders were identified and grouped together under 20 corporate social responsibility aspects which form part of the interests of both Gamesa and its different stakeholders on an ongoing basis.

Table 38.- Aspects of interest for the 2015 materiality analysis

Social, environmental and of good governance aspects (ESG) to assess		Economic and financial aspects inherent to the business
• Corporate Governance	• Climatic change	• The Organization's 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

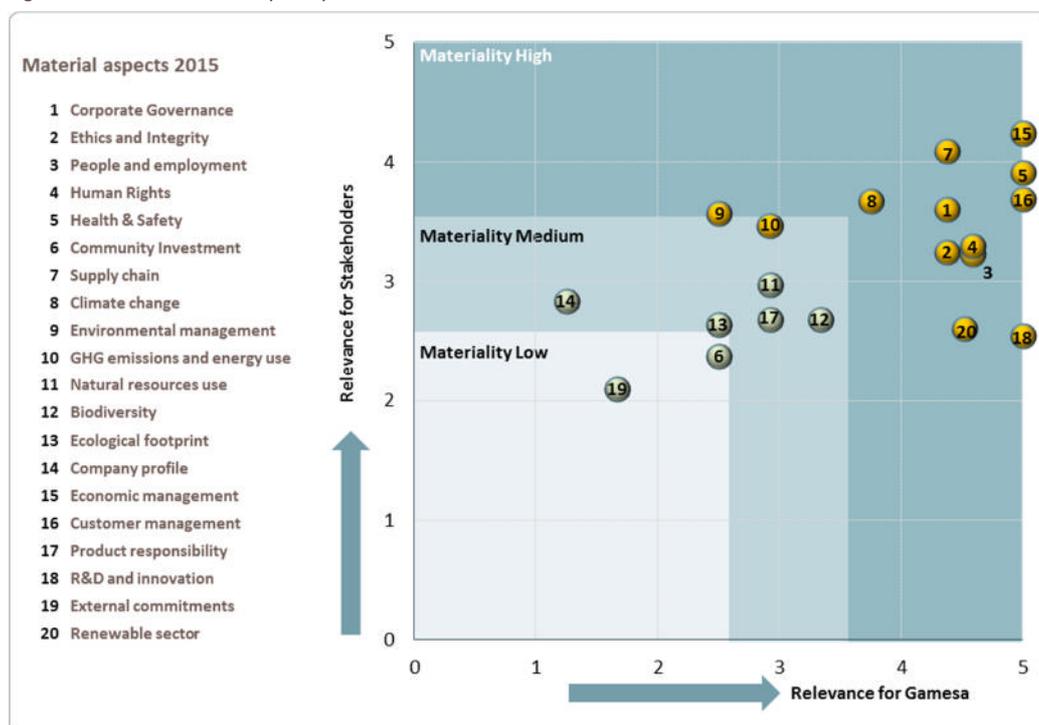
G4-19 Identified Material Aspects

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 2014, delving deeper into existing topics and broadening current topics connected with the social, environmental and good governance dimensions.

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

Figure 14.- Gamesa Materiality Analysis 2015



The material topics identified in this process have a direct correlation with the aspects identified by 194 organizations and stakeholders 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 analyzes 52 business groups. We therefore consider that the analysis was properly conducted and in keeping with Gamesa's activity.

G4-20
G4-21Aspect Boundary within the organization
Aspect 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; profits, sales and expectations of growth. 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.p.78 ff.)
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.p.117 ff.)
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 (153); customer privacy (157); health and safety of customers (152); 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 fromG4-34 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 (134)
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 (113); Capacity building and Training (125); Diversity and Equality (128); 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 Directors Academia ESG Analysts Sustainability Indexes NGOs 	Section I.07.- ETHICS AND INTEGRITY (70)
R&D and innovation	<ul style="list-style-type: none"> Innovation programs R&D&i Innovation process. Wind turbine models and features 	<ul style="list-style-type: none"> Investors Customers Competitors Gamesa Management 	"Innovation" section (81); "Wind turbines" section in G4-4 (19)
Climate change	<ul style="list-style-type: none"> Policies and strategies to combat climate change Inclusion of climate change in the design of products as an environmental element. Historical trend in CO₂ emissions (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"(88)

G4-22 Reformulation of information provided in previous reports

Gamesa has not considered it necessary to restate any information from previous reports owing to corporate restructuring. However, there could be minor deviations with respect to the quantitative data disclosed in several years and 2015 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 ended December 31, 2015 shall prevail.

G4-23 Significant changes in the boundaries or scope of the report

No changes deemed as significant have come about in 2015 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.

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I.04.- STAKEHOLDER ENGAGEMENT

G4-24 Stakeholder groups related to the organization

Relations between the Company and groups affected by its activities (stakeholders) are conducted on the two levels that these relations involve: from the point of view of social responsibility, responding to their expectations and needs, and from the reputational point of view, managing the perception that these groups have of the Company.

Since these stakeholders are very numerous in a business group such as Gamesa, for practical purposes so as to be able to report on them in summarized form, they have been analyzed in accordance with their significance for the Company's activities and have been grouped together under the following categories:

- 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 of 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 significant 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, such as mailboxes and portals, to annual or multi-annual tools such as surveys. They also include other non-periodic means which, as a whole, configure a relationship which the Company values as one of proximity to its stakeholders. The most important means of engagement with these stakeholders are summed up in the following table:

Table 39.- Stakeholders: Most significant 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.	Relations through sector 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 for 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	Workers' committees and social dialog sessions, Gamesa intranet; specific e-mail accounts for employees, employment portal, Gamesa buyers club, flexible compensation plan information center, GMBO processes, orientation and other activities, self-development resources center, Think Safe program.	In-house magazine (<i>Gamesa Planet</i>), suggestion box, employees surveys, whistleblower's channel, etc.
Suppliers	Events with suppliers, suppliers' portal, website containing general purchasing conditions, supplier quality manual, supplier registration and classification processes.	Supplier surveys.
Media	Press releases, individual and group meetings with journalists, query mailbox on the website, communication channels on social networks.	Corporate website.
Society and community	Direct relations with national, regional and local government bodies; participation in business associations and chambers of commerce; relations with large numbers of social organizations. Social action and local community relations projects.	Collaboration projects with social organizations; participation in forums, seminars and working sessions; direct relations with environmental and social groups in the surroundings of work centers and wind farms.

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

Table 40.- Interaction with shareholders and the financial community

	2015	2014	2013	2012	2011
General Shareholders' Meeting: % share capital in attendance	58.88%	49.22%	39.05%	32.09%	50.10%
General Shareholders' Meeting: Monitoring	58	80	152	308	121
No. of queries attended by Shareholder Information Office	294	291	477	560	521
Institutions which analyze Gamesa's boundary	30	24	22	22	36
Attendance at results presentations (number of people) ²⁶	613	1,547	983	823	1,142
Shareholder services mailbox (queries attended)	125	82	100	400	1,064
Investors and analysts mailbox (queries attended)	517	303	248	328	528

²⁶ Note: Includes monitoring of results by telephone and webcast. In 2015 there were no presentations to employees.

Table 41.- Interaction with employees

	2015	2014	2013	2012	2011
Gamesa Club: Products and services offered	48	55	37	41	-
Gamesa Club: No. of sessions	3,746	15,609	11,368	9,286	5,510
Gamesa Club: Pages viewed	n.a.	n.a.	n.a.	22,084	60,206
Gamesa Club: Average time of visits	0'31"	1'09"	1'18"	1'44"	9'29"
Gamesa Flex: No. of employees who acquire services	585	525	653	529	628
Gamesa Flex: Queries attended	2,042	2,030	1,029	1,193	1,071
Human resources mailbox: Communications	125	6	8	301	301
Employment portal: No. of job offers posted	107	121	47	-	521
Employment portal: Applications received	1,501	1,486	1,053	-	578

Table 42.- Interaction with workers' representatives

	2015	2014	2013	2012	2011
Works councils	36	35	34	37	N.A.
Meetings with Works councils	234	278	212	147	130
Lay-offs Negotiation meetings	16	24	37	65	61
Lay-offs Monitoring meetings	16	24	26	31	67
Number of trade union elections	15	6	6	-	-
Number of collective bargaining agreements signed	-	4	2	-	-
Number of meetings of the Psychosocial Risks Panel	4	5	4	-	-
Number of meetings of the Diversity and Equality Committee	3	5	8	2	2

Note: Data refer to Spain

Table 43.- Interactions with employees, media and general public

	2015	2014	2013	2012	2011
Gamesa Website: No. of sessions	888,243	795,904	1,084,099	1,421,560	N.A.
Gamesa Website: Pages viewed	2,462,907	2,303,102	2,887,732	3,893,073	N.A.
Gamesa Website: Average time of visits	2'37"	2'52"	3'32"	4'01"	N.A.
Gamesa Website: No. of news items posted	72	76	52	80	N.A.
Gamesa intranet: No. of sessions	751,462	718,433	124,359	142,954	114,860
Gamesa intranet: Pages viewed / No. of sessions	1,612,985	1,526,410	419,101	509,947	430,764
Gamesa intranet: Average time of visits	4'23"	4'33"	4'24"	4'36"	3'40"
Gamesa intranet: No. of news items posted	152	147	97	118	134
Gamesa Planet for employees: number of editions	8	10	-	-	-
No. of press releases to media	72	76	52	80	-
Social networks: Twitter followers	4,408	3,200	2,484	-	-
Social networks: LinkedIn followers	61,978	41,635	27,401	-	-
Social networks: Number of YouTube visits	18,912	-	-	-	-
Social networks: Average duration of YouTube visits	1'53"	-	-	-	-
Disclosures to the CNMV	48	44	43	30	-

Figure 15.- Gamesa website in 2015

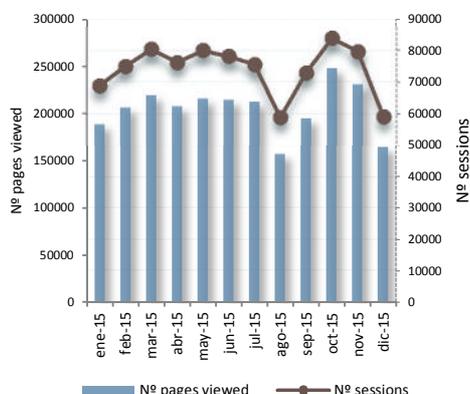
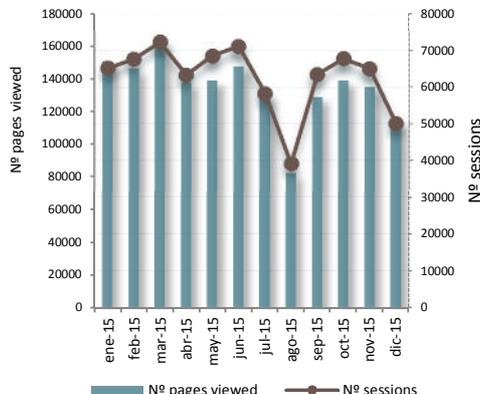


Figure 16.- Gamesa Intranet in 2015



Meetings with journalists, press conferences and media briefing sessions

During 2015 several media briefings were held, not notably the announcement of the creation of Adwen²⁷, presentation of the Business Plan for 2015-2017, the inauguration of the Camaçari plant extension in Brazil, the opening of the first sales office in Sri Lanka, the entry into the solar business in India and to present two Gamesa products: the G126-2.5 MW in China and the G132-3.3 MW at the EWEA exhibition in Paris.

Gamesa Planet

In 2015, eight new editions of the corporate in-house magazine “Gamesa Planet” were sent by e-mail to all employees of the Company with company e-mail accounts. As last year, it was also sent in PDF format to Gamesa plant managers in Spain, Brazil, India and China for them to print out and pin to the notice boards in the production centers. The eight editions of the magazine received 13,955 visits (compared with 11,684 in 2014) with an average visit duration of 2’21” (vs. 2’50”).

Appropriateness of information to stakeholders

Gamesa occupies sixteenth place among the companies listed on the General Index of the Madrid Stock Exchange (IGBM) in terms of the appropriateness of its information to stakeholders, as regards both its activity and strategy, operations and business growth, risk management and corporate responsibility.

This is confirmed by the annual Reporta²⁸ report for 2015, which analyzes the best practices and communication guidelines of the 107 listed Spanish companies by reference to principles of transparency, appropriateness and accessibility.

In the 2015 edition, Gamesa stands out in terms of its general position, at number 16, with a total of 77.1 points and as the second highest scoring company according to the principle of relevance, which measures the match between what the company reports and what is actually of material importance to the company itself and to its stakeholders.

Specifically, the report explains that Gamesa has improved its financial reporting, providing a good overview of its development and strategy, and maintains the high level of its environmental, human resources and customer and supplier relations policies.

Since the report was first published in 2010, Gamesa has always been in the top twenty companies for reporting.

Engagement with investors and shareholders

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

- The investors and shareholders' section of the corporate website received 99,006 page visits in 2015. Results presentations were followed by 613 people.
- The Shareholder Information Office responded to 125 calls.
- The Investor Relations Department made visits in 2015 to a number of financial centers - Madrid, Barcelona, London, Frankfurt, Boston, Geneva, Zurich, Paris and New York.
- During 2015 the Company held an Investors' Day to present the Business Plan for 2015-17 to the investor community after attaining the objectives of the 2013-15 Plan ahead of time. Following senior management's presentation of the group, regional and functional managers were available to attend to investors attending the event.
- The Company attended nine conferences for institutional investors in London and Madrid.
- General Shareholders' Meeting: Presence of 58.88% of share capital. Monitoring: 58 persons.
- Shareholder Services mail box: 125 queries.
- Institutional Investors and Analysts Mailbox: 517 queries.
- Ongoing contact with 30 firms of analysts.

²⁷ See link: <http://www.adwenoffshore.com/>

²⁸ See Reporta report 2015 (Nov. 2015) at http://www.deva.es/reporta2015/Informe_Reporta_2015.pdf

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. These 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 the satisfaction of these groups as regards the matters thus identified. In general terms, the most significant thematic areas which were dealt with in 2015 are summed up in the following table:

Table 44.- 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 • Commitment to combating climate change
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 and community	<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 social impact management for company projects • Policy for contribution to local development through social investment programs
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 provides direct responses and 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 2015. This sustainability report is the twelfth (12th) such report, and is published by Gamesa on an annual basis. The period covered by this document reflects Gamesa activities in 2015 and provides information on some significant events in the first quarter of 2016.
G4-29	Date of previous report
	Financial year 2014 (published in April 2015)
G4-30	Reporting cycle of the report
	Annual
G4-31	Contact person for matters relating to the report
	For general question regarding the report, please contact: Gamesa Corporación Tecnológica, S.A. Corporate Social Responsibility Parque Tecnológico de Bizkaia; Edificio 222 48170 Zamudio, Vizcaya, Spain Tel. 902.73.49.49; e-mail: sostenibilidad@gamesacorp.com This full document is only available in electronic format in either Spanish or English on the Gamesa corporate website (www.gamesacorp.com).

GRI Content Index

G4-32	GRI Index regarding the "in accordance" option chosen
	This report has been drawn up in accordance with the Comprehensive option of the Global Reporting Initiative GRI-G4 Guidelines. In view of its length, the GRI-G4 contents are shown in Appendix I (page 159) of this report.

Assurance

G4-33	External assurance of the report
	For the tenth (10th) year in a row an external organization was asked to independently assure the information on social and environmental practices contained in this report. Ernst & Young (EY) was commissioned to conduct such assurance, and the independent external assurance report is included in Appendix II (p. 165) of this report.

I.06.- GOVERNANCE

Governance structure and composition

G4-34 Governance structure

Gamesa's governance structure is based on two main bodies: the General Meeting of Shareholders 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 giving up their legal right to challenge said 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) Approval of the financial statements for the year, appropriation of profit or loss and approval of the conduct of the Company's business;
- b) As regards the composition of the administrative body: (i) the establishment of the number of directors within the limits established in the Bylaws; (ii) the appointment, re-election and removal of directors (iii) ratification of directors appointed by co-option;
- c) The exercise of corporate liability actions;
- d) The appointment, reappointment and removal of the auditors.
- e) The increase and reduction of share capital as well as delegation to the Board of Directors of the authority to carry out a capital increase already agreed or to increase the share capital.
- f) The issue of (i) bonds and other negotiable securities, (ii) convertible bonds or (iii) bonds granting bond holders a share in the Company's profits, and the delegation to the Board of Directors of the power to issue them;
- g) The decision to suspend or cancel the preferential right or to delegate the power to do so to the Board of Directors;
- h) Amendment of the Bylaws and of the Regulations of the General Meeting of Shareholders;
- i) Authorization to acquire treasury stock.
- j) The acquisition, disposal or contribution to another company of essential assets;
- k) The transfer to subsidiaries of essential activities performed up to that time by the Company itself, even if the Company has full control over such subsidiaries;
- l) The transformation, merger, split or total transfer of the assets and liabilities and the transfer of the registered office abroad;
- m) The dissolution of the Company, the approval of transactions the effect of which is tantamount to the liquidation of the Company, the approval of the final liquidation balance sheet and the appointment, reelection or removal of the liquidators;
- n) The approval and amendment of the Policy on directors' remuneration;
- o) The establishment of directors' compensation systems consistent with the delivery of shares or stock options or options referenced to share price.
- p) The authorization or dispensation of directors from prohibitions deriving from the duty of loyalty and the duty to avoid situations of conflict of interest, when the authorization corresponds legally to the General Meeting of Shareholders; and
- q) Any other matters determined by the law or other Rules of Corporate Governance or which are submitted for consideration by the Board of Directors or by shareholders.

Table 45.- Attendance data for General Meetings

	2015	2014	2013	2012	2011
Date of General Meeting	May 8, 2015	May 28, 2014	April 19, 2013	June 29, 2012	May 25, 2011
% attending in person	24.37%	22.73%	21.88%	23.66%	39.39%
% by proxy	34.51%	26.49%	17.17%	8.43%	10.71%
% remote voting	0.00%	0.00%	0.00%	0.00%	0.00%
Total attendance	58.88%	49.22%	39.05%	32.09%	50.10%

Note: Additional information can be found in the Annual Corporate Governance Report 2015, 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 establishes general strategies and policies. It likewise deals with the company's significant issues and its responsibilities (Article 7 of the Board of Directors Regulations).

The criterion which must at all times govern the Board of Directors' actions is Gamesa's corporate interest, which translates into the maximization of 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 46.- Composition of the Board of Directors (as at December 31, 2015):

Director's name or company	Position on the Board	Date first appointed	Date last appointed	Appointment procedure
Martín San Vicente, Ignacio	Chairman and CEO	May 23, 2012	June 29, 2012	General Meeting
Arregui Ciarso, Juan Luis	Deputy Chairman	January 28, 1976	April 19, 2013	General Meeting
Rodríguez-Quiroga Menéndez, Carlos	Director and Secretary to the Board	September 27, 2001	April 19, 2013	General Meeting
Vázquez Eguskiza, José María	Director	May 25, 2007	April 19, 2013	General Meeting
Lada Díaz, Luis	Director	October 23, 2009	April 19, 2013	General Meeting
Aracama Yoldi, José María	Director	March 8, 2011	April 19, 2013	General Meeting
Rubio Reinoso, Sonsoles	Director	December 14, 2011	June 29, 2012	General Meeting
Aldecoa Sagastalola, José María	Director	July 25, 2012	April 19, 2013	General Meeting
Villalba Sánchez, Francisco Javier	Director	February 25, 2015	May 8, 2015	General Meeting
Cendoya Aranzamendi, Andoni	Director	May 8, 2015	May 8, 2015	General Meeting
Hernández García, Gloria	Director	May 8, 2015	May 8, 2015	General Meeting
Góngora Bachiller, Gema	Director	May 27, 2015	May 27, 2015	Board of Directors Co-option
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.1.4.²⁹

²⁹ Link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/informes-gobierno/english/corporate-governance-annual-report-2015.pdf/>

Board Committees

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

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

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 comprising 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 23 of the Board Regulations.³⁰

Table 47.- Composition of the Executive Committee (as at December 31, 2015):

Name	Position	Type	Representing
Martín San Vicente, Ignacio	Chairman	Executive Director	N/A
Arregui Ciarsolo, Juan Luis	Member	Non-Executive Independent	N/A
Aldecoa Sagastasoloa, José María	Member	Non-Executive Independent	N/A
Lada Díaz, Luis	Member	Non-Executive Independent	N/A
Villalba Sánchez, Francisco Javier	Member	Non-Executive Director representing a significant shareholder	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 two of whom must be independent directors. The Board of Directors shall ensure that the members of the Audit and Compliance Committee, and in particular at least one of the Independent directors appointed to it, have knowledge and experience of accounting, auditing or risk management.

In keeping with international best practices requiring a majority of independent members, the current composition of this committee is as follows:

Table 48.- Composition of the Audit and Compliance Committee (as at December 31, 2015):

Name	Position	Type	Representing
Hernández García, Gloria	Chairman	Non-Executive Independent	N/A
Rubio Reinoso, Sonsoles	Member	Non-Executive Director representing a significant shareholder	Iberdrola, S.A.
Vázquez Eguskiza, José María	Member	Non-Executive Independent	N/A
Aracama Yoldi, José María	Member	Non-Executive Independent	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 Articles 5 to 12 of the Audit and Compliance Committee Regulations. The recast text of the Audit and Compliance Committee Regulations strengthened the powers of the 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 reform introduced by Act 12/2010 of 30 June and in accordance with the recommendations of the Code of Good Governance of the CNMV, Spain's securities and exchange commission.

³⁰ Link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/informes-gobierno/english/corporate-governance-annual-report-2015.pdf>

The new powers and duties attributed to the Audit and Compliance Committee include 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 website³¹

Appointments Committee

On December 16, 2015 the Board of Directors resolved to split the Appointments and Remuneration Committee into two separate committees. The Appointments Committee will have a minimum of three (3) and a maximum of five (5) external directors. The Board of Directors will see to it that the members of the Appointments Committee have appropriate knowledge, skills and experience to perform the functions of the Appointments Committee. The basic responsibilities of this committee are set forth in Articles 5 to 7 of the Appointments Committee Regulations.

In keeping with international best practices that require a majority of independent members, it's current composition is as follows:

Table 49.- Composition of the Appointments Committee (as at December 31, 2015):

Name	Position	Type	Representing
Cendoya Aranzamendi, Andoni	Chairman	Non-Executive Independent	N/A
Aracama Yoldi, José María	Member	Non-Executive Independent	N/A
Villalba Sánchez, Francisco Javier	Member	Non-executive director representing a significant shareholder	N/A
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	N/A	N/A

Remuneration Committee

The Remuneration Committee will have a minimum of three (3) and a maximum of five (5) external directors. The Board of Directors will see to it that the members of the Remuneration Committee have appropriate knowledge, skills and experience to perform the functions of the Remuneration Committee. The basic responsibilities of this committee are set forth in Articles 5 and 6 of the Remuneration Committee Regulations.

In keeping with international best practices that require a majority of independent members, it's current composition is as follows:

Table 50.- Composition of the Remuneration Committee (as at December 31, 2015):

Name	Position	Type	Representing
Cendoya Aranzamendi, Andoni	Chairman	Non-Executive Independent	N/A
Arregui Ciarsolo, Juan Luis	Member	Non-Executive Independent	N/A
Góngora Bachiller, Gema	Member	Non-executive director representing a significant shareholder	N/A
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	N/A	N/A

³¹ Link <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/committees-of-the-board/audit-and-compliance-committee.html>

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 with powers of attorney to implement its strategy and the basic management guidelines. The powers included in these powers of attorney are granted on the basis of two operating principles: the first is the principle of joint signing, which governs any economic, dispositional or organizational powers and the other is the principle of joint and several signing, which governs any powers that are purely 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 positions or positions with economic, social and environmental responsibility

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 51.- Operating structure of the organization

Office / Position	Name and Surname(s)
Executive Chairman	Ignacio Martín San Vicente
Chief Operating Officer	Xabier Etxeberría Muguruza
Chief Corporate Officer – General Secretary	José Antonio Cortajarena Manchado
Chief Financial Officer	Ignacio Artázcoz Barrena
Chief Business Development Officer	David Mesonero
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 21 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. To exercise this right, written notification must be made via a reliable method, and addressed to the attention of the Secretary of the Board of Directors. It must be received at the Company's registered address within five (5) calendar days of the publication of the announcement convening the General Shareholder's meeting.

The Board of Directors 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 2015 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 were able to send communications for posting in the forum solely for the following purposes:

- Proposals they would like to present 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.
- Offers or petitions for voluntary representation.

It should likewise be highlighted that any contents subject to mandatory publication 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 3/2015 of June 23 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 (p. 52) of this report and in the Annual Corporate Governance Report.

In accordance with the information set out in the aforementioned section G4-34, the Board of Directors is made up of twelve members, of whom two are executive directors, three proprietary directors and the remaining seven independent directors.

The same section also contains details of the composition of each of the Committees of the Board of Directors: the Executive Committee, the Audit and Compliance Committee, the Appointments Committee and the 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, we considered the following:

- 1.- The Good Governance Code of Listed Companies³², in evaluating the pros and cons of recommending the separation or combination of the offices of CEO and Chairman of the Board of Directors, opts not to oppose the combination of both powers, merely indicating that it must be accompanied by the necessary checks and balances (Recommendation no. 34 of the Good Governance Code).

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

- Appointing one of the company's Independent Directors as Deputy Chairman;
 - Appointing one of the Company's Independent Directors as Coordinating 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, Appointments Committee 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 Committee.
- 2.- Reflecting the Spanish tradition, only 32% of Ibex-35 companies have chosen to separate these offices. (*Spain Board Index 2015, Spencer Stuart*³³). This originates from the high percentage of business, financial or family groups that are important or controlling shareholder in Spanish companies. This situation is not unknown to Gamesa, where there 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 which are highly developed in the area of corporate governance the reality of the issue does not in any case favor the separation of the offices. In the United States, 52% of the companies in the S&P500 have an Executive Chairman (*Spain Board Index 2015, Spencer Stuart*); and section 972 of the Dodd-Frank Act of July 2010 requires - as does Spain's Good Governance Code - that if the offices are held by one person the reasons and justification for this must be explained.
 - 4.- Finally, regarding the reasons for having an Executive Chairman, while appropriate risk control and oversight and better management of possible conflicts of interest are among the main arguments used against combining the offices, there are equally valid and more effective alternatives. Gamesa has such solutions:
 - a) A risk control system: Gamesa is equipped with a well-honed organizational structure that contributes 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 or the Remuneration Committee, along with a reasoned 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.

³² CNMV Good Governance Code of Listed Companies: http://www.cnmv.es/DocPortal/Publicaciones/CodigoGov/Good_Governanceen.pdf
³³ Spencer Stuart Board Index 2015: https://www.spencerstuart.com/~media/pdf%20files/research%20and%20insight%20pdfs/esbi_web2.pdf?la=en

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 - economic, environmental and social - of the markets where Gamesa operates,

In accordance with its internal rules, the composition of Gamesa's Board of Directors shall be such that non-executive directors, with the presence of independent directors, represent a majority over executive directors. The Board of Directors shall also see to it that the majority group of non-executive directors includes proprietary and independent directors.

Article 11 of the **Board of Directors Regulations** refers to the law and considers an external director to be, in accordance with the definitions of Article 529 (12) of the Corporate Enterprises Act:

- Proprietary directors: directors (i) who own a shareholding equivalent to or in excess of that legally considered as significant, or who have been appointed due to their status as shareholders even if their shareholding does not reach the aforementioned amount; or (ii) whose appointment was proposed to the Company by shareholders of those referred to in (i) above. For the purposes of this definition, it will be presumed that a director has been proposed to the Company by a shareholder whenever: (i) he/she has been appointed in exercise of the right of representation; (ii) he/she is a director, a senior executive, an employee or a non-occasional provider of services to the aforementioned shareholder or to companies belonging to its same group; (iii) it can be seen from corporate documents that the shareholder assumes that the director has been designated by it or represents it; (iv) the director is the spouse or related-party of the shareholder by an analogous relationship, or is a family member up to the second degree of kinship of the shareholder.
- Independent directors: directors designated due to their personal and professional qualities and who are able to perform their functions without being constrained by relations with the Company, its significant shareholders or its management.
- Other external directors: external directors who are neither proprietary nor independent.

Likewise Article 529 12 (4) of the **Corporate Enterprises Act** establishes that the following may in no circumstances be appointed as independent directors:

- a) Anyone who has been an employee or executive director of a group company, 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 benefit for an item other than remuneration as a director, except when such amounts or benefits are insignificant. For the purposes of the provisions of 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, providing such complements are unconditional and consequently the company paying them may not discretionally suspend, alter or cancel their accrual without breaching its obligations
- c) Anyone who is or has been a partner of the external auditor or responsible for the audit report in the past three (3) years, whether in respect of the audit of the listed Company or of that of any other company in its group during such period.
- d) Anyone who is an executive director or senior executive of another company in which any executive director or senior executive 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 in its group, be it on his/her own behalf or as a significant shareholder, director or senior executive of an organization that maintains or has maintained such a relationship. Business relationships are considered to include those of suppliers of goods and providers of services, including financial services, and of advisor or consultant.

- f) Anyone who is a significant shareholder, an executive director or a senior executive of an organization that receives or has received during the past three years donations from the Company or from its group.
Anyone who is simply a governing board member of a foundation that 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 senior executive 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 Committee.
- i) Anyone who has been a director for a continuous period of twelve years or more.
- j) Anyone who is in any of the circumstances set forth in paragraphs a), e), f) or g), as regards a significant shareholder or a shareholder represented on the Board. In the case of the family relationships set forth in paragraph g), the limitation shall apply not only to the shareholder but also to directors representing that shareholder in the company in which the stake is held.

A Director losing the status as representative of a significant shareholder as a result of that shareholder's selling its stake may not be reappointed as an independent director unless and until the shareholder he has represented has sold all its shares in the Company.

Directors who own a stake in the Company may be considered as independent directors, as long as they meet all the conditions set forth in this Article and their stakes do not constitute a significant shareholding.

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

G4-41 Process for the highest governance body to ensure conflicts of interest are avoided

Section D.6 of the 2015 Annual Corporate Governance Report describes the mechanisms implemented to detect and resolve any possible conflicts of interest between Gamesa and its directors, executives and significant shareholders, detailing considerations with regard to;

- Mechanisms for detecting and correcting possible conflicts of interest between the Company and/or its group, and its Directors;
- Mechanisms for detecting and correcting possible conflicts of interest between the Company and/or its group, and its executives;
- Mechanisms for detecting and correcting 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:

Since 2009 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. It was last revised in 2015, and develops points 3.7 (Fight against fraud. Rejection of corruption and bribery) and 3.8 (Avoidance of conflicts of interest) of the Code of Conduct.

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

We would also highlight the "crime prevention and anti-fraud policy" initially approved in 2011, which serves as a general framework for the crime prevention and anti-fraud Model. The Policy and the Model (developed by means of Manuals) were last amended by a resolution of the Board of Directors of September 23, 2015³⁴.

³⁴ Gamesa's crime prevention and anti-fraud policy: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/corp-governance-policies/policy-for-crime-prevention-and-combating-fraud.pdf>

One of the fundamental pillars of this Model is the Code of Conduct, together with its development rules referred to previously and the Gamesa crime prevention and anti-fraud Manual (general section approved by the Board of Directors on September 23, 2015 and special section approved by the Ethics and Compliance Division on the same date).

Additionally, Manuals for the main Spanish companies were approved on February 2, 2016 by the corresponding management bodies (the general section of the manuals) and the Ethics and Compliance Division (special section of the manuals).

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 Board of Directors or the General Meeting of Shareholders, as the case may be have among their basic responsibilities the authorizing of operations or transactions that might represent Conflicts of Interest (i) with the Company and the companies in its Group (ii) with directors of the Company and of the Group and related persons; (iii) with shareholders having a significant holding or represented on the Board of Directors and their related persons; (iv) with senior and other managers; and (v) any other significant transaction concerning them, except in cases where dispensation is preceded by the corresponding report of (a) the Audit and Compliance Committee on the transaction subject to a possible conflict of interest, proposing the adoption of a specific resolution in this respect, or (b) of the Appointments Committee and the Remuneration Committee if it relates to dispensation from complying with contractual obligations (in accordance with the provisions of Articles 31 and 33 of the Board 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.
- c) The Remuneration Committee will inform on transactions involving a conflict of interests when they entail dispensation from compliance with contractual obligations of directors.

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.

Role of the highest governance body's role in implementing the vision, values, and strategy

G4-42 Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's vision, mission, values, strategies, policies and objectives

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

Furthermore, Gamesa considers the following to be 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 Conduct³⁵ 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 has been revised periodically since its first edition in 2005. The version currently in force dates from 2011, and a new revised version is expected to be approved by the Board of Directors during 2016. It is made available to 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, as planned annually by the Ethics and Compliance Division.

Highest governance body's competencies and performance evaluation

G4-43 Highest governance body's knowledge of economic, environmental and social topics.

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

- The Board of Directors: the highest governance body, 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 can be divided into three sub-groups, as follows: Corporate governance and regulatory compliance policies, Risk policies and Social responsibility policies.
- The Executive Committee: collegiate body created within the Board of Directors to facilitate the effective management 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 in a manner that is faster, more effective and executive.
- Chairman and Management Team (Executive Committee and Management Committee): the Chairman and CEO, with the support of the Executive Committee and the company's senior executives, assumes the function of 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 comprises 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 Audit (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) Division 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.

³⁵ <http://www.gamesacorp.com/en/sustainability/principles.html>

- The Appointments Committee handles the recruitment process for members of the Board of Directors and assesses the appointment of senior executives.
- Remuneration Committee: It proposes the remuneration policy for directors and senior executives to the Board of Directors and is in charge of its oversight.

Within the framework of the oversight of economic, environmental and social performance, we would highlight the appearance in 2015 of a very significant number of senior executives from the company's different areas and divisions before the committees in order to give a joint overview to the committees' members:

- Human Resources: three (3) times before the Appointments and Remuneration Committee.
- Various departments: sixty (60) times at the Audit and Compliance Committee. (see table)

Note: The Internal Auditing Director regularly attends all Committee meetings

Table 52.- Appearances of senior executives at the Audit and Compliance Committee

Division	2015	2014	Division	2015	2014
Internal Auditing Area	8	-	Ethics and Compliance Department	4	5
Corporate Social Responsibility Area	3	-	Tax Department	2	5
External consultants	2	-	Financial Markets Department	3	4
External auditors of accounts	5	9	Project Department	-	2
Sales Department	4	1	Information Systems Department	-	2
Legal Department	2	4	Technology Department	-	2
Business Risk Control Department	2	2	General Financial Department	11	14
Consolidation Department	3	2	General Services Unit Department	2	1
Management Control Department	3	2	General Secretary and Chief Corporate Officer Department	6	7

G4-44 Highest governance body's performance

Article 33.5 i) of the Company's Bylaws, and Article 7.3 d) iv) of the Board of Directors Regulations establish that one of the powers reserved to the Board of Directors is that of *"evaluating and overseeing the quality and efficiency of the workings of the Board of Directors and its committees and the performance of their respective functions by the Chairman, the CEO if any and the coordinating director if any."*

Article 7.8 of the Regulations of the Appointments Committee ³⁶ establishes that one of its functions is to *"promote the annual process of evaluating the performance of the Chairman of the Board of Directors, the CEO if any, the Board of Directors, the Executive Committee, the Audit and Compliance Committee, the Appointments Committee, the Coordinating Director and any other consultative committee established in accordance with the Rules of Corporate Governance."*

Gamesa entrusted external advisers with the evaluation of its governing bodies for 2014, and as a result a number of areas for improvement were identified, three of which have received particular attention: a) expanding the Board of Directors to incorporate the necessary profiles; b) increasing the efficiency of its workings; and c) reinforcing the governance model. The results of the evaluation were presented in a meeting of the Board of Directors on February 25, 2015 and the improvements referred to above were implemented almost in their entirety by year-end.

³⁶ Regulations of the Appointments Committee: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/comisiones-consejo/english/appointments-regulations.pdf>

The annual evaluation of the Board of Directors gave rise to significant changes in its internal organization and in the procedures applying to its activities, notably the increase in the number of Board members, the increase in the number of women on the Board, the inclusion of independent directors with expertise in accounting and finance or human resources or experience in industrial sectors, the use of a repository of information for members of the Board of Directors, the implementation of training plans for Directors and the in-depth study and definition of the functions of the Coordinating Director.

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 Risk Control and Management Systems in place across the entire organization (business units, divisions and companies), driven by the Board of Directors and senior management and, following the strategic path of globalizing industrial, technological and commercial activities, in the different geographic areas in which it operates, developing a global, integrated overview in these systems, which contributes to the attainment of business objectives, the creation of value for the various stakeholders and the organization's sustainable and profitable development.

The global risk control and management System is based on a universal Risk Control and Management Model called the Business Risk Model (BRM), initially approved by the Board of Directors in 2004 and in its latest version via the Risk Control and Management Policy approved by the Board of Directors on September 23, 2015, which classifies risks into the following four categories: (1) strategic and business environment risks, (2) process risks or risks deriving from the Company's activity itself, (3) information risks for taking decisions and (4) corporate governance, ethical and compliance risks. Each of these categories is in turn itemized into other specific risks.

The basis of these systems is to be found in Gamesa's General Risk Control and Management Policy³⁷, initially approved by the Board of Directors on April 22, 2009 and last amended by a resolution of the Board of Directors on September 23, 2015, which in accordance with the reality of the Company, sets out the bases and general context of all the components of risk control and management, providing discipline and structure to these components: management philosophy, identification model, assessment, measurement and control of risks, accepted risk levels, communication, reporting and oversight by the Audit and Compliance Committee and the Board of Directors, integrity, ethical values, powers and the assignment of responsibilities.

³⁷ Gamesa's general risk control and management policy <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/risk-policies/general-policy-for-risk-control-and-management.pdf>

As for the highest governance body, its committees and dependent bodies and the main functions of each in the risk control and management system, the following should be noted:

- The **Board of Directors** establishes the general policies and strategies, including the Company's policy on the control and management of risks and its tax strategy, and oversees their implementation, as well as overseeing the internal information and control systems.
- **Audit and Compliance Committee:** Among others, it has been entrusted by the Board of Directors with the functions of:
 - Keeping watch on the independence and effectiveness of the Internal Audit function and periodically reviewing the effectiveness of the internal control and risk management systems, including tax-related risks, so as to detect and analyze the main risks and report them appropriately.
 - Ensuring that the risk control and management policies identify the different types of risks (operational, technological, financial, legal, tax-related, reputational, etc.) affecting the Company, including, among financial or economic risks, contingent liabilities and other off-balance sheet risks; as well as the risk levels that the Company considers acceptable in accordance with the Corporate Governance Rules and measures for mitigating the impact of the risks identified.
 - Informing the Board of Directors of the tax policies applied by the Company and, in the case of transactions or matters requiring approval by the Board of Directors, of the tax implications if these constitute a significant risk factor.
- **Ethics and Compliance Division:** reporting to the Audit and Compliance Committee, it is responsible for the application of the Code of Conduct and the Internal Rules of Conduct in the Securities Markets, as well as for supervising implementation of and compliance with the Policy and the program for the prevention of crime and fraud in Gamesa.

Over the course of 2015 the risk maps and the Ethics and Compliance crime prevention and anti-fraud controls were performed, with special emphasis on risks involving corporate criminal liability in the main countries where we operate (Spain, Italy, India, China, the United States, Brazil and Mexico). In January 2015 the Regulatory Compliance Unit became the Ethics and Compliance Division.
- **Internal Auditing Division:** 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. This division informs, advises and reports to the Audit and Compliance Committee on risks associated with the balance sheet and the areas of functional activity and their identification, measurement and control. To this end it carries out the annual Internal Audit plan, reporting the activities carried out under the plan and any incidents encountered.
- **Business Risk Control (BRC) Division:** Reporting to the Internal Audit Division, it takes part in defining the risk strategy, ensuring the proper functioning and effectiveness of the control systems and the mitigation of risks detected and sees to it that executives assess all the Company's risks - including operational, technological, legal, social, environmental, political and reputational.

For further information, please refer to section E of the Annual Corporate Governance Report for 2015, and in particular to section E.2, which describes the four lines of defense for confronting and managing the risks that are relevant to the Group.

G4-46 Highest governance body's role in supervising the effectiveness of management of risks and opportunities in economic, environmental and social aspects

These roles are described in section E "Risk Control and Management Systems" of the *Corporate Governance Report 2015*.

Among common or general actions of control and oversight applying to significant risks over the course of 2015, the following stand out:

- Reports by the Risk Control Department to the Audit and Compliance Committee and to the Management Committee on the evolution of the corporate risk map and on significant risks on an individual basis.
- Managers' involvement in meetings of the Audit and Compliance Committee over the course of 2015 centered on oversight of control systems for specific risks and significant risks: financial (receivables, working capital) and balance sheet risks, coverage of risks in involved in sales guidance, risk associated with the services business unit, tax-related risks, legal risks, crime and fraud and exchange rate risk.
- Control exercised by managers of business units and geographical areas and the Management Committee's oversight of the evolution of risk maps and mitigation plans.
- Internal audits conducted on some of the significant risks and submission of the corresponding reports to the Management Committee and the Audit and Compliance Committee.

G4-47 Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

These roles are described in section E "Risk Control and Management Systems" of the *Corporate Governance Report 2015*. Supervision is conducted on at least a half-yearly basis.

Highest governance body's role in the preparation of the Sustainability Report

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

The Board of Directors of Gamesa is the body responsible for reviewing and approving this Corporate Responsibility Report for 2015, which was approved prior to the call notice for the General Meeting of Shareholders (AGM).

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

G4-49 Procedures 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 (p. 63), to which we would refer you.

G4-50 Critical concerns 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 7 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 and 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 45 of the Bylaws and in Article 29 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 CEO for performing his executive duties consists of fixed remuneration, annual variable remuneration and medium/long-term variable remuneration.

Annual variable remuneration 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 Remuneration Committee's proposal and are essentially based on the annual budget and market guidelines for the current year.

Other indicators having to do with sustainability performance are added to business indicators (such as 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 2013-2015³⁸.

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 Group's EBIT in 2015.
- Financial strength and sustainability in terms of Gamesa Group'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 45.2 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.

For further details, please refer to the consolidated financial statements for 2015, available on the website: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/informacion-financiera/cuentas-anuales/english/2015-consolidated-annual-accounts.pdf>

³⁸ The full text of the resolutions passed at the 2013 General Shareholders' Meeting is 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 conduct of the Meeting: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/junta-general-accionistas/documentacion-2013-ingles/development-junta-2013-eng.pdf>

G4-52 Procedure for determining remuneration of the highest governance body and senior management, indicating whether 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 29 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 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 legislation currently in force as contained in the Corporate Enterprises Act and in Circular 4/2013 of the CNMV as amended by Circular 7/2015, the remuneration policy for the current year and the preceding year is set out in detail, including each director's individual remuneration.

Said report was approved with 96.33% of the votes in favor, 2.19% votes against and 1.48 % abstentions at the Company's General Shareholders' Meeting held on May 8, 2015.

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

	Spain	China	Brazil	United States	India	Mexico
2014	3/1	6/1	3/1	3/1	10/1	-
2015	3/1	8/1	4/1	4/1	10/1	3/1

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 54.- 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 percentage points)

	Spain	China	Brazil	United States	India	Mexico
2014	-2.32 p.p.	-1.33 p.p.	-1.32 p.p.	-2.62 p.p.	-0.00 p.p.	-
2015	0 p.p.	-0.89 p.p.	-20.84 p.p.	-0.78 p.p.	45.2 p.p.	-11.32 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 Policy³⁹, are reflected in the Gamesa Code of Conduct⁴⁰ 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 has been revised periodically since its first edition in 2005. The version currently in force dates from 2011, and a new revised version is expected to be approved by the Board of Directors during 2016. It is made available to 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.

In application of these policies and codes aimed at ensuring ethical and honest business behavior, the Company has a compendium of corporate policies approved by the Board of Directors.

In 2015 we revised and approved a number of different policies concerning Corporate Governance, Regulatory Compliance, Risks and Social Responsibility, most notably those indicated in the table:

Table 55.- List of Corporate Policies (Available on the corporate website)

<ul style="list-style-type: none"> • Corporate Governance policy 	<ul style="list-style-type: none"> • Senior manager's statute 	<ul style="list-style-type: none"> • General Risk Control and Management Policy
<ul style="list-style-type: none"> • Policy on communication and contacts with shareholders, institutional investors and proxy advisers 	<ul style="list-style-type: none"> • Auditor appointment policy 	<ul style="list-style-type: none"> • Global corporate social responsibility policy
<ul style="list-style-type: none"> • Shareholder remuneration policy 	<ul style="list-style-type: none"> • Crime prevention and anti-fraud policy 	<ul style="list-style-type: none"> • Diversity and inclusion policy
<ul style="list-style-type: none"> • Policy on defining and coordinating Gamesa Group and bases of corporate organization 	<ul style="list-style-type: none"> • Corporate tax policy 	<ul style="list-style-type: none"> • Policy on appointment of and relations with suppliers, contractors and other collaborators
<ul style="list-style-type: none"> • Policy on selection of Board Members 	<ul style="list-style-type: none"> • Investment and financing policy 	<ul style="list-style-type: none"> • Policy for combating climate change
<ul style="list-style-type: none"> • Policy on directors' remuneration 		

³⁹ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/social-resp-politicas/global-policy-of-corporate-social-responsibility.pdf>

⁴⁰ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/reglamentos-estatutos/english/5.pdf>

Gamesa and the United Nations Global Compact

Gamesa joined the **United Nations Global Compact** on February 2, 2005 (participant ID 4098), and in 2015 again ratified its commitment to support the ten principles of the Compact.

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:

Figure 17.- The ten principles of the United Nations Global Compact

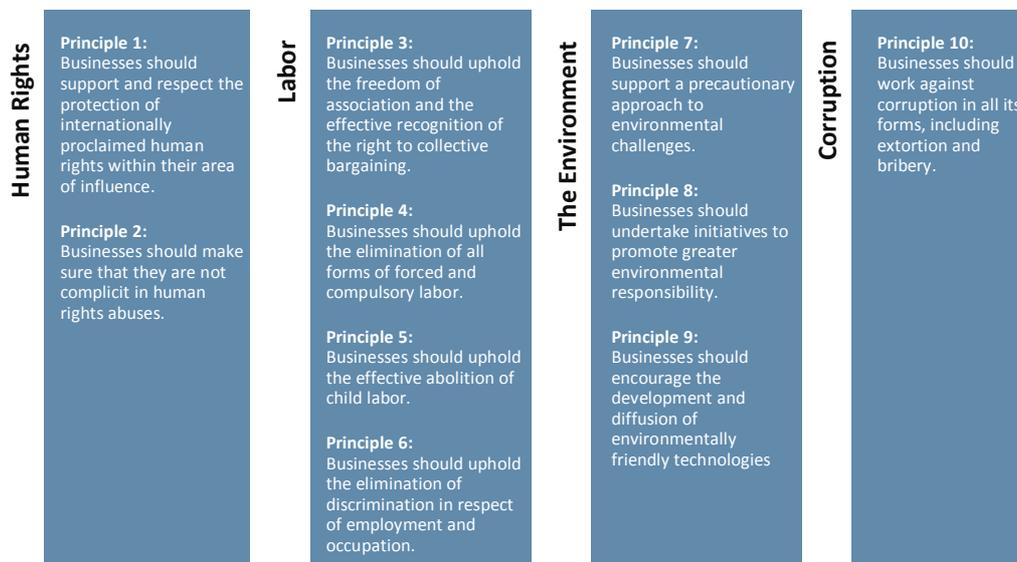


Table 56.- Progress report on compliance with the Global principles of the Compact

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. 	<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 2015-2017 Corporate Social Responsibility Master Plan is being drawn up. ⇨(Page 10) Implementation of the Occupational Health and Safety Plan through 71 full audits conducted, 1,727 specific training actions on occupational health and safety, 2,112 improvement actions on health and safety, 8,263 safety inspections and 9,166 preventive observations and 99.9 % compliance in health screening check-ups. ⇨"Occupational health and safety" section (Page117) Compliance with the general procurement terms and conditions by suppliers has reached 100% in United States, 94% in China and APAC, 90% in India, 76% in Europe and 64% in Brazil. Review of compliance with human rights in the supply chain. ⇨ Section G4-12 (p.p.31 ff.) Community actions and programs in Spain, Mexico and India aimed at covering basic educational needs and access to other decent conditions. ⇨Section G4-SO2 (Page144) Commitment made to workers to defend human and labor rights by means of a Global Collective Agreement. ⇨"Relationships between the workers and management" section (page115)
Principle 2		
Principle 3	<ul style="list-style-type: none"> ⇨Section I.07 Ethics and integrity (Page 70) 	
Principle 4	<ul style="list-style-type: none"> Support and respect for human rights. Adoption of Values and Code of Conduct 	
Principle 5	<ul style="list-style-type: none"> ⇨Section I.07 Ethics and integrity (Page 70) Commitment to human rights, the fight against child labor and forced labor. 	
	<ul style="list-style-type: none"> ⇨Section "Child Labor" and "Forced Labor"(p. 138) Economic, social and environmental performance supervision mechanisms established 	
	<ul style="list-style-type: none"> ⇨Section G4-43 (p. 63) ff. Priority given to occupational health and safety of employees 	
	<ul style="list-style-type: none"> ⇨"Occupational health and safety" section (p. 117) Justice and equity. Employees treated with respect and remunerated in a fair and equitable way. 	
	<ul style="list-style-type: none"> ⇨"Diversity and equal opportunities" section (p. 128 ff.) Labor conditions are given priority in talent management and appropriate training given to people. 	
	<ul style="list-style-type: none"> ⇨"Training and education" section (p. 125) Responsible management of the global supply chain. 	
	<ul style="list-style-type: none"> ⇨Section G4-12 (p.p.31 ff.) Protection and defense of human rights in the communities where Gamesa has a presence. 	
	<ul style="list-style-type: none"> ⇨Section II.11B Human Rights (p.134) Corporate safety practices which set out the defense of human rights. ⇨"Safety Measures" section on page 139 	
	<ul style="list-style-type: none"> Defense of the freedom of association and collective bargaining. ⇨"Freedom of association and collective bargaining" section on page 137 	

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. 128 ff.)	The percentage of women in the workforce at the end of 2015 amounted to 21% (1,546) and remained steady when compared to previous years. There are 29 people in the workforce with a disability exceeding 33%. People aged above 40 years are the most numerous in the workforce (1,980; 27%), followed by employees aged between 31-35 years (1,777; 24%), employees aged between 36-40 years accounted for 24%, those between 25-30 years for 18% and finally employees aged less than 25 years (6%). Spaniards are a majority at Gamesa, accounting for 52.9% of the workforce, followed by Indians (21%) and Chinese (8%). ⇒ "Diversity and equal opportunities" section (p. 128 ff.)
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. 88 ff.)	<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 14040 and 14044 standards. • Obtained Environmental Product Declaration (EPD) for Gamesa G90-2.0MW, G114-2.0MW, G128-5.0MW and G132-5.0MW ⇒ Section G4-EN28 (p. 108)
Principle 8	Commitment to researching and developing environmentally friendly products that produce long-term environmental benefits. ⇒ "Products and services" section (p.108)	<ul style="list-style-type: none"> • €69 million invested in R&D activities during 2015, and a portfolio of 721 patents. ⇒ "Investing in innovation" section (p.81) • Participation in wind energy research projects. ⇒ "Economic performance" section (p. 81)
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.) 7) and G4-4 (p. 19)	<ul style="list-style-type: none"> • An environmental portfolio amounting to 34.6 GW installed for our customers which avoid the emission into the atmosphere of 51 million tons of CO₂ each year. ⇒ Section G4-2 (Page7)
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.p.148 ff.)	<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 2015.



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

The new Ethics and Compliance Division has been operational since January 2015 in Gamesa (replacing the Regulatory Compliance Unit), with the objective of promoting dissemination and knowledge of and compliance with the Code of Conduct and fostering a preventive culture based on the principle of zero tolerance for illegal acts and fraud in accordance with the provisions set forth in the Crime Prevention and Anti-Fraud Policy, facilitating oversight of compliance with legal requirements in the various areas of legislation: mercantile and 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.

This division appears before the Audit and Compliance Committee on a semi-annual basis (in July and December) 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.

Additionally, the Ethics and Compliance Division appeared before the Audit and Compliance Committee on three occasions in 2015: in January to present the plan and objectives for 2015; in November to oversee the degree of progress on this plan and in September as a guest of the Committee.

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

Whistleblower's channel: In accordance with the Gamesa Code of Conduct and Article 10.g 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 also use this channel to address any doubts that may arise concerning the interpretation and/or application of the Code of Conduct, the crime prevention and anti-fraud Policy and Manuals or to make suggestions or proposals in this regard. The rules for the Whistleblower's Channel are publicly available and accessible on the corporate website⁴¹.

Code of Conduct: A breach of the Code of Conduct by the people affected by it could give rise to the commission of an offense under legal, corporate and labor law provisions. Anyone becoming aware or having reasonable suspicions of illegal actions or actions contrary to the Code of Conduct is obliged to report it, through any of the channels made available for the purpose: a) by writing to the Chairman of the governance body of which he forms part or to his immediate superior, who must forward it to the Ethics and Compliance Division; b) by writing directly to the Ethics and Compliance Division, which can be done using the e-mail address provided for the 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 whistleblower's 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. It is managed by the Harassment Prevention Committee, of which the Ethics and Compliance Division forms an integral part.

⁴¹ <http://www.gamesacorp.com/en/pages/pdf/en/canalDenuncia.pdf>

Table 57.- Number of reports received by the Ethics and Compliance Division

	2015	2014	2013	2012	2011
EMEA	3	5	4	0	16
USA	0	0	0	0	1
CHINA and APAC	0	0	0	0	4
INDIA	1	0	1	0	0
BRAZIL	3	0	0	0	-
LATIN AMERICA	4	0	0	0	1
Total	11	5	5	0	22

During 2015, eleven reports were received through the mechanisms established for the purpose, corresponding to reports of conduct relating to the Code of Conduct and/or the rules of the crime prevention and anti-fraud Model. Two of the reports from 2014 were also followed up.

The nature of the reports basically concerned aspects relating to Conflicts of interest (Rule 3.8 of the Code of Conduct), Relations with Suppliers (Rule 3.12 of the Code of Conduct) and Performance of Fully Professional Conduct (Rule 3.22 of the Code of Conduct).

The reports issued as part of the process of investigation include: on the one hand a statement as to whether or not at the end of the process it could be concluded that a rule of the Code of Conduct and/or the Policy or other rules of the crime prevention and anti-fraud Model had been breached, and on the other hand, if applicable, a number of recommendations aimed at preventing any recurrence of similar situations in the future. Also, if the Ethics and Compliance Division (or the Human Resources Division in cases of harassment at work) detects a breach of applicable law, of the Manual or of rules in the Code of Conduct specifically directed at the Company employees, insofar as it involves a breach that might lead to significant detriment to Gamesa, it forwards the file to Human Resources for this division to apply disciplinary measures in accordance with the regime for faults and sanctions provided in the applicable collective labor agreement and labor law in force.

Among the measures adopted in 2015 we would highlight changes to procedures for improving controls, changes to workers' positions to avoid conflicts of interest, improvements to the wording of contracts with third parties and the carrying out of background checks.

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 aspects of the report

Policies and commitments

The Company's corporate governance system comprises 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.⁴²

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 to G4-36 of this report 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 Division, which forms part of the General Executive Management Division.
- Aspects relating to safety, health and the environment are the responsibility of the Quality, Safety and Environmental Division, which is part of the Industrial Division.
- Aspects connected with procurement are the responsibility of the Procurement Division, which forms part of the General Executive Management Division.
- Aspects relating to public policies are the responsibility of the General Corporate Division.
- Aspects related to products and customers are the responsibility of the Sales Division.
- Aspects related to production facilities are the responsibility of the Industrial Division.

⁴² <http://www.gamesacorp.com/en/investors-and-shareholders/corporate-governance/>

Additionally:

- The Management Committee – comprising the Executive Chairman, the Executive General Manager, 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 Ethics and Compliance Division is in charge of the Ethical Code, the Crime Prevention and Anti-Fraud Policy, the Internal Rules of Conduct Regarding the Securities Market and such others as may be assigned to it by the Company's Board of Directors or 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

Results of the Business Plan

In an environment of favorable short-, medium- and long-term demand, Gamesa ended 2015 completely in line with the priorities defined in the Business Plan for 2015-17⁴³. This Business Plan follows the path of profitable growth that started with the previous 2013-2015 plan, the 2015 vision of which had already been attained ahead of time.

At year-end, results of both financial performance and management criteria showed growth, profitability and balance that once again surpassed our commitments for the year, giving a return on capital employed of 17%, which is six percentage points more than in 2014 and twice the Company's weighted average cost of capital.

Key consolidated figures for the twelve months ended December 31, 2015

- **Sales:** €3,504 million (+23.1% YoY)
- **Recurring EBIT pre-Adwen:** €294 million (+54.1% YoY)
- **Recurring Net Profit pre-Adwen:** €175 million (+73.2% YoY)
- **NFD:** -€301 million (-0.6x EBITDA)
- **MWe sold:** 3,180 MWe (+21.3% YoY)
- **Intake of firm orders:** 3,883 MW delivered (+17.1% vs. 12M, 2014)

Gamesa's full economic results for the financial year are summarized in the annual financial statements for 2015⁴⁴, 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 Corporate Responsibility Report for 2015 along with the aforementioned financial information.

Stock market evolution. Balance for the year

Gamesa's shares started the year at their lowest level, bottoming out on January 7 at €7.42 and then following a practically uninterrupted rising trend throughout the first half of the year, peaking on July 23 at €16.63, a week before the announcement of results for the first half-year. In the third quarter of 2015 the stock started a temporary decline, influenced by news of weak macroeconomic performances of certain emerging markets, notably China and Brazil. The share resumed its upward trend during the fourth quarter, supported by the strength of commercial activity and the positive trend in financial performance in the first nine months of the year. It ended the year 109.3% up on the end of the previous year, at €15.82.

⁴³ Business Plan 2015-2017 presented to the markets on June 16, 2015. <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/presentaciones/2015/2015-2017-outlook.pdf>

⁴⁴ <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/informacion-financiera/resultados-trimestrales/2015/2015-annual-res.pdf>

The **first quarter** of the year started with very volatile movements in wind turbine stocks, with half of January sessions posting swings of around 2%. This volatility was part of the general volatility of Spanish and other European stock markets, as investors starting the year cautiously and with increased risk aversion due to political uncertainties (election year), concerns about Greece, the lack of economic recovery in Europe and doubts about the effect of monetary policies on the real economy. This volatility gave way to a more stable rising trend in February with the publication of results for 2014, which showed the success of the restructuring exercises and the return to profitable growth in industry, and guidance for 2015. Against this backdrop Gamesa presented results for 2014 ahead of market expectations, with growth in sales of 22% compared with previous year, a 1.2 percentage point improvement in operating profitability, to 6.7%, a 100% increase in net profit and a reduction of nearly six percentage points in the ratio of current assets to sales, to 2.5%. This profitable growth and improvement in current assets allowed Gamesa to end 2014 with a net cash position of €143 million, to resume payment of dividends which had been suspended in 2012 and to attain the objectives set out for 2015 in the 2013-15 business plan ahead of time. This early attainment of objectives for 2015 obliged the Company to issue new guidance for the year in course. This guidance showed a higher growth profile than the average for European manufacturers, with estimated double-digit growth in activity and an improvement in operating profitability of more than one percentage point to 8% or more (compared with 6.7% in 2014).

Lastly, a highlight of the quarter was the materialization of the preliminary agreement with Areva in the form of the creation of Adwen, a 50/50 JV between Gamesa and Areva to operate in the offshore segment, which is expected to see substantial growth in demand in the medium and long term. Mirroring these events, the share price rose by 56% (€11.77) at the end of March with respect of the price at the 2014.

The share price continued to rise during the **second quarter**. It rose by 20% to reach €14.13 on the back of the announcement of first quarter results for 2015 and the presentation of the new business plan for 2015-2017. Results for the quarter exceeded market expectations in practically all significant variables and led to upward adjustments of financial estimates and target prices for Gamesa. Sales for the quarter grew by 43% YoY, and the operating margin before non-recurring items doubled to 8%. As well as the positive financial performance of the first quarter, we should also point out the strength of sales activity, with new orders for 818 MW, 65% up on the volume signed in the first quarter of 2014.

On June 16, in view of the early attainment of the objectives of the 2013-2015 business plan, Gamesa presented its new business plan for 2015-2017 to the financial community. The plan was very well received by the market, and the stock surged by 6.5% on the day of the presentation and 10% in the following week. As with the presentation of results for the first quarter, the presentation of the plan pushed estimates and target prices higher (by about 7%). The new business plan confirmed the Company's profitable growth profile, with turnover growth targets for the year of between 33% and 45%, operating margins of over 8% and estimated operating profit for 2017 of €362 million, double that posted for 2014.

The **third quarter** of the year broke the upward trend of the Company's stock, and Gamesa ended September down by 12% relative to the end of June. Although the quarter started on a positive note, buoyed by strong rumors of an extension of the renewable production tax credits in the US and the signing of agreements and adoption of renewable energy objectives in Europe, India, the US and Brazil, the trend reversed in August with the publication of worse-than-expected economic data in China and Brazil. In the case of China, the data pointed to a slowdown in growth, the currency was devalued and there were sharp falls on the stock market. As for Brazil, after two successive quarters of GDP contraction, it went into recession. In this context, investors' risk aversion increased as they opted to take profits on the sectors and companies that had revalued most during the year. In this scenario, not even the publication of solid results for the first half of 2015 could reverse the downward pressure.

Results for the first half of the year published in the third quarter continued to show the solid profitable growth trend and balance sheet strength of the first quarter and of guidance for 2015. Sales for the half year grew by 31% compared with the same period of the previous year and the EBIT margin before non-recurring items increased by nearly two percentage points to 8.2%. Thanks to this profitable growth, and to a 34% reduction in current assets, giving a ratio to sales of 8.5%, Gamesa ended the half-year with net cash of €39 million in the balance sheet. The intake of orders in the second quarter also confirmed the strong commercial activity seen in the first quarter, with an inflow of orders for 1,017 MW, 27% up on the same period of 2014.

In July Gamesa paid a dividend of €23 million in respect of 2014.

This trend of diminishing risk appetite and increased profit-taking disappeared in the fourth quarter, and the rising trend of the first half of the year resumed from October on.

During the **fourth quarter** Gamesa announced the results for the first nine months of the year, which continued the trend of profitable growth seen in the first half of the year, confirming the sustainability of the improvements in working capital and reflecting the strength of the commercial activity. As regards profitable growth, Gamesa ended the first nine months of the year with YoY sales growth of 30% and a 1.8 percentage point improvement in the operating margin before non-recurring items, to 8.1%. In terms of the consumption of working capital, average consumption for the nine months fell by six percentage points from 16% of sales in the first nine months of 2014 to 10% of sales YTD September 30, 2015. Lastly, with reference to commercial strength, Gamesa ended the third quarter with an order intake of 1,007 MW, 16% more than in Q3 2014, bringing orders in the past twelve months to 3,990 MW.

The resumption of the upward trend, underpinned by the Company's good performance during the year took the share price to €15.82 at the end of 2015, equivalent to a revaluation of 109.3% for the whole year.

Together with the good financial results, Gamesa continues to work on securing access to the financing necessary to attain the growth objectives of the business plan for 2015-17 as comfortably as possible. With this in view, in December extended the maturity of its €750 million syndicated borrowing from 2019 to 2021 and also improved the terms.

We can therefore conclude that the development of the share price in 2015, with a gain of 109.3%, reflects the early attainment of the objectives set for 2015 in the plan for 2013-2015, the favorable reaction to the objectives set in the new plan for 2015-17, the excellent business and financial performance of the first nine months of the year, the strength of the Company's commercial positioning reflected in the signing of nearly 4 GW of orders in the previous twelve months and the improvement in the market environment with growing support for energy from renewable sources.

Figure 18.- Comparison - Gamesa share price vs. IBEX35

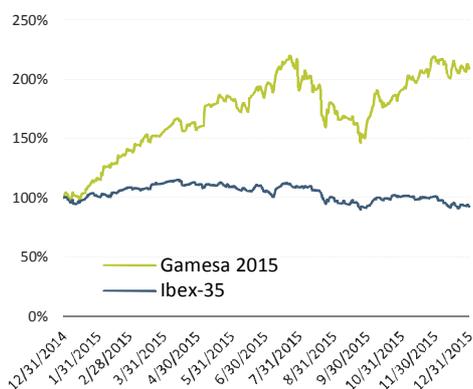


Figure 19.- Changes in Gamesa share price, 2015



Table 58.- Key stock market indicators

	2015	2014	2013	2012	2011
Share capital (€)	47,475,694	47,475,694	43,159,722	43,159,722	42,039,297
No. of shares	279,268,787	279,268,787	253,880,717	253,880,717	247,289,984
Stock market capitalization (€)	4,418,032,210	2,110,992,761	1,924,415,835	421,441,990	571,239,863
Free float (%)	75.04	71.40	69.04	72.33	75.42
Highest listing (€)	16.63	9.88	7.59	3.24	7.46
Lowest listing (€)	7.42	6.79	1.62	1.01	2.96
Average listing (€)	13.00	8.34	4.53	1.91	5.00
Listing at 12/31 (€)	15.82	7.56	7.58	1.66	3.21
Total no. of shares traded	736,176,947	936,326,608	595,771,545	828,363,068	1,176,855,185
Average no. of shares traded daily	2,875,691	3,671,869	2,336,359	3,235,793	4,579,203
Earnings (Loss) per share (€)	0.6164	0.3550	0.1796	(2.63)	0.209

Investing in Innovation

Gamesa sees R&D& innovation as a key element for its future development and its international positioning in the industry. The main aim of the Group's R&D&i activities is to reduce the costs of wind energy production to improve its competitiveness against other energy sources, since wind power plays an essential role in optimizing the general costs of the electricity system.

In order to cover this objective, the Group has three R&D centers in Spain, in Pamplona, Madrid and Zamudio, as well as resident engineering teams in India, China, the US and Brazil.

Strategic reflections of a technological nature carried out annually allow new key technologies to be ratified or introduced and to concentrate technological development efforts in order to apply them in products, processes or services in-works or ex-works, of design, manufacture, logistics, assembly, construction, operation and maintenance.

Technological development, which is construed as the process that seeks to increase the maturity of these key technologies, is set out in a multi-annual framework implemented through the Group's annual R&D&i 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 in accordance with an internally developed methodology called TDSELECT, taking account of the following aspects:

- Gearing all R&D projects toward obtaining results that are valued by the market, whether in the short term (current year) or the medium term (maximum four years). More specifically, they seek to reduce the CoE (cost of wind energy) or CAPEX, depending on the case.
- Obtaining results that can be applied and transferred to products, processes and/or services and ensuring ongoing dialog with the "technology requesters" from beginning to end of all R&D projects.
- Promote in-house engineering tools, which provide advantages in essential competencies that are intrinsic to the R&D organization and hence difficult to copy, creating a substantial competitive barrier.
- By appropriately managing the protection of technological assets, obtain intellectual / industrial property rights to protect these technologies so as to ensure the Group's free access to its markets with a competitive position comparable to that of our rivals (see hereunder).
- Valorizing these technologies with customers and markets by means of appropriate marketing, taking part in scientific and technological wind energy forums spread over our major markets.
- Invoice products, processes or services for that added value, with that competitive technological edge, so as to improve the key indicators of the business: sales, market share, margins, etc.

Some of the significant R&D and innovation projects in which Gamesa took part in 2015 include:

- **Windtrust**, which aims to demonstrate on a full-scale onshore prototype (2 MW) a set of technologies that allow the reliability of wind turbines to be substantially increased. It is the natural continuation of the Reliawind project (aimed at delving deeper into the concepts of wind turbine design and operating and maintenance reliability to achieve greater availability and lower maintenance costs). Several technologies have been successfully applied to the rotor, wind turbine control and power electronics. Specifically, the application of serrated blade technology developed jointly with LM Windpower enables noise emission to be reduced by 2 dB.
- **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 to turbine design concepts which are different from traditional onshore designs, low-weight rotor design and an electromechanical conversion design for turbines of between 10 MW and 20 MW.
- **Demowind**, centered on the development of new control functionalities aimed at increasing the amount of energy produced in certain wind conditions and machine operating conditions. For example, self-correction of undesirable misalignments of yaw and pitch, etc.



In addition to the R&D&i activity focused on product platforms and products in service, technological development activity can be classed under the following areas: Rotor, drive-train, support structures (towers and foundations), control of wind turbine and farm, effectiveness of Operation and Maintenance, and lastly the increase in the productivity of in-house engineering, as well as of sales support from pre-sales, siting and wind farm projects.

Gamesa is one the wind energy industrial groups having the greatest patent-related activity in recent years. According to a study carried out in Q3 2015 by the independent firm Totaro & Associates, Gamesa ranks ninth in the world among wind energy manufacturers by number of patents and fifth in Europe.

Table 59.- Research and development (R&D) expenditure

(€ millions)	2015	2014	2013	2012	2011
Capitalized R&D expenditure	45	50	49	75	70
Non-capitalized R&D expenditure	24	26	33	38	47
Total	69	76	82	113	117

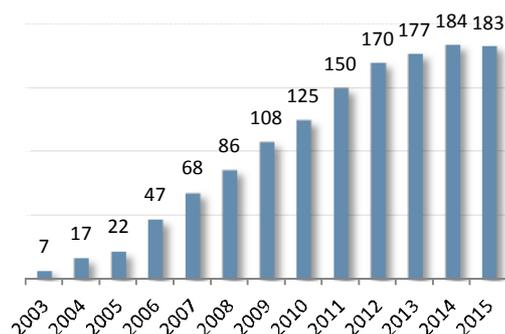
Table 60.- R&D Ranking according to EU Industrial R&D investment Scorecard ⁴⁵

(data for the year with respect to the previous financial year)	2015	2014	2013	2012	2011
Position in Europe (EU Top 1,000 companies)	279	234	195	198	351
Position in Spain (EU Top 1,000 companies)	12	11	9	8	14
Position in the sector (Industrial engineering)	29	22	20	19	27
R&D investment growth in one year (%)	(16)	(19)	10.1	152.9	(3.6)
R&D investment growth CAGR-3y (%)	(9.5)	31	39	47	9
R&D investment intensity (%)	2.7	3.9	4.2	3.4	1.5

At year-end 2015 Gamesa had applied for 183 patent families or inventions, and its portfolio of patents numbered 721 in all the markets in which it operates. Of these, following the process of examination by the relevant patent and copyright bureaus, 144 families and 416 patents have been granted and therefore are legally in force.

Moreover, the Gamesa also values the know-how, capacities and creativity of all the company's employees. For instance, by rewarding workers' inventions each year through the Patents and Inventors Award, which, now in its fifth edition, recognizes its employees' work and effort in the invention process and in protecting the Company's technological inventions.

Figure 20.- Portfolio of Inventions (Cumulative at year-end)



Note: The slight decrease in the number of inventions from 2014 to 2015 is due to transfer of exclusive offshore patents to Adwen, which more than offset the new applications filed in 2015.



⁴⁵ See: <http://iri.jrc.ec.europa.eu/home>

G4-EC1 Direct economic value generated and distributed.

Table 61.- Direct economic value generated and distributed⁴⁶

(in thousands of euros)	2015	2014	2013	2012	2011
Direct economic value generated	3,528,767	2,902,222	2,351,688	2,870,928	3,050,220
Economic Value Distributed	3,384,629	2,731,099	2,111,422	2,569,595	3,145,568
Operating Costs	2,859,945	2,284,569	1,717,551	2,078,579	2,660,934
Employee compensation and expenses	341,050	302,924	309,625	371,674	354,751
Payments to suppliers of Dividends-capital ⁴⁷	42,561	23,040	0	0	12,600
Financial expenses	47,125	54,355	55,040	81,321	80,886
Payments to public administrations	90,180	63,232	26,270	35,043	31,076
Investments to benefit the community ⁴⁸	3,768	2,979	2,936	2,978	5,321
Economic Value Retained	144,138	171,123	240,266	301,333	(95,348)

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

The outlook for the business is for growth in wind turbine installations in 2016-17, particularly in the emerging markets where Gamesa has a solid competitive positioning, underpinned by regulatory decisions and renewable commitments received in 2015 which support stable growth in demand for wind energy in the long term.

During the COP 21 held in Paris from November 30 to December 15, 2015 a global agreement was reached on limiting the increase in world temperature to 2°C relative to pre-industrial levels, and it was also acknowledged that climate change constitutes an urgent and potentially irreversible threat to society and to the planet, which requires concerted and rapid action at world level, with the reduction of greenhouse gases playing a key role.

In order to achieve the objective of controlling the increase in temperature, the countries signatory to the Agreement undertook to reach peak GHG emission as soon as possible and from then on to start reducing emissions as quickly as possible in the context of sustainable development.

Before the COP 21, 186 countries sent their voluntary emission reduction objectives (INDCs or "intended nationally determined contributions") which served as a basis for the negotiations and which will be revised every five years.

Among the proposals for reducing GHG emissions, more than 100 countries included increases in the proportion of energy from renewable sources in the energy mix, and 70 countries specifically mentioned wind power, in some cases even proposing specific objectives.

Such is the case of China, the world's biggest wind power market, with the target of installing 200 GW in 2020; India, Asia's second biggest wind power market by volume of installations, with a target of 60 GW in 2022; Turkey, one of the fastest growing wind power markets in the EMEA region and one of those with the highest volumes, with a target of 16 GW in 2030 and Morocco, one of the most significant markets in North Africa, with the goal of reaching a 14% contribution from wind energy in 2020.

The agreement recognizes that this process will have to be led by the developed countries, and that it will be longer for developing countries. It also confirms the need to contribute to the Financial Mechanism to help pay for actions to mitigate the effects of climate change in developing countries by means of minimum annual contributions of €100 billion to 2025 when it will be revised.

⁴⁶ 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.

⁴⁷ The new shareholder remuneration system known as "Gamesa Flexible Dividend", which is benchmarked to its market value, is included in 2011 and 2012. Dividend proposal for 2015 pending approval by the 2016 General Shareholders' Meeting.

⁴⁸ Includes expenses in associations, sponsorships, and patronage.

As well as the Financial Mechanism it also establishes a technological mechanism to facilitate the transfer of technological know-how aimed at reducing emissions of signatory countries. It also includes a cooperation mechanism allowing countries to make voluntary reductions to their emissions in another country in order to attain their emission reduction objectives. This mechanism might have similarities with the current Clean Development Mechanism (CDM) allowing reductions in GHG to be booked by investing in emission reduction projects in developing countries.

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

Social benefits round out the remuneration package by providing the employee, and sometimes the employee's family, short- and long-term protection.

The identification and overall management of the social benefits provided in each country is carried out in accordance with the legislation, usages and customs of each. This identification and management is carried out by the corporate Compensation and Benefits area in coordination with the regional Human Resources divisions, with a dynamic view of the overall situation and of the processes, in order to delimit, control and mitigate the risks associated with each of the social benefits, which must be done in the form of an insurance contract.

We should also point out that the various countries in which Gamesa operates have different cultures and different social providence systems, which are reflected in the financial statements and which make it necessary to formalize them properly in accordance with the legislation in force in each country.

At present Gamesa provides additional benefits appropriate to the particular legislation in the US, India, the UK, Finland, Germany, Sweden, Ireland and Morocco.

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 2015 amounted to €1.60 million (2014: €3.25 million). These subsidies have come from national and autonomous regional bodies such as the CDTI (Center for Industrial Technological Development), the European Commission under the FP7 (Seventh Framework Program for Research and Technological Development), the Basque Government, the Government of Navarre, the Government of Cantabria and the Ministry of Economy and Competitiveness.

In 2015 Gamesa also obtained low interest rate loans to fund investments in R&D and production for a total of €2.31 million (2014: €4.25 million) from the CDTI and the Ministry of Economy and Competitiveness.

Table 62.- Significant financial aid received

(€ millions)	2015	2014	2013	2012	2011
New subsidies for R&D and productive investments	1.60	3.25	2.5	6.3	10.8
New low-interest loans for R&D and productive investments	2.31	4.25	10.5	18	12.8
Total	3.91	7.5	13.0	24.3	23.6

We would also mention that 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 in the chapter entitled "Labor Practices and Decent Work" of this report apply to its professionals' remuneration and recruitment.

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

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

Salaries of individual employees are set taking account of the responsibilities and demands of the specific work post, the experience and know-how which the person brings to the position, 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 these 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 2015, 86 % of executives were locally hired. An executive is considered as a person having management responsibilities in the Company.

Table 62.- Workforce: Local management personnel ⁴⁹

	2015	2014	2013	2012	2011
SPAIN	93%	93%	93%	94%	94%
EMEA (excl. Spain)	100%	40%	100%	100%	83%
USA	33%	50%	50%	66.7%	83%
CHINA and APAC	67%	83%	83%	56%	67%
INDIA	100%	100%	100%	100%	100%
BRAZIL	67%	100%	100%	100%	-
MEXICO	50%	-	-	-	-

⁴⁹ Note: For the purposes of this indicator, management personnel means the persons belonging to the group that establishes the general strategies and policies, advising on strategic matters and on the setting of business objectives, and whose work focuses on the long term, with ultimate responsibility for Gamesa's critical processes as well as the profit and loss account. 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.

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.31) 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.

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 Gamesa⁵⁰ and the Universidad del Istmo, which have been collaborating since 2013 in the State of Oaxaca in Mexico to promote specialized wind energy training in this region, which has some of 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 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 such as stockbreeding, hunting or fishing, are among the negative elements linked to wind energy. Other environmental risks which could potentially lead to unwanted consequences for the environment, such as effluents, inappropriate emissions or waste, are minimized through the waste management models described in section II.10 of this report.

⁵⁰

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

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 shared knowledge, experience and capabilities.

The management approach to procurement practices is described in greater detail in indicator G4-12 (p. 31) 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 we have achieved globalization of the supply profile: global suppliers with local presence, new local suppliers and internationalization of existing suppliers.

The degree of localization (local procurement) achieved in 2015 was 89% in China, 63% in India and 52% in Brazil. See indicator G4-12 (p. 31) of this report for further details.

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.

Environmental principles in the Code of Conduct

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

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

Integrated excellence policy⁵¹

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.

Policy for combating climate change⁵²

Gamesa is well aware that climate change is a transcendental threat faced by markets and sustainable development, and has decided to formulate a Climate Change Policy, applicable to the Company and its Group, whereby it undertakes to promote energy from such renewable sources as it considers appropriate and are within its reach, in order to attain an overall low-carbon energy generation model that will reduce the environmental impact.

This declaration is made in compliance with the Corporate Global Social Responsibility Policy, whereby the Group promotes sustainable use of resources, a culture of respect for the natural environment, and the fight against climate change, reducing the environmental impact of its activities, defending biodiversity and promoting information and training on this culture.

Following through on this declaration, over the course of 2015 the Company committed to various business initiatives relating to the aim of reducing GHG emissions, notably:

- **American Business Act on Climate Pledge**, an initiative promoted by the US government. The purpose of this document, which has been signed by more than 140 US companies, is to support the fight against climate change and seek adoption of a firm commitment at the Paris COP21.
- **Paris Pledge for Action**: Gamesa has signed the Paris Pledge for Action (l'Appel de Paris), confirming its strong support for the adoption of a universal climate agreement at the COP21 climate summit in Paris.

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.

⁵¹ See: <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/gamesa-excellence-policy.pdf>

⁵² See: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/social-resp-policies/policy-against-climate-change.pdf>

Environmental performance and targets

Regarding performance in 2015, a substantial improvement in the final destination of waste was achieved. There was a 7% reduction in hazardous waste disposal, greenhouse gas emissions were verified for the fifth year in a row in accordance with ISO 14064 and ecodesign certification was obtained for the G128-5.0 MW (140m tower) and G132-5.0 MW (95m tower) turbines, the environmental product declarations (EPDs) being published by Environdec. We also took part in the certification of environmental impacts of Iberdrola's wind farms with the Gamesa G90-2MW turbine at Los Lirios and Alto de la Degollada, certified by Environdec.

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 in the supply chain (PBE-1-008). Timely corrective actions and the extension of any lesson learned to the rest of the organization result from this root cause analysis. Detection of areas for improvement and launching of preventative action is supported in PMA-1-004.

Training and sensitization of Gamesa people is done following internal procedure PRH-1-001. Other important 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 system of the health and safety, environmental and quality systems (PBE-1-002).

Operating responsibility for this activity lies with the General Business Excellence Division, which reports directly to the Industrial Division 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.

Practically 100% of Gamesa's production capacity around the world is certified by these standards.

Table 63.- Status of the management system certifications

Region	Country	Location	Division	ISO 9001	ISO 14001	OHSAS 18001
EMEA	Spain	Ágreda, Soria, Spain	Nacelles	2005	2005	2009
EMEA	Spain	Tauste, Zaragoza	Nacelles	2001	2005	2009
EMEA	Spain	Sigüeiro, A Coruña	Nacelles	2001	2005	2009
EMEA	Spain	Lerma, Burgos	Gearboxes	2005	2006	2009
EMEA	Spain	Asteasu, Gipuzkoa	Gearboxes	2004	2005	2009
EMEA	Spain	Mungia, Vizcaya	Gearboxes	2006	2008	2009
EMEA	Spain	Burgos	Gearboxes	2005	2009	2007
EMEA	Spain	Aoiz, Navarre	Blades	2010	2010	2010
EMEA	Spain	Somozas, A Coruña	Blades	2001	2005	2009
EMEA	Spain	Miranda, Burgos	Blades	2001	2005	2009
EMEA	Spain	Cuenca	Blades	2001	2005	2009
EMEA	Spain	Benissanó, Valencia	Generators	2006	2007	2009
EMEA	Spain	Coslada, Madrid	Generators	2005	2005	2009
EMEA	Spain	Reinosa, Cantabria	Generators	2003	2005	2009
EMEA	Spain	Madrid	W. Farm P&S	-	2011	-
CHINA and APAC	China	Tianjin	Generators	2008	2008	2009
CHINA and APAC	China	Tianjin	Gearboxes	2008	2008	2009
CHINA and APAC	China	Tianjin	Nacelles	2008	2008	2009
INDIA	India	Marmandur	Nacelles	2009	2010	2010
INDIA	India	Gujarat	Blades	2012	2012	2012
BRAZIL	Brazil	Camaçari	Nacelles	-	2015	2015

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

Consumption of materials came to **149,554 metric tons**, an increase of 33% relative to 2014. By volume, steel and sheet metal, together with scrap metal, are the materials used most, amounting to 15,994 metric tons. The ratio of materials used per employee is 20 metric tons per employee per year.

Table 64.- Materials used by weight or volume

(expressed in tons-t)	2015	2014	2013	2012	2011
EMEA	82,736	64,212	76,904	82,274	92,090
USA	0	0	0	3,319	11,974
CHINA and APAC	13,952	13,820	7,568	3,378	17,386
INDIA	34,832	26,746	15,929	15,745	15,983
BRAZIL	18,034	7,266	3,107	9,571	-
Total	149,554	112,044	103,507	119,687	137,254

Table 65.- Consumption of the most significant raw materials

(expressed in tons-t)	2015	2014	2013	2012	2011
Oils	2,632	934	652	370	961
Solvents	568	29	42	169	308
Paints	1,230	372	185	147	266
Steel and sheeting	8,208	0	1,738	4,960	7,559
Scrap	7,786	9,801	6,527	5,073	9,835
Casting	10,170	6,037	12,949	10,587	13,944
Prepreg	2,069	1,284	5,310	14,109	12,555
Coatings	4,867	48	168	234	354
Adhesives	6,861	179	505	432	1,009
Total of most significant raw materials:	44,391	18,648	28,077	36,081	46,810
% total consumption	31%	17%	27%	30%	34%

Table 66.- Consumption of raw materials by semi-finished product line

(expressed in metric tons-t)	2015	2014	2013	2012	2011
Gearboxes	19,201	19,890	13,680	18,959	19,503
Main frames	13,953	17,575	12,248	11,230	15,540
Generators	8,121	8,141	5,890	5,154	9,860
Shafts	2,090	3,715	3,408	7,532	6,430
Transformers	9,756	3,798	3,086	4,071	6,040
Electrical panels	2,258	701	1,258	745	1,462
Total semi-finished product:	55,379	53,820	39,569	47,691	58,745
% total consumption:	39%	48%	38%	40%	43%

Table 67.- Ecoefficiency in raw material consumption

	2015	2014	2013	2012	2011
(t/employee)	20	17	17	18	16
(t/€ mill. of invoicing)	42	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 11,444 tons of scrap metal were recycled as part of the casting process at Gamesa Burgos.

Energy

G4-DMA Management Approach

Total internal energy consumption for the year came to **452,549 gigajoules**, a 46% year-on-year increase in absolute terms on that of 2014. Hence, the figure for energy consumption per employee and year amounted to 62.2 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 68.- Consumption of non-renewable fuels ⁵³

(expressed in gigajoules-GJ)	2015	2014	2013	2012	2011
Natural gas (GJ)					
EMEA	61,260	48,375	95,825	114,661	111,653
USA	8,590	584	23,716	28,715	34,868
CHINA and APAC	-	-	185	10,711	27,512
INDIA	-	-	-	-	-
BRAZIL	8	-	-	-	-
	69,860	48,959	119,727	154,087	174,033
Propane (GJ)					
EMEA	7,577	6,550	7,504	6,845	8,751
USA	-	-	93	832	1,056
CHINA and APAC	-	-	-	1	9
INDIA	-	-	-	-	-
BRAZIL	33	487	72	32	-
	7,610	7,037	7,669	7,710	9,815
Diesel (GJ)					
EMEA	65,562	28,535	81,711	41,602	48,404
USA	-	-	1,125	11,601	3,373
CHINA and APAC	1,587	1,423	843	1,040	2,934
INDIA	3,794	3,830	4,112	10,319	8,957
BRAZIL	266	108	42	58	-
	71,210	33,897	87,834	64,621	63,575
Gasoline (GJ)					
EMEA	-	-	-	-	-
USA	21,750	1,595	7,096	141	3,373
CHINA and APAC	-	-	-	-	-
INDIA	-	-	-	-	-
BRAZIL	10,307	1,378	44	-	-
	32,057	2,973	7,140	141	3,373
Total consumption of non-renewable fuels (GJ)	180,737	92,867	222,369	226,559	250,797

Table 69.- Electricity acquired from the Grid

(expressed in gigajoules-GJ)	2015	2014	2013	2012	2011
EMEA	217,518	164,797	225,021	263,930	272,563
USA	7,324	9,079	24,138	38,628	39,513
CHINA and APAC	16,792	19,378	17,006	24,894	59,526
INDIA	24,183	21,182	17,823	20,026	4,474
BRAZIL	5,995	993	493	511	-
Total grid electricity consumed (GJ)	271,812	215,427	284,483	347,990	376,797

⁵³ Note: The Brazilian nacelle plant increased its activity relative to 2014, as a result of which consumption of natural gas, diesel fuel and gasoline all increased. In the US the consumption of gasoline increased relative to 2014 due to increased maintenance activity.

Table 70.- TOTAL internal energy consumption
(expressed in gigajoules-GJ)

	2015	2014	2013	2012	2011
Non-renewable fuels	180,737	92,867	222,369	226,559	250,797
EMEA	134,400	83,460	185,040	163,108	168,808
USA	30,340	2,179	24,934	41,148	42,670
China and APAC	1,586	1,423	1,028	11,752	30,455
India	3,794	3,830	4,112	10,319	8,957
Brazil	10,615	1,973	158	90	-
Electricity acquired from the Grid	271,812	215,427	284,483	347,990	376,797
EMEA	217,518	164,797	225,021	263,930	272,563
USA	7,324	9,079	24,138	38,628	39,513
China and APAC	16,792	19,378	17,006	24,894	59,526
India	24,183	21,182	17,823	20,026	4,474
Brazil	5,995	993	493	511	-
Total energy consumption (GJ) within the organization	452,549	308,294	506,852	574,549	627,594

Internal energy consumption = (Consumption of non-renewable fuels) + (Electricity acquired from the grid)

Figure 21.- Changes in total energy consumption (GJ)

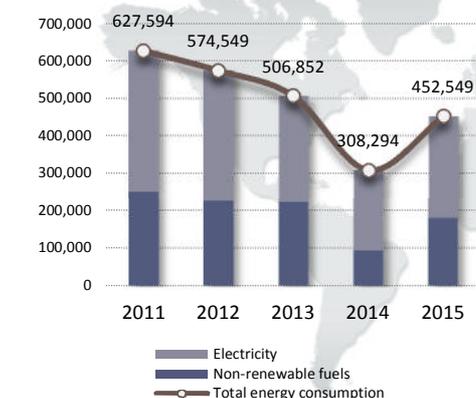


Figure 22.- Changes in total energy consumption by Area (GJ)

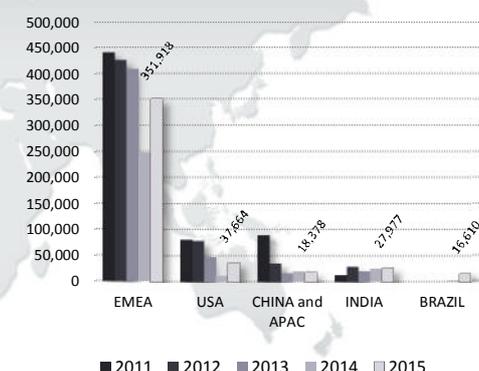


Figure 23.- Internal energy consumption per MW installed

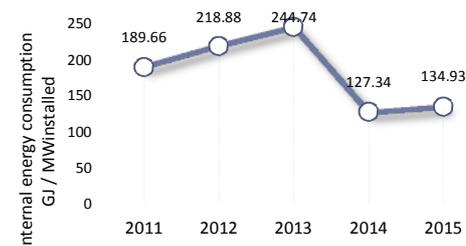
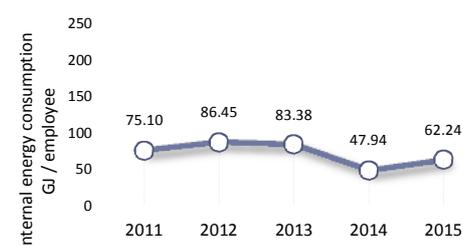


Figure 24.- Energy consumption per employee



We should also mention that Gamesa has 136 MW with which it generates renewable electricity from wind which it does not use itself but feeds into the national grid for sale. This electricity is generated in the wind farms dedicated to R&D on prototypes, and in wind farms held for sale.

While the permanent production of energy is not among Gamesa's objectives, in this report we mention the electricity produced in the La Plana, Cabezo Negro, Boyal, La Cámara, Jaulín, Dos Picos and Alaiz wind farms in Spain, the Lingbo wind farm in Sweden and the Pocahontas wind farm in the US.

This energy production is not included in the foregoing tally of internal energy consumption since on the one hand it does not constitute recurring activity of the Group, and on the other including it would give rise to negative energy consumption balances for the Group (production exceeding consumption).

Table 71.- Energy generated (GJ) from renewable sources

(expressed in gigajoules-GJ)	2015	2014	2013	2012	2011
EMEA	499,614	476,732	513,939	231,410	89,686
USA	953,280	892,735	892,735	446,367	-
Energy generated from wind	1,452,894	1,369,701	1,406,674	677,777	89,686

G4-EN4 Energy Consumption outside of the organization

The most significant 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 major suppliers.

G4-EN5 Energy Intensity

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

Table 72.- Ecoefficiency in energy consumption

	2015	2014	2013	2012	2011
(GJ/employee)	62.24	47.94	83.38	86.45	75.10
(GJ/€ mill. of invoicing)	129.15	108.3	216.9	202.0	206.9

G4-EN6 Reduction of energy consumption

Actions aimed at reducing energy consumption and increasing energy efficiency have been implemented in various areas of the organization. These actions are described in detail under indicator G4-EN19 (p.104).

Additional measures have also been implemented at Gamesa's plants in India (Marmandur and Halol), such as the installation of solar panels and reverse osmosis water purification plants, which are also powered by solar panels.

G4-EN7 Reductions in energy requirements of products and services

The products that Gamesa sells are designed to consolidate its environmental leadership and energy efficiency. The 5.0 MW and 2.0 MW platforms (Gamesa 4.5 MW⁵⁴ and Gamesa G114-2MW⁵⁵) are certified in ecodesign in accordance with ISO14006/2011.

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

As a result, Gamesa wind turbines show efficiency improvements in all indicators: 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% less – and uses 60 fewer air filter units when compared with a 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.

G4-EN8 Total water withdrawal by source

Water consumption amounted to **126,358 m3 in 2015**, which translates into a figure of 17 m3 per employee per year. The withdrawal of groundwater is also included in the quantitative data for EMEA and India. This is not the case in the other geographic areas, where all water consumption comes from the water supply network.

Table 73.- Total water consumption
(expressed in m³)

	2015	2014	2013	2012	2011
EMEA	35,990	25,692	27,027	30,241	33,605
<i>Water supply networks</i>	33,716	24,241	24,020	24,384	27,938
<i>Groundwater</i>	2,274	1,451	3,007	5,857	5,667
USA ⁵⁶	-	-	1,985	3,520	3,185
CHINA and APAC	27,993	39,891	29,298	47,512	61,144
INDIA	28,753	31,757	21,738	13,987	3,171
<i>Water supply networks</i>	13,970	-	-	-	-
<i>Groundwater</i>	14,783	-	-	-	-
BRAZIL	33,622	-	-	-	-
Total water consumption	126,358	97,341	80,048	95,261	101,105

Table 74.- Ecoefficiency in water consumption

	2015	2014	2013	2012	2011
(m ³ /employee)	17	15	13	14	12
(m ³ /€ mill. of invoicing)	36	34	34	33	33

⁵⁴ <http://gryphon.environdec.com/data/files/6/9316/epd452%20Gamesa%20G90-2MW-78m.pdf>

⁵⁵ <http://gryphon.environdec.com/data/files/6/10370/epd540.pdf>

⁵⁶ Note: There were no production plants in operation in the United States in 2014, just offices, whose total water consumption was deemed negligible.

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 2015. 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.

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 2015. Facilities adjacent to such areas have also been included.

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of protection
Project: Cabezo Negro R&D Wind Farm (Spain)					
Operation	0.008 km ²	Rio Huerva and las Planas	Including	Protected area Natura Network 2000	Special Bird Protection Area (SBPA)
Project: Jaulín R&D Wind Farm (Spain)					
Operation	0.008 km ²	Rio Huerva and las Planas	Including	Protected area Natura Network 2000	Special Bird Protection Area (SBPA)
Project: Boyal I and II Wind Farm (Spain)					
Operation	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)					
Operation	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: SET electricity facility, Les Forques Wind Farm (Spain)					
Operation	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)					
Operation	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 protection
Project: SET electricity facility, Valdeconejos (Spain)					
Operation	0.0073 km ²	Desfiladeros del Río Martín	3.3 km	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
		Riό 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)					
Operation	0.004 km ²	Desfiladeros del Río Martín	3.3 km	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
		Riό Martín Cultural Park	4.7 km	Protected area Natura Network 2000	Site of Community Interest (SCI) Natura Network 2000
Project: High Voltage Line (H.V.L.) Montargüll-Les Forques (Spain)					
Operation	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-Apoyo 27 Les Forques-Les Comes (Spain)					
Operation	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)					
Operation	Overhead: 0.01352 km ²	Riό Huerva and las Planas	Including	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
	Underground: 0.0085 km ²				
Project: High Voltage Line (H.V.L.) Valdeconejos-La Escucha (Spain)					
Operation	Overhead: 0.1006 km ²	Desfiladeros del Río Martín	Including	Protected area Natura Network 2000	Special Bird Protection Area (SBPA), Natura Network 2000
	Underground: 0.00013 km ²	Riό Martín Cultural Park			
Project: High Voltage Line (H.V.L.) Ameixeiras-Masgalán (Spain)					
Operation	0.18 km ²	Serra do Candán	Including	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			

Project status	Surface area occupied	Protected area affected	Distance to area	Biodiversity value	Type of protection
Project: High Voltage Line (H.V.L.) Albarelos-Cando (Spain)					
Operation	0.65 km ²	Serra do Cando	Including	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)					
Operation	0.41 km ²	Serra do Candán	Including	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)					
Operation	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)					
Operation	0.09 km ²	Serra do Xistral	3 km	Protected area Natura Network 2000	Site of Community Interest (SCI)
Project: High Voltage Line (H.V.L.) Serra da Loba (Spain)					
Operation	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)					
Operation	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

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 75.- Biodiversity Studies

	2015	2014	2013	2012	2011
Development stage					
Preliminary environmental impact studies	3	3	-	1	10
Archeology	-	-	3	-	1
Environmental impact studies (EIA)	2	7	12	12	15
Bird fauna and bats	-	1	39	15	33
Noise	2	3	15	1	15
Specific studies	-	3	38	9	31
Total development stage	7	17	107	38	105
Construction phase					
Environmental monitoring	2	-	10	5	1
Archaeological monitoring	-	-	-	-	1
Others	1	-	1	-	3
Total construction stage	3	-	11	5	5
Operations phase					
Environmental monitoring	1	7	5	7	19
Others	1	2	7	-	6
Total construction stage	2	9	12	7	25
Total Biodiversity Studies	12	26	130	50	135

G4-EN13 Habitats protected or restored

No kind of incidents took place in protected habitats in 2015.

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 List⁵⁷ 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 76.- Species in areas affected by operations

Species	IUCN category	Affected by wind farm	Affected by high voltage line
Tetrax tetrax	NT	6	0
Pleurodeles waltl	NT	1	0
Neophron percnopterus	EN	6	1
Milvus milvus	NT	6	1
Marmoronetta 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	CE	0	5
Amphipterygium adstringens	EN	0	1
Coracias garrulus	NT	0	2
Pelobates culprites	NT	2	0
Bombina pachypus	EN	1	0
Zamenis lineatus	DD	1	0
Elaphe quatuorlineata	NT	1	0

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)

⁵⁷ Link to: <http://www.iucnredlist.org>

Emissions

G4-DMA Management Approach

Balance for the year

The main greenhouse gas generated by the Company's activities is CO₂. Specifically, **emissions during the year amounted to 36,855 tons of CO₂-eq**, an increase of 17% relative to the previous year. This figure includes direct emissions (Scope 1) of 12,079 tCO₂-eq from the combustion of materials to generate heat, as well as indirect emissions (Scope 2) from buying electricity to operate the Company's own resources and services, which amounted to 24,776 tCO₂-eq.

Table 77.- Total greenhouse gas emissions (Scope 1 + Scope 2)

(expressed in tCO ₂ -eq)	2015	2014	2013	2012	2011
EMEA	23,837	20,377	26,050	27,355	33,262
USA	3,015	1,411	5,162	7,816	8,175
CHINA and APAC	3,437	4,223	3,684	5,958	14,298
INDIA	5,591	5,341	4,539	6,528	1,848
LATAM (incl. Brazil)	974	144	20	-	-
Total CO₂ emissions	36,855	31,496	39,456	47,656	56,747

Figure 25.- Changes in CO₂ emissions (tCO₂ eq)

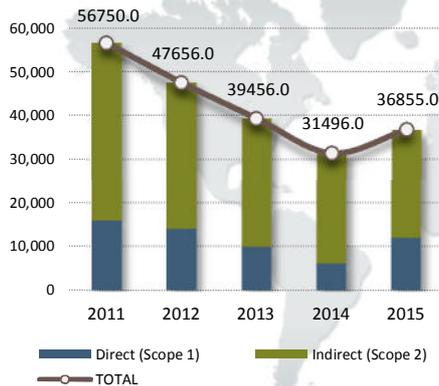
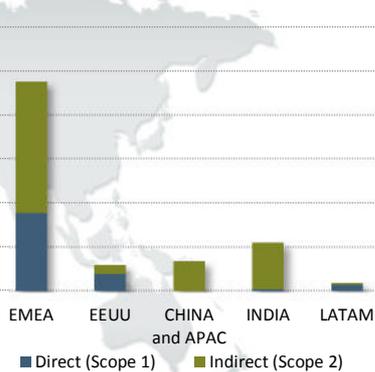


Figure 26.- CO₂ emissions 2015 by regions (tCO₂ eq)



Additionally, the more than 34.6 GW installed by Gamesa prevent the emission into the atmosphere of approximately 52 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 2015 (3,354 MW) have prevented greenhouse gas emissions amounting to 138 times the emissions generated by its activities.

In 2015, 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 245,727 tCO₂-eq for 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 (CFC's) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the atmosphere. The presence of these substances at Gamesa is marginal and located mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation.

The calculation referred to as "Other emissions" described in the table for indicator G4-EN21 (p. 105), 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 factories in China, as the emission parameters subject to control at these plants are different according to prevailing Chinese regulations.

Objective for 2025 as regards emissions Carbon-neutral.

Gamesa aims to achieve carbon neutrality by 2025.

To become carbon-neutral is one of the toughest climate commitments that an organization can have, since in accordance with the main methods in existence for determining neutrality, it involves a process of (i) calculation, (ii) reduction and (iii) offsetting of emissions.

Carbon neutrality in this sense involves individual commitments by Gamesa on the measurement, reduction and/or offsetting of the CO₂ originating from the Group's direct and indirect emissions over the next ten years (2015-2025).

The overall road map designed to fulfill this commitment includes a combination of adaptation and mitigation actions such as:

- Energy efficiency measures aimed at reducing emissions in the logistics area by at least 10% and atmospheric emissions from operations by at least 15% (measured in tCO_{2eq} per MW installed), by 2025.
- Measure for the purchasing of clean electricity by 2025 for plants and offices.
- Adaptation measures such as promoting the use of electric vehicles, mobility plans that take better account of the environment and projects to achieve complete recyclability of the materials contained in wind turbines at the end of their life cycle.
- CO₂ offset mechanisms which, depending on the various different scenarios, will take the form of the exchange of emission rights.

Current situation: Within operational limits, and in accordance with the requirements of ISO 14064:1, Gamesa keeps accounting records of its direct and indirect emissions.

Emissions are calculated annually (measurement of the carbon footprint) and verified by an accredited entity under the ISO 14064-1 standard. In establishing total emissions, the following GHGs are taken into account, in accordance with ISO 14064-1: CO₂, CH₄, N₂O, SF₆, PFCs and HFCs.

CO₂ emission offset mechanisms to be implemented: Gamesa will offset CO₂ emissions by reducing emissions generated by projects promoted by the Company in countries that are parties to the Kyoto Protocol but do not belong to Annex I and which help to reduce their GHG emissions, thus contributing to the ultimate objective of the UN Framework Convention on Climate Change, which is the stabilization of greenhouse gas emissions.

These projects have been registered under the Clean Development Mechanism (CDM) and as such generate Certified Emission Reductions (CERs).

Gamesa holds CERs (carbon credits) generated by these projects, with which it can offset emissions associated with its carbon footprint. It currently holds 10,200 CERs and will obtain a further 27,000 in 2016. By 2018 it expects to obtain approximately 90,000 more.

For the next ten years we will decide among the various time-frames and scenarios for the exchanges of the available emission reduction credits, which will subsequently be canceled in the records.

We expect Gamesa's commitment to achieving carbon neutrality, together with all its other actions in the field of environment and climate, to position it as an international benchmark.

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

Table 78.- Direct greenhouse gas emissions (Scope 1, by source)

(expressed in tCO _{2-eq})	2015	2014	2013	2012	2011
Combustion					
Natural gas	3,917.3	2,651	6,115	7,784	8,995
Propane	484.1	448	483	490	624
Diesel fuel	838.8	716	616	987	1,473
Dry ice	138.9	125	73	64	66
Vehicles					
Diesel fuel	4,374.6	1,894	2,017	2,728	3,242
Gasoline	2,267.5	210	502	589	225
Coolant gases					
R404A	-	-	-	97.50	353.6
R22	-	-	-	86.22	521.8
R407C	57.6	252.00	220.14	314.10	405.0
R410A	-	-	-	121.80	49.3
R417A	-	-	-	-	13.8
R422D	-	-	-	-	5.4
R134A	-	-	-	938.08	14.3
R401A	-	-	-	-	-
Dielectric					
SF ₆	-	-	-	-	-
Total direct CO₂ emissions (Scope 1)	12,079	6,297	10,038	14,202	15,991

Table 79.- Direct greenhouse gas (GHG) emissions (Scope 1, by geographical area)

(expressed in tCO _{2-eq})	2015	2014	2013	2012	2011
EMEA	8,914	5,602	7,861	9,872	10,714
USA	2,020	142	1,790	2,215	2,599
CHINA and APAC	116	111	75	661	2,012
INDIA	277	304	301	1,454	666
LATAM (incl. Brazil)	751	137	11	-	-
Total direct CO₂ emissions (Scope 1)	12,079	6,297	10,038	14,202	15,991

G4-EN16 Indirect greenhouse gas 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 equipments through electricity consumption.

Table 80.- Indirect greenhouse gas (GHG) emissions (Scope 2, by geographic area)

(expressed in tCO _{2-eq})	2015	2014	2013	2012	2011
EMEA	14,924	14,775	18,189	17,483	22,548
USA ⁵⁸	995	1,269	3,372	5,601	5,576
CHINA and APAC	3,321	4,112	3,609	5,297	12,286
INDIA	5,313	5,037	4,238	5,074	1,182
LATAM (incl. Brazil)	223	7	9	-	-
Total indirect CO₂ emissions (Scope 2)	24,776	25,199	29,418	33,454	40,756

⁵⁸ In the United States, indirect emissions have decreased relative to previous years due to the campaigns to reduce energy consumption carried out by the Company, which led to reductions in both overall electricity consumption and in the proportion of "dirty" energy in the overall power mix of the US.

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

Table 81.- Other indirect greenhouse gas emissions

(expressed in tCO _{2-eq})	2015	2014	2013	2012	2011
Land transport	4,384	2,428	1,642	4,023	n.a.
Sea transport	241,343	240,203	179,706	259,394	n.a.
Total direct CO₂ emissions (Scope 3)	245,727	242,631	181,348	263,416	n.a.

G4-EN18 Intensity of greenhouse gas emissions

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

Table 82.- Intensity of greenhouse gas emissions

	2015	2014	2013	2012	2011
(tons of CO ₂ per employee)	5.1	4.6	6.5	7.2	6.8
(tons of CO ₂ per € million of invoicing)	10.5	11.0	16.9	16.7	18.7

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 34.5 GW of cumulative installed wind energy capacity, which prevents the emission into the atmosphere of approximately 52 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 2015 in several of the organization's areas. One of these actions is the optimization of energy management, which enabled us to avoid the consumption of close to 2,725,000 kWh, equivalent to 605 tons of CO₂ (tCO_{2-e}).

Table 83.- Reduction of greenhouse gases. Managed actions

Plant:	Name of initiative	kW avoided	tCO _{2-e} avoided	Status
Gamesa Burgos	Change to standard temperature in the factory: installation of thermostats and changes to the temperature ranges in which the system is triggered. Change to an LED lighting system in Wing 39 of Gamesa's Burgos factory. As a result of this improvement savings of 22,547.66 kWh were made in the period August to December 2015.	22,547 (Electricity)	5.60	Completed
Gamesa Guipuzkoa (Asteasu)	Improvements to battery capacitors have greatly reduced the reactive power effect in the Asteasu production plant, leading to savings of €15,763.64 and 254.255,69 kWh. The cost of this improvement was €16,000	254,255.69 (Electricity)	62.80	Completed
Gamesa Galicia (As Somozas)	Modifications in 2015 to contracted power, as well as automation of central air-conditioning and vacuum cleaners.	938,525 (Electricity) 1,510,317 (Natural gas)	231.8 304.85	Completed
Total tCO_{2-e} avoided		2,725,646	605	

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 84.- Other significant atmospheric emissions

(expressed in metric tons-t)	2015	2014	2013	2012	2011
CO (t)	2.97	3.41	1.0	1.9	1.9
NO _x (t)	2.53	3.25	1.8	2.6	2.2
SO _x (t)	1.96	2.27	0.1	0.1	1.0
VOC (t)	1.44	9.20	13.4	4.0	3.9
Particles (t)	0.36	1.54	1.8	1.0	0.5
HC _x (t)	0.00	0.00	0	0	0
Total organic carbon (TOC)	4.76	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 **101,087 m³**, a 29% increase on the previous year's volume in absolute terms.

Table 85.- Volume discharged⁵⁹

(expressed in m ³)	2015	2014	2013	2012	2011
EMEA	28,792	20,554	21,622	13,955	26,884
USA	-	-	1,588	2,816	2,548
CHINA and APAC	22,395	31,913	23,438	32,750	29,519
INDIA	23,002	25,406	15,708	9,811	2,357
BRAZIL	26,898	-	-	-	-
Total discharges	101,087	77,872	62,356	59,332	61,488

⁵⁹ 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.

Table 86.- Effluent ecoefficiency

	2015	2014	2013	2012	2011
(m ³ per employee)	13.90	12.10	10.25	8.92	7.35
(m ³ per € million of invoicing)	28.84	27.36	26.69	20.86	20.27

Table 87.- Quality of water discharged

	2015	2014	2013	2012	2011
pH	7.6	7.6	7.6	7.6	7.9
Suspended solids (mg/l)	44.4	58.0	56.0	58.5	51.4
Chemical Oxygen Demand (COD)	130.2	124.8	146.1	90.6	99.2
Biological Oxygen Demand (BOD ₅)	40.9	38.9	52.8	36.8	27.4
Oils and fats	2.3	3.6	4.6	9.4	15.3
Total phosphorus	2.7	3.3	3.7	3.6	3.6
Total nitrogen	28.2	26.1	25.3	24.4	27.9
Total Chromium	1.4	1.0	0.0	0.3	0.7

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

The volume of waste in 2015 amounted to **11,552 tons**, 6% more than in the previous year, with a ratio of hazardous to non-hazardous waste generation of close to 1:8.

The figure for the waste generated by employee and year was of 1.5 tons.

Approximately 37% of the hazardous waste is destined to recovery, reuse or recycling, almost 6 percentage points more than in the preceding year. For its part, this percentage destined to taking advantage of used materials reached 6% in the case of non-hazardous waste.

Table 88.- Waste generation by type

(expressed in metric tons-t)	2015	2014	2013	2012	2011
Hazardous waste					
EMEA	1,146	959	1,495	1,800	1,844
USA	-	-	-	0.875	29
CHINA and APAC	32	30	21	65	589
INDIA	138	1	14	266	61
BRAZIL	-	-	-	3.6	-
Total hazardous waste	1,316	991	1,530	1,896	2,522
Non-hazardous Waste					
EMEA	8,452	8,199	7,722	7,722	8,810
USA	-	-	121	121	74.5
CHINA and APAC	305	215	163	163	220
INDIA	1,311	1,414	810	810	183
BRAZIL	169	23	0	0	6.1
Total non-hazardous waste	10,236	9,851	8,817	8,817	9,294
Total waste (hazardous and non-hazardous)	11,552	10,841	10,346	11,191	16,336

Table 89.- Ecoefficiency in waste management

	2015	2014	2013	2012	2011
(t/employee)	1.58	1.68	1.70	1.68	1.95
(t/€ mill. of invoicing)	3.29	3.80	4.42	3.93	5.38

Table 90.- Destination of waste by treatment method

	2015	2014	2013	2012	2011
Hazardous Waste					
Recovery	3.30%	3.07%	2.31%	3.34%	3.28%
Disposal	61.95%	69.99%	78.36%	82.26%	81.52%
Reuse	10.23%	1.61%	1.92%	1.87%	0.62%
Recycling	24.52%	25.33%	17.41%	12.53%	10.51%
Temporary storage	-	0.00%	0.00%	0.00%	4.07%
Non-hazardous waste					
Recovery	45.57%	49.13%	0.27%	0.12%	0.03%
Disposal	16.65%	16.77%	64.10%	55.73%	53.78%
Reuse	5.67%	6.34%	2.13%	1.86%	1.00%
Recycling	32.11%	27.76%	33.50%	42.29%	44.81%
Temporary storage	-	0.00%	0.00%	0.00%	0.37%

Table 91.- Most characteristic types of waste

(expressed in metric tons-t)	2015	2014	2013	2012	2011
Hazardous waste					
Prepreg	192	232	473	818	1,177
Catalyzed waste	39	41	77	115	114
Contaminated metal containers	59	31	36	63	91
Contaminated materials	227	149	287	181	362
Semi-solid resins	57	44	66	61	81
Used oil	81	84	88	92	97
Contaminated plastic containers	40	28	54	54	77
Non-hazardous waste					
General garbage	1,646	1,445	1,498	1,860	3,313
Paper and cardboard	393	281	353	336	553
Wood	1,308	1,117	921	685	2,016
Casting sand	4,015	4,825	3,009	2,689	2,387
Scrap	1,774	1,637	1,536	2,868	3,935
Polyethylene	430	150	372	426	632

G4-EN24 Total number and volume of significant spills

There were no significant spills in 2015. 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 fifty-five (155) small spills of hydraulic and lubrication oil having a total volume of 4.2 m3 (4,158 liters) were recorded.

All were recorded, communicated and corrected conforming to internal management process. It was not necessary to adopt exceptional corrective measures.

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

There was no cross-border transport of waste in 2015.

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 2015.

Products and Services

G4-DMA Management Approach

Gamesa has defined as one of the essential pillars of its excellence policy "The creation and distribution of wealth among its shareholders, employees, suppliers, customers and the communities in which it carries on 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 ecodesign certification of its products under ISO 14006/2011. The G10X-4.5 MW, G114-2MW and G128-5MW platforms are included in Gamesa's Ecodesign certification together with the electric vehicle charging point. This achievement enables the environmental impact of the wind turbines to be minimized throughout their life cycle, 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, manufacture, packaging and delivery, installation, operating, maintenance and dismantling stages. Ecodesign is a tool that improves a product, both in terms of its environmental impact as well as in efficiency and costs. It facilitates processes and provides greater possibilities when taking design decisions.

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

Gamesa aligns the development of new products with market needs, maintaining a competitive cost of energy (CoE) and R&D investments in keeping with the size of the business. 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)⁶⁰

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 with 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 wind 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 associated 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.⁶¹

⁶⁰ AEP/THM: Annual Energy Production/Top Head Mass as a product competitiveness parameter

⁶¹ <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 G128-5.0 MW⁶² and G132-5.0 MW wind turbines.⁶³

Table 92.- Eco-profile of Gamesa wind turbines

Potential environmental impact of 1kwh of wind energy over the whole life cycle		G90 (78 m tower)	G114 (80m tower)	G114 (93 m tower)	G128 (140 m hybrid)	G132 (95 m tower)
Acidification potential (AP)	(g SO ₂ eq)	6.91 E-02	7.43 E-02	7.74 E-02	7.06 E-02	6.57 E-02
Eutrophication potential (EP)	(g PO ₄ ⁻³ eq)	6.97 E-03	5.87 E-02	6.04 E-02	2.66 E-02	2.60 E-02
Global warming potential (GWP-100y)	(g CO ₂ eq)	9.82 E+00	9.27 E+00	1.00 E+01	1.07 E+01	9.61 E+00
Ozone depletion potential (ODP-20y)	(g CFC-11 eq)	1.32 E-06	7.33 E-07	7.80 E-07	1.02 E-06	8.69 E-07
Ozone formation at ground level	(g C ₂ H ₄ eq)	4.51 E-03	4.13 E-03	4.49 E-03	4.39 E-03	4.24 E-03

Figure 27.- Global warming potential (GWP-100y) over the life cycle of Gamesa wind turbines

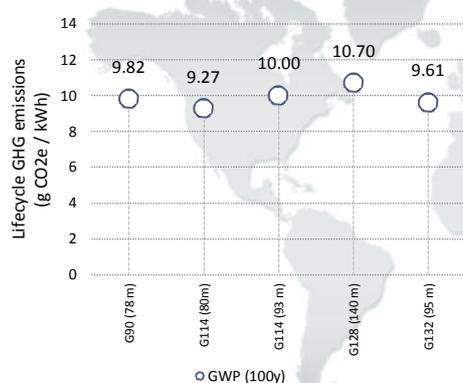


Figure 28.- LCA GHG emissions of energy systems (GWP expressed in gCO₂ eq/kWh)⁶⁴

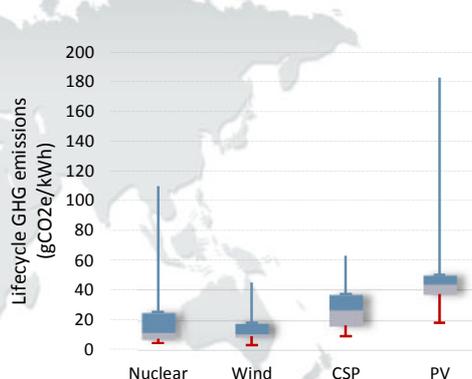


Table 93.- Selection of environmental impacts

Use of resources by 1kwh of wind energy over the whole life cycle		G90 (78 m tower)	G114 (80m tower)	G114 (93 m tower)	G128 (140 m hybrid)	G132 (95 m tower)
Fresh water	(m ³)	4.50 E-05	4.17 E-05	4.40 E-05	2.79 E-05	2.55 E-05
Salt water	(m ³)	3.64 E-06	3.03 E-06	3.27 E-06	3.27 E-06	2.69 E-06
Wood	(g)	2.89 E-01	2.33 E-01	2.38 E-01	2.94 E-01	2.91 E-01
Energy: nuclear	(MJ)	2.21 E-02	2.00 E-02	2.15 E-02	2.85 E-02	6.19 E-05
Energy: Crude oil	(MJ)	4.78 E-02	4.53 E-02	4.74 E-02	1.14 E+00	9.42 E-01
Energy: Lignite	(MJ)	7.34 E-03	6.01 E-02	6.57 E-02	2.31 E-01	2.07 E-01
Energy: Hard coal	(MJ)	4.89 E-02	3.82 E-02	4.37 E-02	2.20 E+00	2.16 E+00
Energy: Natural gas	(MJ)	3.41 E-02	3.61 E-02	3.84 E-02	5.04 E+02	4.68 E+02
Hazardous waste (non-radioactive)	(g)	5.98 E-02	5.41 E-02	5.41 E-02	8.01 E-02	5.34 E-02
Non-hazardous waste (landfill)	(g)	8.57 E+00	6.47 E+00	7.20 E+00	1.15 E+01	7.69 E+00
Non-hazardous waste (incineration)	(g)	1.68 E-01	2.17 E-01	2.17 E-01	1.03 E-02	1.05 E-02
Non-hazardous waste (recycling)	(g)	2.60 E+00	2.09 E+00	2.42 E+00	1.45 E+00	1.77 E+00

⁶² Environdec: <http://environdec.com/en/Detail/epd705>

⁶³ Environdec: <http://environdec.com/en/Detail/epd706>

⁶⁴ Source: 2011: Renewable Energy in the Context of Sustainable Development. In IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation

Compliance

G4-DMA Management Approach

Gamesa has defined as one of the essential pillars of its excellence policy "The 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 legal requirements in force 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.

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. 93) of this report.

General: Environmental protection 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 Management Control Division.

G4-EN31 Total environmental protection expenditure and investments by type

Table 94.- Environmental expenditures by type of expense

(expressed in euros-€)	2015	2014	2013	2012	2011
Facility refurbishment	51,015	7,834	47,168	3,208	7,825
Analyses	5,909	7,871	137,207	3,721	9,216
Safety advisor ⁶⁵	2,135	0	8,260	5,249	3,872
Consultancy /Counseling	475	22,080	623,335	733,246	2,270,788
Waste management	708,288	550,706	519,246	1,043,783	1,175,181
Environmental monitoring plan	0	55,543	273,115	1,029,311	1,260,327
Environmental management system	43,850	22,600	49,974	49,974	101,408
Training	301,875	315,693	923,188	194,384	191,115
Others	0	0	57,024	-	-
Total environmental expenditure	1,113,547	982,328	2,638,518	3,062,875	5,020,542

Supplier Environmental Assessment

G4-DMA Management Approach

Gamesa is equipped with screening procedures for new suppliers of both goods and services, through which their environmental management and performance is assessed in terms of their acceptability as suppliers to the Company. It also has management procedures in place and a methodology for evaluating external suppliers of materials in terms of the degree to which they have implemented management systems that ensure quality products in facilities that are respectful of the environment and take account of their employees' health and safety.

G4-EN32 Percentage of new suppliers screened using environmental criteria

Screening processes were conducted on 66 new suppliers in 2015. These processes include an assessment of the environmental criteria defined in the internal procedure.

Additionally, Gamesa's quality assurance unit carries out quarterly evaluations of the top 100 suppliers' quality management systems and their results, as well as of their care of the environment and whether they hold certification of their health and safety at work systems. In 2015 this process was applied to 111 existing suppliers.

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 specified under indicator G4-12 (p.31), "Responsible development of the supply chain", this aspect is gradually being incorporated into the management system through the supplier registration and approval system.

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.

⁶⁵ The subcontracting of Safety advisors came to an end in 2014 and they are now managed in-house. Hence, the expenditure booked for them is zero in said year.

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 2015-2017 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 determines 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 2014 the new organizational design was consolidated and implemented in the various Regions.

In 2015, with a view to responding to the objectives set out in the Vision 2015 - 2017, Gamesa carried out a geographical reorganization, effective January 1, 2016, creating the EMEA (Europe, Middle East and Africa) , APAC (Asia-Pacific) and LATAM (Latin America) regions, and the O&M operating units were incorporated into the new regional structures.

Gamesa's workforce increased by 840 (13%) over the course of the year, due to the increase in activity. The increase was mainly in direct and indirect labor, not affecting fixed salary costs.

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

New hires in 2015 were mainly (46%) in India.
63% of new hires were under 30 years of age.

Table 95.- New hirings within the social boundary

	2015			2014		
	Men	Women	TOTAL	Men	Women	TOTAL
Total in number	1,419	167	1,586	716	97	813
By age						
Age group: <25 years	403	23	426 (27%)	162	8	170 (21%)
Age group: 25-30 years	517	64	581 (37%)	248	44	292 (36%)
Age group: 31-35 years	267	38	305 (19%)	168	27	195 (24%)
Age group: 36-40 years	125	30	155 (10%)	80	11	91 (11%)
Age group: >40 years	107	12	119 (8%)	58	7	65 (8%)
By region						
Region: Europe and the Rest of the World	228	46	274 (17%)	108	35	143 (18%)
Region: United States	88	8	96 (6%)	50	3	53 (7%)
Region: China	140	23	163 (10%)	148	24	172 (21%)
Region: India	704	20	724 (46%)	277	2	279 (34%)
Region: Brazil	222	43	265 (17%)	133	33	166 (20%)
Region: Mexico	37	27	64 (4%)	-	-	-

The number of voluntary resignations during the year was 460, compared with 369 in 2014. Of these, 422 (92%) were men and 38 (8%) women.

Table 96.- Voluntary resignations

	2015		2014		2013	2012	2011
	Men	Women	Men	Women			
Total voluntary resignations by gender (M/W)	422	38	323	46	219/61	270/79	297/72
Breakdown by groups							
Total voluntary resignations. Director	-	-	1	-	2	1	n.a.
Total voluntary resignations. Managers	56	6	56	6	54	56	n.a.
Total voluntary resignations. Specialists	176	18	133	27	145	194	n.a.
Total voluntary resignations. Supervisors	13	-	10	-	18	16	n.a.
Total voluntary resignations. Technicians	177	14	122	12	55	77	n.a.
Total voluntary resignations. Experts	-	-	1	1	3	2	n.a.
Total voluntary resignations. Others	-	-	-	-	3	3	n.a.
Breakdown by age group							
Total voluntary resignations. <25 years	88	5	62	3	18	22	54
Total voluntary resignations. 25-30 years	157	10	100	16	107	140	128
Total voluntary resignations. 31-35 years	91	14	79	13	65	93	84
Total voluntary resignations. 36-40 years	47	4	39	8	51	50	55
Total voluntary resignations. >40 years	39	5	43	6	39	44	48
Breakdown by region							
Total voluntary resignations. Europe & ROW	81	15	72	19	71	111	110
Total voluntary resignations. United States	57	3	39	6	65	103	68
Total voluntary resignations. China	83	11	88	15	54	76	126
Total voluntary resignations. India	186	3	121	3	79	49	61
Total voluntary resignations. Brazil	9	3	3	3	11	10	4
Total voluntary resignations. Mexico	6	3	-	-	-	-	-

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

In line with the provisions of its Code of Conduct, Gamesa Group remuneration model is based on the principle of equal opportunity, avoiding any kind of discrimination and ensuring compliance with labor legislation in all the countries in which it operates.

The branches or specialties included in the global benefits program are those corresponding to life, temporary disability, accident, health, travel assistance and social provident plans.

All persons having an employment relationship with Gamesa form part of the possible insurable group. The identification and overall management of the social benefits provided in each country is carried out in accordance with the legislation, usages and customs of each, as well as with the professional level of each employee.

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

Table 97.- Parental leave and return to work

	2015			2014		
	Men	Women	TOTAL	Men	Women	TOTAL
Number of employees entitled to parental leave	5,725	1,546	7,271 (100%)	4,972	1,459	6,431 (100%)
Number of employees taking parental leave	224	140	364 (5%)	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 2015 there were a total of 36 works councils in Spain, 15 of which held elections during the year. A total of 234 meetings were held with these works councils. In addition, 32 meetings were held in Spain to negotiate and monitor the various temporary layoffs.

In addition to the above-mentioned meetings with the Works Councils, meetings were held to negotiate a collective agreement for the Spanish offices, and numerous meetings were held with labor union federations or their coordinators in Gamesa.

The Training Panel, set up in 2014 with Spain's major trade unions (CCOO, UGT and ELA), met twice. This Panel will monitor training in Spain, except for the production plants.

The Equality Committee for its part met three times in 2015.

The beginning of 2015 saw the official signing of the Gamesa Global Labor Agreement⁶⁶ negotiated in 2014 with the major Spanish trade unions (UGT, CCOO and ELA) and the worldwide IndustriALL Global Union. This agreement is the world's first with a company in the renewable energy sector, and will apply to all the companies forming Gamesa Group and all their employees worldwide, incorporating new clauses which strengthen workers' rights. In September 2015 the monitoring committee for this Agreement was set up.

⁶⁶ <http://www.industriall-union.org/industriall-global-union-signs-global-framework-agreement-with-gamesa>

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

Equally notable was the signing in Brazil of four agreements on pay, two relating to variable remuneration at the Camaçari and São Paulo centers, and two relating to the annual increase applicable in these two centers.

In the United States two collective labor agreements were signed in 2015, one for the Fairless Hills service warehouse and the other for the Ebensburg center.

The usual communication channels between the company and workers continue, in particular the Gamesa intranet, with more than 751,000 visits in 2015, the employees' internal mailbox, and the Gamesa Club (3,746 views), Gamesa Flex (2,042 queries answered), and the Human Resources management mailboxes for communications relating to the workforce.

Table 98.- Committees and dialog panels in Spain

	2015	2014	2013	2012	2011
Works councils	36	35	34	37	N.A.
Meetings with Works councils	234	278	212	147	130
Lay-offs Negotiation meetings	16	24	37	65	61
Lay-offs Monitoring meetings	16	24	26	31	67
Number of trades unions elections	15	6	6	-	-
Number of collective bargaining agreements signed	-	4	2	-	-
Number of meetings of the Psychosocial Risks Panel	4	5	4	-	-
Number of meetings of the Diversity and Equality Committee	3	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 group layoffs. Similarly, in Brazil the law establishes a prior notice period of between 30 and 90 days for cases of dismissal and collective vacations.

In China, India and Mexico, 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 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 ⁶⁷

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, as indicated below.

⁶⁷ <http://www.gamesacorp.com/recursos/doc/rsc/compromisos/clientes/certificaciones-ohsas-y-i/gamesa-excellence-policy.pdf>

- 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;
- 71 comprehensive audits carried out by the audit team in 2015, with the annual schedule being 87.7% fulfilled;
- 1,395 specific training actions on occupational health and safety, out of a total of 1,516 actions planned for 2015, representing an overall degree of fulfillment of 92%. In addition, 332 special training actions were carried out.
- The efforts made in investigating 100% of accidents and incidents led to a total of 2,112 actions in 2015 to improve health and safety, with programs at different stages of progress, although we would highlight that 95.5 % of them have been completed.
- 8,263 safety inspections and 9,166 preventive observations scheduled, along with risk notifications and audits carried out in 2015, identified 7,890 new improvement actions, which have currently been 94% completed.
- 99.9% completion of health checks against plan.
- a weighted degree of fulfillment of the annual health and safety management plan of 98.2%, for all operational areas and geographical regions.

Table 99.- Management of the occupational health and safety program

	2015	2014	2013	2012	2011
Comprehensive health & safety audits	71	58	33	37	83
% fulfillment of the audit program	87.7%	89.6%	78.5%	71.2%	100%
Specific health and safety training actions	1,727	829	422	1,948	1,123
% attainment of the training action plan	92%	96.8%	96.5%	96.5%	80.0%
Health and safety improvement actions	2,112	1,168	1,658	2,553	2,539
% completion of actions for improvement	95.5%	87.6%	85.8%	88.1%	79.0%
Safety inspections	8,263	15,124	15,728	18,452	21,549
Preventive observations	9,166	3,008	2,510	3,068	3,020
Required actions for improvement detected:	7,890	6,196	4,163	4,797	2,345
% Implementation of actions for improvement	94%	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 operations, 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:

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

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 Human Resources 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. Gamesa reinforces its lead role and the visibility of its commitment to prevention by taking an active part in the Spanish Quality Association's Community for the Prevention of Risks at Work, a forum in which, thanks to the combined experience and knowledge of its members, successful models and practices for handling prevention can be explored, identified and developed collaboratively. Our role is to lead a Working Group for the adoption of values and principles in the field of prevention in organizations' culture, developing benchmarking activities in reference companies which will result in publication of a Guide to Best Practices in Preventive Culture.

Gamesa also shares reflections and dynamics on occupational risk prevention in the PRL Innovation forum (<http://www.prlinnovacion.com/>). This is an association created by and for public and private sector bodies, in which we promote a culture of innovation in the field of prevention, because we believe this activity *can* and must be managed in such a way as to generate value for people and in a way that is fully aligned with the business objectives. We care about reality. We try to be practical in our proposals and actions, seeking results, questioning the efficiency and effectiveness of processes and procedures, and striving to minimize bureaucracy. In this past year we took part as presenters in various sessions on Balanced Scorecards and on Communication in Prevention.

At regional level, Gamesa is a member of the Navarre Industrial Foundation's Panel on Health and Safety in the Workplace. The Foundation's main objective is to promote the technical and economic progress of Navarre, as well as encouraging business collaboration and relations allowing ongoing exchange of know-how and contacts. Our leadership as coach in the H&S Panel focuses on generating an all-round view of Health and Safety in the workplace, allowing the results of the risk management carried out by the organization to be quantified and the commitment to continuous improvement reinforced. With the aim of sharing our experiences and results in the field of Road Safety, Gamesa cooperates actively with the Segurbide Committee, whose purpose is to create indicators and guidelines on Road Safety at Work in the Basque Country, with Trafikoa, OSALAN and other leading entities in the field.

Gamesa also establishes collaborative synergies with the Administration and Institutes for Health and Safety at Work. With OSALAN in the Basque Country, active participation in the Committee of Experts, on defining the Basque Governments' new Health and Safety at Work Strategy for 2015-2020. With IRSST in Madrid, cooperation on the development of an article on "Working at Height" in its digital bulletin, as well as a presentation in a session entitled "The Internationalization of SMEs and their Actions in Prevention".

With a view to improving our processes and sharing results of our strategic lines of action, we work closely together with other companies such as Mercedes Benz, AZTI Tecnalia, John Deere, SNA Europe, Airbus and Sacyr on benchmarking activities.

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 2015, Gamesa once again recorded its lowest ever accident rates. Over the course of the year there was a 37% decrease in the frequency rate for accidents with sick leave and a 57% 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.

As regards fatalities, there was one fatal accident in 2015 involving the activity being carried out by an employee of Gamesa, and there was also one fatal accident involving activities carried out by contractors.

Table 100.- Frequency rate (FR) of accidents involving sick leave

	2015	2014	2013	2012	2011
FR EMEA	3.12	4.42	2.09	2.13	4.63
FR USA	0	0	1.02	3.57	4.90
FR CHINA and APAC	2.16	1.33	1.52	5.45	1.12
FR INDIA	0.48	0.00	0.00	0.00	0.00
FR BRAZIL	0.00	2.61	0.00	0.00	0.00
Total Frequency rate	1.08	1.72	1.74	2.39	3.84
FR EMEA (ref.200,000 hrs)	0.62	0.88	0.42	0.43	0.92
FR USA (ref.200,000 hrs)	0.00	0.00	0.20	0.71	0.98
FR CHINA and APAC (ref.200,000 hrs)	0.43	0.27	0.30	1.09	0.22
FR INDIA (ref.200,000 hrs)	0.09	0.00	0.00	0.00	0.00
FR BRAZIL (ref.200,000 hrs)	0.00	0.52	0.00	0.43	-
Total Frequency rate (ref. 200,000 hrs.)	0.22	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.

Figure 29.- Trends in consolidated frequency rate for accidents with sick leave

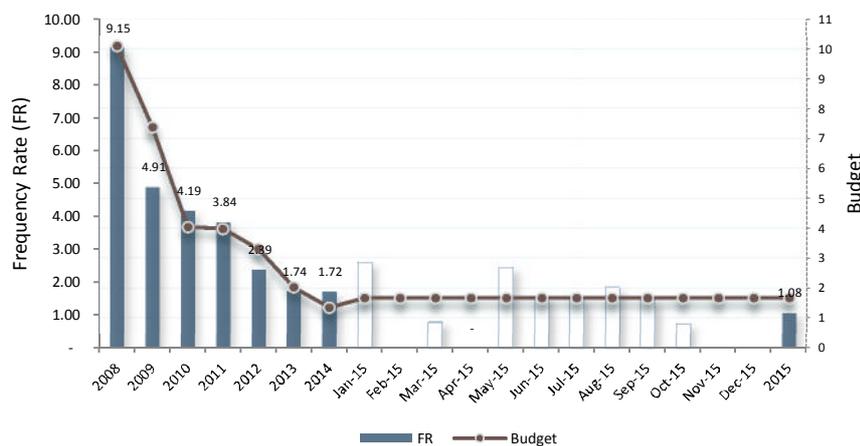


Table 101.- Accident severity rate (SR)

	2015	2014	2013	2012	2011
SR EMEA	0.085	0.141	0.061	0.072	0.110
SR USA	0.000	0.000	0.001	0.120	0.160
SR CHINA and APAC	0.006	0.085	0.169	0.124	0.004
SR INDIA	0.001	0.000	0.000	0.00	0.000
SR BRAZIL	0.000	0.008	0.000	-	-
Total Severity rate	0.023	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 102.- Incidence rate (IR)

	2015	2014	2013	2012	2011
IR EMEA	2.61	3.60	3.45	3.90	7.84
IR USA	0.00	0.00	0.16	9.78	9.67
IR CHINA and APAC	3.25	1.72	0.16	9.31	1.73
IR INDIA	0.64	0.00	0.00	0.00	0.00
IR BRAZIL	0.00	3.30	0.00	-	-
Total Incidence rate	2.20	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 103.- Hazard rate (HR)

	2015	2014	2013	2012	2011
HR EMEA	37.46	41.87	23.96	33.78	42.89
HR USA	33.48	11.88	28.50	47.55	56.04
HR CHINA and APAC	9.72	9.33	4.57	19.63	7.29
HR INDIA	3.84	8.53	5.51	10.37	3.56
HR BRAZIL	7.18	10.42	88.42	-	-
Total Hazard Rate	13.14	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 104.- Accident lost day rate (LDR)

	2015	2014	2013	2012	2011
LDR EMEA	17.02	28.25	12.21	14.32	21.28
LDR USA	0.00	0.00	0.20	24.01	32.43
LDR CHINA and APAC	1.29	17.05	33.84	24.86	0.78
LDR INDIA	0.19	0.00	0.00	0.00	0.00
LDR BRAZIL	0.00	1.56	0.00-	-	-
Total lost day rate	4.58	10.84	11.00	14.70	18.38

Days lost index (IDR) = (No. of days lost / Total hours lost) x 200,000

Table 105.- Occupational disease rate (ODR)

	2015	2014	2013	2012	2011
ODR EMEA	0.170	0.177	0.159	0.071	0.088
ODR USA	0.000	0.000	0.000	0.000	0.000
ODR CHINA and APAC	0.000	0.000	0.000	0.000	0.000
ODR INDIA	0.096	0.000	0.000	0.000	0.000
ODR BRAZIL	0.000	0.000	0.000	-	-
Total occupational disease rate	0.054	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 106.- Accident rates for external personnel: construction, projects and maintenance

	2015	2014	2013	2012	2011
Construction and project personnel: Frequency Rate	3.32	2.82	4.17	4.39	6.07
Construction and project personnel: Frequency Rate ⁶⁸	0.66	0.56	0.83	0.87	1.21
Construction and project personnel: Severity Rate	0.09	0.12	0.10	0.09	0.13
Maintenance personnel: Frequency Rate	2.35	2.68	3.22	5.21	7.38
Maintenance personnel: Frequency Rate ⁶⁹	0.47	0.54	0.64	1.04	1.47
Maintenance personnel: Severity Rate	0.04	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 18 million hours in 2015. In certain cases data have had to be estimated.

⁶⁸ Per 200,000 hours

⁶⁹ Per 200,000 hours

Table 107.- Absenteeism rate⁷⁰

	2015	2014	2013	2012	2011
EMEA	5.11%	5.36%	5.10%	4.28%	5.49%
USA	-	-	-	5.94%	4.57%
CHINA and APAC	0.94%	1.45%	2.06%	1.50%	1.86%
INDIA	0.42%	0.97%	0.49%	1.52%	3.11%
BRAZIL	0.62%	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 Gamesa 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 the Group's Spanish companies in 2015, work continued on the analysis deriving from the evaluation of psychosocial risks, and a monitoring protocol to mitigate or correct the effects of these types of risks is in the design phase.

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.

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 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.

⁷⁰ Calculation of the absenteeism index is defined as the number of hours lost / number of hours worked. This criterion is applied in Europe and the rest of the world, China, and India. Due to special market characteristics, in the case of the United States absenteeism is defined as "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.

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 2015 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 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, guaranteeing evaluation of knowledge, capacities, and abilities. It guarantees compliance with prevailing law regarding incorporation of the disabled and actions for eliminating any kind of forced or obligatory labor, for eradication of child labor and forced labor for repaying loans, and for extinction of any other type of coercive work.

In the countries where it is established, Gamesa makes searching for and attracting local talent a priority. Likewise, internal mobility is being strengthened within the company group, whether local or international, encouraging wide representation and knowledge transfer. In this regard 2015 Gamesa carried out 878 short-term international assignments in 2015 and has a further 90 employees on longer term international postings.

In 2015, local management personnel was 93% in Spain, 100% in India, 33% in the United States, 67% in China, 67% in Brazil and 50% in Mexico.

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

Total training during the year amounted to 175,282 hours.

Table 108.- Hours of training ⁷¹

	2015			2014			2013	2012	2011
	Men	Women	TOTAL	Men	Women	TOTAL	TOTAL	TOTAL	TOTAL
Hours of training	149,930	25,352	175,282	103,913	16,055	119,968	45,553	183,184	323,694
Executives	0.5%	0.1%	0.6%	1.15%	0.13%	1.28%	0.1%	1%	1%
Managers	6.4%	1.1%	7.5%	7.52%	1.28%	8.80%	6.9%	9%	15%
Specialists	22.4%	5.0%	27.4%	11.89%	1.20%	13.09%	23.1%	36%	45%
Supervisors	15.7%	0.3%	15.9%	7.45%	1.61%	9.06%	2.5%	3%	2%
Technicians and experts	40.7%	8.0%	48.6%	58.61%	9.16%	67.77%	67.4%	51%	37%
Training rate ⁷²	28.42	16.99	25.90	16.73	2.58	19.31	7.49	23.59	39.57
EMEA	26.40	16.38	23.54	13.47	3.17	16.64	10.71	27.85	40.35
USA	60.25	15.33	52.96	37.03	2.54	39.57	1.64	30.52	55.73
CHINA and APAC	21.21	21.49	21.28	10.86	1.42	12.27	0.01	5.31	36.34
INDIA	28.87	14.83	28.50	28.20	1.19	29.39	-	10.52	19.93
BRAZIL	26.29	20.01	25.12	10.09	0.54	10.63	0.44	-	-

⁷¹ 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.

⁷² Average number of hours of training per year per employee

Gamesa Training Center (Gamesa Faculty)

Gamesa maintains a specialized training center, the Gamesa Training Center⁷³, 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. Thus it has an objective of both in-house training – reflected in the hours of training delivered to employees - and external training, since 663 external persons were trained in 2015.

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.

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, which focuses on our employees' career development. In 2015 we ran the following career development and talent capture programs:

- High potential program. Detecting high-potential talents in order to accelerate their development and training
- The *Gamesa Leadership Program*, the objective 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.

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 2015 it handled 878 short-term international assignments (between 15 days and 1 year) to 43 countries. At year-end, 90 employees were on long-term international postings (over 1 year).

International Assignment means the temporary posting of an employee to another work center in a country other than the one in which he is employed. It involves the employee's being physically present in a new country for the duration of the assignment.

⁷³ Link: <http://www.gamesacorp.com/recursos/doc/productos-servicios/operacion-y-mantenimiento/gamesa-faculty.pdf>

Table 109.- International mobility (International assignments)

	2015			2014		
	⁷⁴ Long ISP	⁷⁵ Short ISP	Total	Long ISP	Short ISP	Total
EMEA	6	353	359	4	550	554
USA	4	10	14	-	47	47
CHINA and APAC	17	117	134	-	48	48
INDIA	6	38	44	-	32	32
BRAZIL	31	144	175	10	112	122
LATIN AMERICA	26	216	242	-	-	-
Total international mobility	90	878	968	14	789	803

G4-LA11

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

Table 110.- Personnel subject to performance evaluation: by geographic region

	2015	2014	2013	2012	2011
Performance evaluation: Europe and ROW	2,567 (63%)	2,815 (68%)	(*)	2,613 (67%)	2,952 (65%)
Performance evaluation: United States	211 (58%)	173 (49%)	(*)	212 (6%)	326 (7%)
Performance evaluation: China	437 (71%)	272 (49%)	(*)	302 (8%)	473 (11%)
Performance evaluation: India	837 (53%)	784 (82%)	(*)	707 (18%)	789 (17%)
Performance evaluation: Brazil	175 (34%)	115 (56%)	(*)	49 (1%)	-
Performance evaluation: Mexico	109 (97%)	-	-	-	-
% of employees subject to evaluation:	60%	65%	(*)	58%	54%
Total personnel subject to evaluation	4,336	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 and is carried out every two years.

Table 111.- Personnel subject to performance evaluation: by gender

	2015	2014
Total number of employees	7,271	6,431
Men	5,725	4,972
Women	1,546	1,459
Employees subject to performance evaluations	60%	65%
Men	73%	73%
Women	27%	27%

⁷⁴ Long ISP: International assignment with a minimum duration of one year and up to three, extendable to five in case of need.
⁷⁵ Short ISP: International assignment with duration of 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 set out explicitly in Gamesa Code of Conduct.

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

Gamesa has a **Diversity and Inclusion Policy**⁷⁶, 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 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*. Gamesa signed the First Equality Plan together with workers' representatives in September 2010. 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)⁷⁷.

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

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.

⁷⁶ See link: <http://www.gamesacorp.com/recursos/doc/accionistas-inversores/gobierno-corporativo/politicas-corporativas/english/diversity-and-inclusion-policy.pdf>

⁷⁷ See link: <http://www.gamesacorp.com/recursos/doc/capital-humano/english/our-people/equality-plan-gamesa.pdf>

To this must be added the agreement on the extension of work-life balance measures signed in 2014 and the provision of nursing rooms in the three office centers (Madrid, Pamplona, and Zamudio).

In 2015 Gamesa renewed its membership of the Diversity Charter and signed three collaboration agreements with the Ministry of Health, Social Affairs and Equality to promote the balanced participation of men and women on boards of directors, increase the presence of women in management positions and promote awareness of gender-based violence and support for victims in joining the workforce.

Harassment protocol

Gamesa has an action protocol for the prevention of harassment in the workplace⁷⁸ and is committed to avoiding the occurrence of sexual, gender-based and/or psychological harassment, since it 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:

- Renewing (2015/2017) subscription to the Diversity Charter, 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 Diversity Charter comply with standards and rules in force regarding equal opportunity and anti-discrimination and adopt the basic guideline principles established in the declaration;
- Signing of a collaboration agreement with the Ministry of Health, Social Affairs and Equality to promote the balanced participation of men and women on boards of directors.
- Signing of a collaboration agreement with the Ministry of Health, Social Affairs and Equality to increase the presence of women in management positions and on management committees.
- Signing of a collaboration agreement with the Ministry of Health, Social Affairs and Equality to promote awareness of gender-based violence and support for victims in joining the workforce.

These new initiatives are in addition to Gamesa 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 the United Nations Development Fund for Women (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.

⁷⁸ See link: <http://www.gamesacorp.com/recursos/doc/capital-humano/english/our-people/protocol-in-the-event-of-harassment.pdf>

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.
Basic data on diversity

At year-end, the percentage of women in the workforce stood at 21.3% of the total (1,546).

The percentage of the workforce with university degrees was 61%, compared with 39% non-graduates.

By age groups, the most numerous is that of the over-40s (1,980, or 27%), closely followed by the 31-35 (1,777) and 36-40 (1,734) age groups each with 24%, while the 25-30 age group accounts for 18% and the under-25s for 6%.

Table 112.- Workforce diversity indicators

(as of December 31)	2015	2014	2013	2012	2011
Breakdown by gender					
Men	5,725 (79%)	4,972 (77%)	4,641 (76%)	5,068 (76%)	6,420 (77%)
Women	1,546 (21%)	1,459 (23%)	1,438 (24%)	1,578 (24%)	1,937 (23%)
Breakdown by professional group					
University graduates	4,417 (61%)	4,022 (63%)	3,664 (60%)	3,795 (57%)	4,477 (54%)
Non university graduates	2,854 (39%)	2,409 (37%)	2,415 (40%)	2,851 (43%)	3,880 (46%)
Breakdown by age groups					
Employees aged <25 years	459 (6%)	223 (3%)	162 (3%)	166 (2%)	460 (5%)
Employees aged 25-30 years	1,321 (18%)	1,138 (18%)	1,125 (18%)	1,408 (21%)	2,201 (26%)
Employees aged 31-35 years	1,777 (24%)	1,705 (27%)	1,704 (28%)	1,932 (29%)	2,303 (28%)
Employees aged 36-40 years	1,734 (24%)	1,601 (25%)	1,465 (24%)	1,471 (22%)	1,620 (19%)
Employees aged > 40 years	1,980 (27%)	1,764 (27%)	1,623 (27%)	1,669 (25%)	1,773 (21%)
Breakdown by nationality					
Spanish	52.9%	59.6%	61.9%	64.9%	58%
Chinese	8.4%	8.9%	8.4%	7.7%	13%
Indian	21.6%	16.0%	13.7%	12.2%	11%
US	4.3%	4.7%	5.9%	6.9%	10%
Brazilian	6.5%	4.2%	1.3%	1%	0.7%
Other	6.4%	6.6%	8.9%	7.4%	7.3%
Other indicators of diversity (Spain only)					
Employees with disabilities > 33%	20	12	12	18	18
Administrative personnel with disability > 33%	9	6	5	5	1
Total Personnel with disabilities > 33%	29	18	17	23	19
Amount of compensating measures (euros)	2,188,551	694,871	596,124	-	-

Spaniards are a majority at Gamesa, accounting for 52.9% of the workforce, followed by Indians (21.6%) and Chinese (8.4%).

At the national level (Spain), the average number of persons employed by Gamesa with a disability equal to or greater than 33% stood at 29 in 2015, 20 employees and 9 management staff. Compensatory measures applied in 2015 amounted to €2,188,551, through contracts to special employment centers for the provision of products and services.

Table 113.- Employees by category in diversity

(as of December 31)	2015	2014	2013
Directors	12	10	10
Men	9 (75%)	9 (90%)	9 (90%)
Women	3 (25%)	1 (10%)	1 (10%)
Age >40 years	12 (100%)	10 (100%)	10 (100%)
Senior Management	5	5	5
Men	5 (100%)	5 (100%)	5 (100%)
Women	0 (0%)	0 (0%)	0 (0%)
Age <25 years	-	-	-
Age 25-30 years	-	-	-
Age 31-35 years	1 (20%)	1 (20%)	-
Age 36-40 years	-	-	-
Age >40 years	4 (80%)	4 (80%)	5 (100%)
Executives	99	100	84
Men	87 (88%)	90 (90%)	78 (93%)
Women	12 (12%)	10 (10%)	6 (7%)
Age <25 years	-	-	-
Age 25-30 years	1 (1%)	-	-
Age 31-35 years	3 (3%)	4 (4%)	4 (4.8%)
Age 36-40 years	15 (16%)	10 (10%)	12 (14.3%)
Age <40 years	81 (85%)	86 (86%)	68 (80.9%)
Management personnel	4,312	3,865	3,611
Men	3,321 (77%)	2,961 (77%)	2,739 (76%)
Women	991 (23%)	904 (23%)	884 (24%)
Age <25 years	178 (4%)	125 (3.2%)	56 (1.5%)
Age 25-30 years	699 (16%)	571 (14.8%)	554 (15.3%)
Age 31-35 years	1,089 (25%)	1,070 (27.7%)	1,071 (29.6%)
Age 36-40 years	1,145 (27%)	1,079 (27.9%)	1,010 (28.0%)
Age <40 years	1,201 (28%)	1,020 (26.4%)	920 (25.6%)
Employees	2,854	2,461	2,379
Men	2,311 (81%)	1,916 (78%)	1,832 (77%)
Women	543 (19%)	545 (22%)	548 (23%)
Age <25 years	281 (10%)	98 (4.0%)	106 (4.5%)
Age 25-30 years	621 (22%)	567 (23.0%)	569 (23.9%)
Age 31-35 years	684 (24%)	630 (25.6%)	622 (26.1%)
Age 36-40 years	574 (20%)	512 (20.8%)	443 (18.6%)
Age <40 years	694 (24%)	654 (26.6%)	639 (26.9%)

Equal Remuneration for Women and Men

G4-DMA Management Approach

Gamesa sees the development of an appropriate remuneration strategy as a key management tool for promoting career development, equal opportunities, teamwork, working climate and employee satisfaction.

In line with the provisions of its Code of Conduct, Gamesa's remuneration model is based on the principle of equal opportunity, avoiding any kind of discrimination and ensuring compliance with labor legislation in all the countries in which it operates.

In its remuneration model Gamesa aims to bring together all the items that generate value for the employee under the heading "Total Compensation", in which leadership, career expectations, working conditions, the organization of the work and even Gamesa's values constitute differentiating factors making a given position better and more desirable, raising motivation and having a decisive influence on competitiveness.

The factors on which Gamesa bases its Total Compensation strategy are the following:

- a. Pecuniary remuneration: This recognizes the responsibilities of the position and the skills of the individual.
- b. Social benefits: These round out the compensation package and are geared to the protection of the individual's long-term health and financial security.
- c. Development of Talent: Designed to emphasize career development and to support a set of values, an environment and a culture in which competences and skills are developed.
- d. Work/life balance and equality measures: Development of new, more flexible ways of organizing work aimed at motivating employees and increasing their commitment by contributing to an improvement in their quality of life by helping them to balance their working and personal lives.

G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

The 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.

Table 114.- Ratio of salaries between men and women in the social aspect boundary

	Spain	Chinese	Brazil	USA	Indian	Mexico
2015						
Executives	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Middle management and qualified technicians	1.14/1	1.35/1	n.a.	n.a.	n.a.	1.44/1
Skilled workers and support staff	0.98/1	0.66/1	n.a.	n.a.	n.a.	1.81/1
2014						
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 11% 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, to the US where the percentage is 16% and Brazil where it is 18%.

Supplier Assessment for Labor Practices**G4-DMA Management Approach**

Gamesa's management approach to procurement practices is described under G4-12 (p.p. 31 ff.) "Description of the supply chain" in 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

Screening processes were conducted on 66 new suppliers in 2015. These processes include an assessment of the labor criteria defined in the internal procedure.

Additionally, Gamesa's quality assurance unit carries out quarterly evaluations of the top 100 suppliers' quality management systems and their results, as well as of their care of the environment and whether they hold certification of their health and safety at work systems. In 2015 this process was applied to 111 existing suppliers.

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

As specified under indicator G4-12 (p.31), "Responsible development of the supply chain", this aspect is gradually being incorporated into the management system through the supplier registration and approval system.

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

Gamesa promotes the amicable resolution of conflicts. As a result, the proportion of formal grievances in 2015 was not large. There were three mediation proceedings, 52 conciliations and 126 judicial proceedings (66 in Brazil, 91% of which were brought by subcontractors' employees).

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.

Investments

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 procedures applied in the Company.

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 investment agreements⁷⁹ during 2015 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 2015 training and awareness raising were reaffirmed in India, China, the US, Spain, Mexico and Brazil, where the Ethics and Compliance Division delivered training to the management teams and senior managers of these countries (142 participants) as a preparatory step for producing ethical and compliance risk maps.

Additionally, in 2015 the entire Mexican workforce received training on the Code of Conduct and the Rules for the Prevention of Conflicts of Interest (75 participants) and in Brazil the Code of Conduct was delivered in Portuguese to the entire workforce in the form of a printed paper publication.

As regards Gamesa's new crime prevention and anti-fraud Policy and Manual, training activities were held with the Audit and Compliance Committee (September 22), the Board of Directors (September 23) and the Management Committee (September 28).

Additionally, Managers and executives from Zamudio (50 attendants on December 18), Madrid (15 on January 29, 2016) and Pamplona (40 on February 25, 2016) received training not only on the above-mentioned Policy and Manual but also on the Internal Rules of Conduct in the Securities Market, in the course of which they were handed documentation which included a leaflet explaining and summarizing the channels of communication and asked to commit to the model by signing boards.

Also, every year at the Meetings of the Company's executives, special emphasis is placed on values and their involvement in the overall management of all the organization's areas. In the 2015 annual managers and executives convention, with 162 participants from all the regions in which Gamesa operates, the Ethics and Compliance Division gave a presentation on the objectives of the crime prevention and anti-fraud Model. This Model includes as one of its basic pillars the Code of Conduct, which in turn incorporates corporate values.

The 2015-17 training plan includes training and dissemination activities directed at the workers.

Table 115.- Employee training on aspects of Human Rights

	2015	2014	2013	2012	2011
Information to employees on Human Rights ⁸⁰	100%	-	-	100%	100%
Employee training on Human Rights	443	-	-	848	1,040

⁷⁹ 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.

⁸⁰ The GRC Suite (SCIIF) application establishes as an internal control activity that the HR Division must hand every new entrant a copy of the Code of Conduct at the time of signing the employment contract. Article 3.1 of the Code contains Gamesa's commitments in the areas of Human Rights.

Also, since 2012 work has been carried out by a working group composed of members from the purchasing, health and safety, environmental, quality, CSR, risk control and ethics and compliance divisions, which has led to the preparation of a policy for supplier contracting and relations, amendment of the general purchasing conditions and the establishment of a Suppliers Code of Conduct. (See section 4-12 for more details)

In the field of Human Rights, the Supplier Code of Conduct establishes minimum principles to ensure that Suppliers respect human rights and fundamental liberties in accordance with, at least, the International Charter of Human Rights and the principles of the eight fundamental conventions of the International Labor Organization (ILO).

Depending on the circumstances, Suppliers may also have to take account of other additional rules.

Non-Discrimination

G4-DMA Management Approach

Gamesa is explicitly committed to defending human rights, as reflected in its Global Corporate Social Responsibility Policy and other complementary policies such as that on Diversity and Inclusion.

Thus in recognition of the fact that Gamesa employees represent a large variety of cultures, races, faiths and languages, and that this wealth of diversity is what makes Gamesa a more innovative, creative, sensitive company more committed to society, the Policy on Diversity and Inclusion, approved by the Board of Directors, aims to ensure equality and inclusion and to prevent discrimination for reasons of sex, civil status, race, ethnic origin, color, nationality, disability, sexual orientation, religion or age.

Furthermore, as a signatory to the Diversity Charter in Spain, Gamesa has adopted, among others, the principles of (i) moving ahead with the construction of a diverse workforce, (ii) promoting inclusion, (iii) considering diversity in all its people management policies and (iv) promoting an appropriate balance between work and family and leisure.

What is more, the commitment to equal opportunities, respect for diversity and a zero-tolerance stance on discrimination form the foundations of Gamesa human resource management.

Gamesa has now set specific objectives for female representation on the Board of Directors, management teams and executive committees for the coming years, as well as an action plan to make the principle of equal opportunities an effective reality, by establishing measures aimed at promoting and increasing the under-represented gender.

In a general context, in 2015 the Company signed a Collaboration Agreement with the Ministry of Health, Social Services and Equality for the promotion of balanced participation of men and women in boards of directors and an Agreement to increase the presence of women in management positions and on management committees.

One of the most notable actions was the establishment and implementation of a worldwide protocol for the prevention of harassment and discrimination, with the aim of providing a working environment that promotes dignity and respect for others.

For further information please refer to the indicator "Diversity and Equal Opportunity", on page 128.

G4-HR3 Total number of incidents of discrimination and corrective actions taken.

The Company has mechanisms geared to detecting potential incidents relating to discrimination (See description in section G4-DMA and G4-58):

- Committee for the prevention of harassment and discrimination: In 2015 a report was received through the whistleblower's channel associated with the protocol on the prevention of harassment and discrimination.

The final report concluded that, having regard to the background, the activities performed and the events considered proven on the basis of the various items of evidence, the situation analyzed did not present indications of any connection between the protected right (pregnancy) and a detrimental result that would result in discrimination (being held back in career development).

- Ethics and Compliance Division: The same report described in the foregoing paragraph also reached this division through its whistleblower's channel and was forwarded to the Committee referred to in that paragraph in accordance with the regulations.

Freedom of Association and Collective Bargaining**G4-DMA Management Approach**

Gamesa and the companies forming 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 labor right is set out in the Company's Code of Conduct.

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 trade unions, not just in internal mediation for negotiating worker's labor conditions, but also as strategic entities that influence economic and social, national and transnational environments.

In China, the law on labor unions recognizes workers' right to form a labor union and request support from the employer to do so. The national trade union is currently working so that employees may set up their own trade unions. Gamesa is coordinating with the national trade union on all the initiatives aimed at making this proposal's evolution possible. In this process, Gamesa covers the activities that would usually be offered by the unions to the Company's employees, such as the development of social activities, canteen and transportation 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, workers' representatives at the nacelles and blades plants in India form part of the committees set up to deal with aspects such as canteen, social benefits and security.

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 116.- Labor union representation in Spain

Labor union	Country	2015		2014		2013		2012	
		N	%D	N	%D	N	%D	N	%D
Union General de Trabajadores (UGT)	Spain	71	35.1%	74	38.5%	74	37.9%	84	38.5%
Comisiones Obreras (CCOO)	Spain	76	37.6%	71	37.0%	74	37.9%	81	37.2%
Eusko Langileen Alkartasuna (ELA)	Spain	34	16.8%	24	12.5%	30	15.4%	33	15.1%
Langile Abertzaleen Batzordeak (LAB)	Spain	11	5.4%	10	5.2%	8	4.1%	8	3.7%
Confederación Intersindical Galega (CIG)	Spain	1	0.5%	3	1.6%	3	1.5%	5	2.3%
Independents	Spain	2	1.0%	3	1.6%	2	1.0%	2	0.9%
Unión Sindical Obrera (USO)	Spain	-	-	-	-	-	-	2	0.9%
Solidaridad Obrera (SOLIDARI)	Spain	-	-	-	-	-	-	2	0.9%
Central Sindical Independiente y de Funcionarios (CSIF)	Spain	-	-	-	-	-	-	1	0.5%
LIBRE	Spain	1	0.5%	1	0.5%	1	0.5%	-	-
Asociación de Técnicos y Profesionales de la Energía (ATYPE)	Spain	5	2.5%	5	2.6%	3	1.5%	-	-
FSC	Spain	1	0.5%	1	0.5%	-	-	-	-
.....									
Total		202	100%	192	100%	195	100%	218	100%

Legend:

N: Number of trade union representatives

%D: percentage of distribution

Child Labor

G4-DMA Management Approach

Gamesa and the companies forming 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 labor right is set out in the Company's Code of Conduct.

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 for all Gamesa centers, we have 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 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.

Forced or Compulsory Labor**G4-DMA Management Approach**

Gamesa and the companies forming 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 labor right is set out in the Company's Code of Conduct.

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 for all Gamesa centers, we have 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 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.

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 hired through security companies which are duly certified before the corresponding 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.

Table 117.- Subcontracted security personnel

	2015	2014	2013	2012	2011
EMEA	60	60	60	60	100
USA	5	5	5	14	22
CHINA and APAC	16	7	7	41	52
INDIA	74	55	55	55	43
BRAZIL ⁸¹	2	2	2	2	-
TOTAL:	157	129	129	172	217

⁸¹ In Brazil, the subcontracted security personnel are shared with other companies.

Among the indispensable demands made of providers is 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 In 2015 we analyzed 538 alerts (natural, health, technological and/or social risks), of which we directly managed 210, 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.

Management of security incidents Also, the corporate security department handled 83 security incidents spread among 18 countries around the world. It also carried out 73 emergency support actions in fifteen countries, the most serious ones being:

- Traffic accidents with fatalities and injuries.
- Urgent assistance and hospitalizations of transferred personnel.

Training on safety: Over the course of 2015, 19 training actions were carried out on self-protection programs in high-risk areas (14 in EMEA one in India and four in Latin America).

Support for travelers: Lastly, there was continuous monitoring of the security of Gamesa employees traveling internationally. We monitored 2,188 trips abroad in 2015, of which 58.63% to medium-risk and 5.8% to high-risk countries. Within the call program, in 2015 were opened 19 security call programs covering fifteen countries and 75 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 security personnel (both our own and subcontracted) have been informed about Gamesa 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.

Indigenous Rights

G4-DMA Management Approach

Gamesa and the companies forming 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 dialog 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 Company's Code of Conduct.

G4-HR8 Total number of incidents of violations involving rights of indigenous people and actions taken

In 2015 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. 115), 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, a coordination and monitoring body has been set up. It 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.

Supplier Human Rights Assessment

G4-DMA	Management Approach
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Gamesa's management approach to procurement practices is described under G4-12 (p.p. 31 ff.) “Description of the supply chain” in 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
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Screening processes were conducted on 66 new suppliers in 2015. These processes include an assessment of the environmental criteria defined in the internal procedure.

Additionally, Gamesa's quality assurance unit carries out quarterly evaluations of the top 100 suppliers' quality management systems and their results, as well as of their care of the environment and whether they hold certification of their health and safety at work systems. In 2015 this process was applied to 111 existing suppliers.

Although the controls in the screening processes 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 the criticality or take decisions that could affect procurement terms and conditions.

As specified under indicator G4-12 (p.31), “Responsible development of the supply chain”, this aspect is gradually being incorporated into the management system through the supplier registration and approval system.

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 2015.

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 stakeholders, and the associated management processes, are reflected in the Group's Code of Conduct and the Gamesa crime prevention and anti-fraud Manual (section 3.7) as well as on Gamesa's website, which has a Whistleblower's Channel⁸² through which employees and the general public can inform the Ethics and Compliance Division of any conduct failing in ethics or integrity or violating the principles contained in the Code of Conduct.

- Since 2005 the Company, and where applicable the companies heading up the Group's (regional) business units, have had a whistleblower's channel through which Group employees and third parties can confidentially report any conduct that might involve a breach of the Code of Conduct or of the crime prevention measures.
- Exceptionally, when reports concern harassment at work, they will be forwarded to the HR Division responsible for investigating and ruling on these cases, as established by the protocol on the prevention of harassment.

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:

- Ethics and Compliance Division There were no complaints about human rights in the whistleblower's channel run by this Division in 2015.
- Committee for the prevention of harassment: no grievances relating to human rights were received in 2015 through the whistleblower's channel associated with the protocol for the prevention of harassment and discrimination and run by the Committee for the prevention of harassment.

⁸² <http://www.gamesacorp.com/en/human-capital/compliance-channel.html>

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 set out in the Company's Code of Conduct.

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 stakeholders 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 dialog 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 2015 they can be summarized as follows:

Main social actions in 2015

Construction of a school in India, in Anantapur, in the State of Andhra Pradesh. By supporting this project, which is managed by the **Vicente Ferrer Foundation (FVF)**, we succeeded in guaranteeing the right to education for boys and girls in the village of Thimmirikuntapalli, India, thanks to the construction of a complementary school, thus ensuring equal conditions for the future.

The project directly benefits 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 also serves as a meeting place for local residents or associations of women and persons with disabilities.

Figure 30.- Construction of a school (FVF-India)



Figure 31.- Gamesa Soccer League (KVSN-India)



Sports for Development project- Gamesa Soccer League (GSL)⁸³ – soccer for homeless young Indians.

This project has been developed by Gamesa 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 for bringing a change to their lives.

Thanks to this project, the young people take part in training sessions in which they can not only develop their soccer-playing skills but also receive education on care of the environment or good eating habits, for example.

Dietary and environmental habits of Mexican children.

This project was carried out in collaboration with **CESAL** (*Centro de Estudios y Solidaridad con America Latina*), 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 was carried out in the municipalities of Juchitán de Zaragoza and Unión Hidalgo, in the Isthmus of Tehuantepec, Mexico. The project promotes good eating habits in children and young people in the communities of Juchitán de Zaragoza and Unión Hidalgo, and raises awareness of the importance of cleanliness.

To this end, two educational programs have been created, on environmental health and nutrition.

Figure 32.- Promotion of healthy habits (CESAL-Mexico)



⁸³ Watch the GSL video at: <https://www.youtube.com/watch?v=IhIQviY-sTk&feature=youtu.be>

Figure 33.- Leisure and inclusion of persons with intellectual disabilities (ANFAS-Spain)



Leisure for persons with intellectual 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 (**Navarre Association in support of persons with intellectual disabilities**), an association that has been supporting these kinds of programs for more than 40 years.

Various workshops and participative leisure activities are held in the Anfas center. In other words, activities that respond to the basic need to relate to other people and have friends in normal atmospheres.

In **India** Gamesa carries out a specific Corporate Social Responsibility program called “Gamesa Community Spirit”. This program is built around a group of strategic elements, among which are:

Figure 34.- Gamesa Academic Excellence Program (Jath, 2015)



Gamesa Academic Excellence Program (GAEP):

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. It includes the donation of educational kits for boys and girls in the local community.

Under this program too, the Shuddi project seeks to educate children on hygiene, based on the construction of washbasins in rural schools.

Gamesa Gram Arogya Kendra (GGAP): this program seeks to initiate sustainable medical care projects 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. Within this program, twelve general sessions were held, attended by 1,416 people from four villages.

Figure 35.- Gram Arogya Kendra Project



In October 2015 Gamesa also launched a mobile medical unit which will benefit the rural population of 24 scattered hamlets in Fatanpur, Jamgodrani and Chandgad. This project is carried out jointly with NGO HelpAge India⁸⁴, and will have a medical team consisting of a qualified doctor, a paramedic, a social worker and a driver, who will visit the 24 villages twice a month to provide medical services and basic treatment free of charge.

⁸⁴ HelpAge India: <https://www.helpageindia.org/>

Figure 36.- Gamesa Vocational Training



Gamesa Vocational Training Program (GVTP): the GVTP 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).

The *My Career* program aims to empower rural students with professional capabilities and a sustainable job, educating them in operation and maintenance (O&M).

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.



Main social actions planned for 2016

The programs conducted by Gamesa India will continue during 2016.

During 2015 we also launched a new edition of the Corporate Social Action Program 2015-2016 in collaboration with the employees. As a result, Gamesa has launched new solidarity projects originating from the Company's employees, which will be developed over the course of 2016. Among other projects, the following are particularly noteworthy:

- Educational project for indigenous children, Mexico. It aims to improve the quality of education in the indigenous schools of four Mexican states - Chiapas, Oaxaca, Puebla and Yucatán. The objective is for the children to leave school being able to read and write. (In collaboration with UNICEF).
- Project for horticulture through solar power, India. This solidarity project is designed to install drip irrigation systems powered by solar energy, which will benefit rural families engaged in horticulture in the Kadiri region of India. (In collaboration with the Vicente Ferrer Foundation).
- Gamesa Soccer League II, India. In this new edition of the program 1,000 youngsters from rural areas in India will take part, compared with 372 in the previous edition. The participants develop their sporting skills by means of soccer training sessions, while at the same time receiving education about the care of the environment and healthy eating habits. (In collaboration with Krida Vikas Sanstha Nagpur).
- Telecenter project, Brazil. The telecenter project in Brazil is aimed at promoting IT literacy through centers where teenagers at risk of exclusion can develop their computer skills free of charge. (In collaboration with CROPH-Coordenação Regional das Obras de Promoção Humana).
- Social inclusion center, Uruguay. The aim of this initiative is to refurbish premises in Montevideo ceded by the Uruguayan national electric utility (UTE) by building a rock climbing gym for deprived children and young people. (In collaboration with Fundación la Muralla).

Anti-corruption**G4-DMA Management Approach**

Gamesa and the companies forming 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.

Over the course of 2015 some of these measures were revised and updated, culminating in Manuals for crime prevention and anti-fraud (including corruption) for the main companies in the Group, in addition to the Corporate defense program.

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 Company's Code of Conduct and in the crime prevention and anti-fraud Policy and Manuals the latest updates of which were approved by the Board of Directors on September 23, 2015.

G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

During 2015 crime risk maps were produced, including the risk of corruption, in Gamesa's main operations (Spain, Italy, USA, Mexico, China, India and Brazil) as a basis for updating and enhancing the prevention/mitigation controls on such risks, which are described in the special section of the crime prevention and anti-fraud Manuals. (This represents 69% of all centers and 97% of the workforce covered by these centers).

Among the internal regulations constituting such controls and revised periodically are those relating to: 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; organization 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. They 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 relating to corruption.

G4-SO4 Communication and training on anti-corruption policies and procedures

The control systems described in section G4-SO3 are rounded out by the whistleblower's channel, which since 2005 has been 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. These rules were updated over the course of 2015, and a new updated version is expected to be approved during 2016. (See indicator G4-58 on page 73 for more details)

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 more than 3,000 people, to specific key groups and in different geographical areas through the Ethics and Compliance Division by means of on-site training.

In Mexico the entire workforce (75 participants) received training on the Code of Conduct, the Whistleblower's Channel and the Rules for the Prevention of Conflicts of Interest and/or cases of Corruption and/or Bribery. Additionally in Brazil the entire workforce was handed the Code of Conduct in Portuguese.

There are plans to provide training on the new Code of Conduct to the entire workforce in the period 2016-2017.

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

No cases of corruption were confirmed during 2015, so it was not necessary to take any measures in this respect.

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-S06 Total value of political contributions by country and recipient/beneficiary

Relations between Gamesa and the companies forming Gamesa Group and the Public Authorities are guided by institutional respect and compliance with the law. Any link to, membership of or collaboration with political parties, institutions, foundations or associations whose purposes go beyond those of Gamesa and companies forming Gamesa Group, as well as any contributions thereto, must be done in such a way as to ensure that their personal nature is made clear and without involving the Company and its political neutrality in any way.

The importance attached to this is set out in the Company's Code of Conduct. We should point out that particularly in the United States, lobbying is a permitted, recognized and regulated practice. Financial contributions that Gamesa has made in the past in this regard are public and available on the Lobbying Disclosure Database⁸⁵ even though no contributions were made in 2015.

Anti-Competitive Behavior**G4-DMA Management Approach**

Gamesa and the companies forming 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 Division.

The importance attached to this is set out in the Company's Code of Conduct.

G4-S07 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-S08 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.

⁸⁵ <http://soprweb.senate.gov/index.cfm?event=selectfieldshttp://soprweb.senate.gov/index.cfm?event=selectfields>

Supplier Assessment for Impacts on Society**G4-DMA Management Approach**

Gamesa is equipped with screening procedures for new suppliers of both goods and services, through which their social management and performance is assessed in terms of their acceptability as suppliers to the Company. It also has management procedures in place and a methodology for evaluating external suppliers of materials in terms of the degree to which they have implemented management systems that ensure quality products in facilities that are respectful of the environment and take account of their employees' health and safety.

G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society

Screening processes were conducted on 66 new suppliers in 2015. These processes include an assessment of the environmental criteria defined in the internal procedure.

Additionally, Gamesa's quality assurance unit carries out quarterly evaluations of the top 100 suppliers' quality management systems and their results, as well as of their care of the environment and whether they hold certification of their health and safety at work systems. In 2015 this process was applied to 111 existing suppliers.

Although the controls in the screening processes 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 the criticality or take decisions that could affect procurement terms and conditions.

As specified under indicator G4-12 (p.31), "Responsible development of the supply chain", this aspect is gradually being incorporated into the management system through the supplier registration and approval system.

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 stakeholders, and the associated management processes, are reflected in the Group's Code of Conduct and on Gamesa's website, which has a Whistleblower's Channel ⁸⁶ through which employees and the general public can inform the Ethics and Compliance Division 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 Ethics and Compliance Division during 2015.

⁸⁶ <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 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 2015.

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 2015.

G4-PR5 Results of surveys measuring customer satisfaction

In its commercial dealings, Gamesa aspires to meet its customers' expectations, improve the channels of communication with them and ensure maximum quality of the offering. Priority actions in this regard are clearly aimed at matching the offering to their needs and to developing new technologies that enable us to improve the parameters of productivity, sustainability and product and service excellence for the benefit of our customers.

In order to maintain proximity and permanent dialog, 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.

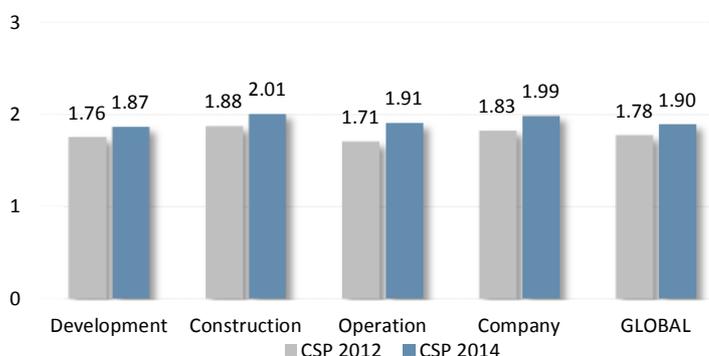
Every two years, Gamesa carries out the customer satisfaction project (CSP), a personalized survey of the main customers which allows it to establish direct communication and to measure the quality of its products and services. In this survey, issues linked with the development, construction and operations 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 118.- Characteristics of the 2014 CSP

Methodology:	Enables	Profile of the survey
<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.

Figure 37.- 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 119.- 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 	

Within the continuous cycle of customer-oriented actions, over the course of 2015 we worked on a specific action plan focused on areas for improvement, and we maintained continuous communication with customers on the priority work areas, which include, among others:

Table 120.- Initiatives deriving from the 2014 CSP

Phase	Initiatives under way
DEVELOPMENT	
Adaptation of the product to the sites	<ul style="list-style-type: none"> Expansion of the product catalog for optimal configuration of each site <ul style="list-style-type: none"> G12X -2.5 MW G13X – 3.3 MW
Noise emission	<ul style="list-style-type: none"> Blades with new low-noise aerodynamic profiles. Design of add-on to reduce noise of existing blades
Adaptation to new grid codes	<ul style="list-style-type: none"> New ESA (Electrical Site Assessment) procedure
CONSTRUCTION	
Quality and compliance with completion of pending PAC work	<ul style="list-style-type: none"> Monitoring of pending defects Program wrap-up meetings with customers
Project management quality	<ul style="list-style-type: none"> Roll-out of project management by programs
REMOTE	
SCADA system quality	<ul style="list-style-type: none"> Roll-out of the new WindNet PRO which includes, among other improvements, a new user interface.
Quality of information to customers on completion of work	<ul style="list-style-type: none"> Monthly reports with more information. Additional reports on Quality and Health & Safety.
GLOBAL	
Customer orientation	<ul style="list-style-type: none"> Process centered on gearing the organization toward a customer-focused approach. This is a fundamental pillar of the Strategic Plan for 2015-2017, for which a macro-project has been defined, structured around three basic principles: <ul style="list-style-type: none"> Customer orientation. Understanding the process for achieving continuous improvement. Commitment of all employees to quality and excellence

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.

The Company takes part in international trade fairs, exhibitions and industry conferences. In this way Gamesa maintains a presence at top-level trade fairs in priority markets and strengthens its presence in new markets. Participation in these events also goes together with presence in the respective conference programs, with specific presentations on the offering of products, services and technological solutions developed by the Company. Among the major fairs and events in the sector at which Gamesa was present in 2015 were:

International trade fairs

- **Mexico WindPower 2015 Conference & Exhibition** (Mexico DF, February 25-26). Gamesa was present at this event, the country's most important, with a display stand of 54 m². As well as presenting its products and services, the Company took part in the program of presentations with a technical talk on the aerodynamic features of the G114 turbine blades.
- **AWEA WindPower 2015 Conference & Exhibition**, held in Orlando, Florida from May 18 to 21. This trade fair is the industry's premier US event. Gamesa took part as an exhibitor and also with contributions to the program of presentations.
- **Brazil Windpower 2015** (Rio de Janeiro, from September 1 to 3) is Latin America's biggest wind energy event. Gamesa took part, with a 54 m² stand where it presented its main products for this market. The Company also took part in the symposium with technical presentations.
- Gamesa took part in **Husum Wind 2015**, from September 15 to 18 in Husum, Germany, with a 90m² stand on which it displayed its latest developments for the German market.
- **China Wind Power**, the biggest wind fair in China and Asia-Pacific, took place in Beijing from October 14 to 16. Gamesa, with an 84 m² stand, took the opportunity of this event to carry out the worldwide launch of its new G126-2.5 MW IIIA wind turbine, designed for low winds.
- **EWEA 2015**, held in Paris from November 17 to 20, was the scenario chosen by Gamesa for the worldwide launch of its new G132.3.3 MW turbine. The Company had a 198 m² stand and took part in the conferences and parallel technical sessions.
- **Gamesa Services Seminar** (Paris, October 16) as part of the program of conferences that Gamesa intends to hold with customers and other players in the sector in countries such as Italy, the UK, Poland, China and India in 2015.

Conferences and seminars

- **Seminar "Preparing for a market without subsidies"**, held in Edinburgh, UK on March 2 last with more than 40 customers. During this event, Gamesa presented its business strategy for the UK, as well as the products and services geared to this market.
- In 2015 Gamesa held the first edition of the **Gamesa Customer Loyalty Annual Event** on July 9 and 10 in Pamplona, Spain, in which 23 customers from around the world took part. The event, held with a view to bringing the Company closer to its customers, included technical product presentations and a visit to the Alaiz experimental park. This event was also held in Mexico, from October 31 to November 1.
- **Presentation of the G114-2.0 MW turbine in New Delhi**, India. On September 4 Gamesa presented its new machine adapted for the Indian market, in an event that brought together more than 150 players from the sector.

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 2015. 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 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 2015, 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.

APPENDICES

APPENDIX I: GRI-G4 CONTENT INDEX



GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	Omissions	External Assurance	Description	
STRATEGY AND ANALYSIS					
G4-1	5	-	✓	165	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	7	-	✓	165	Main impacts, risks, and opportunities
ORGANIZATIONAL PROFILE					
G4-3	19	-	✓	165	Name of the organization
G4-4	19	-	✓	165	Primary brand, products and services
G4-5	21	-	✓	165	Headquarters
G4-6	22	-	✓	165	Countries in which the organization has significant operations
G4-7	23	-	✓	165	Nature of ownership and legal form.
G4-8	24	-	✓	165	Markets served
G4-9	25	-	✓	165	Main Figures
G4-10	29	-	✓	165	Workforce
G4-11	31	-	✓	165	Employees covered by collective bargaining agreements
G4-12	31	-	✓	165	Description of the supply chain
G4-13	37	-	✓	165	Significant changes during the reporting period
G4-14	37	-	✓	165	Precautionary principle
G4-15	38	-	✓	165	External principles or initiatives subscribed to or endorsed
G4-16	39	-	✓	165	Associations to which the organization belongs
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	41	-	✓	165	Entities included in the consolidated financial statements and in the scope of the report
G4-18	42	-	✓	165	Determination of the GRI content and application of its principles
G4-19	43	-	✓	165	Identified Material Aspects
G4-20	44	-	✓	165	Aspect Boundary within the organization
G4-21	44	-	✓	165	Aspect Boundary outside the organization
G4-22	45	-	✓	165	Reformulation of information provided in previous reports
G4-23	45	-	✓	165	Significant changes in the boundaries or scope of the report
STAKEHOLDER ENGAGEMENT					
G4-24	46	-	✓	165	Stakeholder groups related to the organization
G4-25	46	-	✓	165	Basis of selection of stakeholders
G4-26	46	-	✓	165	Approach adopted to relations with stakeholders
G4-27	50	-	✓	165	Key issues arising from stakeholder participation
REPORT PROFILE					
G4-28	51	-	✓	165	Period covered by the report
G4-29	51	-	✓	165	Date of last report
G4-30	51	-	✓	165	Report presentation cycle
G4-31	51	-	✓	165	Contact person for matters relating to the report
G4-32	51	-	✓	165	GRI contents in relation to the "in accordance" option chosen
G4-33	51	-	✓	165	External Assurance

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	Omissions	External Assurance	Description	
GOVERNANCE					
G4-34	52	-	✓	165	Governance structure
G4-35	56	-	✓	165	Delegation of authority by the highest governance body to senior management
G4-36	56	-	✓	165	Executive-level positions with responsibility for economic, environmental and social topics
G4-37	57	-	✓	165	Processes for consultation between stakeholders and the Board of Directors
G4-38	58	-	✓	165	Composition of the highest governance body
G4-39	58	-	✓	165	Indicate whether the chairman of the highest governance body is also an executive officer and if so, the reasons for this
G4-40	60	-	✓	165	Nomination and selection processes for the highest governance body
G4-41	61	-	✓	165	Processes for the highest governance body to ensure conflicts of interest are avoided
G4-42	63	-	✓	165	Roles of the highest governance body and of senior management in developing, approving and updating mission, strategies, policies and objectives
G4-43	63	-	✓	165	Highest governance body's knowledge of economic, environmental and social topics.
G4-44	64	-	✓	165	Highest governance body's performance
G4-45	65	-	✓	165	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 stakeholders
G4-46	67	-	✓	165	Highest governance body's role in supervising the effectiveness of management of risks and opportunities in economic, environmental and social aspects
G4-47	67	-	✓	165	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
G4-48	67	-	✓	165	Highest committee or position that formally reviews and approves the report
G4-49	67	-	✓	165	Procedures for communicating critical concerns to the highest governance body
G4-50	67	-	✓	165	Critical concerns communicated to the highest governance body
G4-51	68	-	✓	165	Remuneration policies for the highest governance body and senior executives and how they relate to economic, environmental and social performance
G4-52	69	-	✓	165	Procedure for determining remuneration of the highest governance body and senior management, indicating whether independent consultants are involved
G4-53	69	-	✓	165	Report how stakeholders' views are sought and taken into account regarding remuneration policies
G4-54	69	-	✓	165	Relation among different levels of remuneration in the organization
G4-55	69	-	✓	165	Increase in remuneration in the organization
ETHICS AND INTEGRITY					
G4-56	70	-	✓	165	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.
G4-57	73	-	✓	165	Internal and external mechanisms for seeking advice on ethical and lawful behavior
G4-58	73	-	✓	165	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity

SPECIFIC STANDARD DISCLOSURES

Material aspects	Information on management approach and indicators	Omissions	External Assurance	Description
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Category: ECONOMIC

Material aspects		Page	Omissions	External Assurance	Reference page	Description
Economic Performance	G4-DMA	78	-	✓	165	Management Approach
	G4-EC1	83	-	✓	165	Direct economic value generated and distributed.
	G4-EC2	83	-	✓	165	Financial implications and other risks deriving from climate change
	G4-EC3	84	-	✓	165	Coverage of the organization's defined benefit plan obligations
	G4-EC4	84	-	✓	165	Financial assistance received from government
Market Presence	G4-DMA	85	-	✓	165	Management Approach
	G4-EC5	85	-	✓	165	Ratios of standard entry level wage to local minimum wage
	G4-EC6	85	-	✓	165	Proportion of senior management hired from the local community at significant locations of operation
Indirect economic impacts	G4-DMA	86	-	✓	165	Management Approach
	G4-EC7	86	-	✓	165	Development and impact of infrastructure investments and services supported
	G4-EC8	86	-	✓	165	Significant indirect economic impacts, including the extent of impacts
Procurement practices	G4-DMA	87	-	✓	165	Management Approach
	G4-EC9	87	-	✓	165	Proportion of spending on local suppliers

Category: ENVIRONMENTAL

Material aspects		Page	Omissions	External Assurance	Reference page	Description
Materials	G4-DMA	90	-	✓	165	Management Approach
	G4-EN1	90	-	✓	165	Materials used by weight and volume
	G4-EN2	90	-	✓	165	Percentage of materials used that are recycled input materials.
Energy	G4-DMA	91	-	✓	165	Management Approach
	G4-EN3	91	-	✓	165	Energy Consumption within the organization
	G4-EN4	93	-	✓	165	Energy Consumption outside of the organization
	G4-EN5	93	-	✓	165	Energy Intensity
	G4-EN6	93	-	✓	165	Reduction of energy consumption
	G4-EN7	94	-	✓	165	Reductions in energy requirements of products and services
Water	G4-DMA	94	-	✓	165	Management Approach
	G4-EN8	94	-	✓	165	Total water withdrawal by source.
	G4-EN9	95	-	✓	165	Water sources significantly affected by withdrawal of water
	G4-EN10	95	-	✓	165	Percentage and total volume of water recycled and reused
Biodiversity	G4-DMA	95	-	✓	165	Management Approach
	G4-EN11	96	-	✓	165	Operational sites in protected areas and areas of high biodiversity value outside protected areas
	G4-EN12	99	-	✓	165	Impacts of activities, products, and services on biodiversity
	G4-EN13	99	-	✓	165	Habitats protected or restored
	G4-EN14	100	-	✓	165	IUCN red list and national conservation list species with habitats in areas affected by operations
Emissions	G4-DMA	101	-	✓	165	Management Approach
	G4-EN15	103	-	✓	165	Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16	103	-	✓	165	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
	G4-EN17	104	-	✓	165	Other indirect greenhouse gas (GHG) emissions (Scope 3)
	G4-EN18	104	-	✓	165	Intensity of greenhouse gas emissions
	G4-EN19	104	-	✓	165	Reduction of greenhouse gas (GHG) emissions
	G4-EN20	105	-	✓	165	Emissions of ozone-depleting substances (ODS)
	G4-EN21	105	-	✓	165	NO _x , SO _x and other significant air emissions
Effluents and Waste	G4-DMA	105	-	✓	165	Management Approach
	G4-EN22	105	-	✓	165	Total water discharge by quality and destination
	G4-EN23	106	-	✓	165	Total weight of waste by type and disposal method
	G4-EN24	107	-	✓	165	Total number and volume of significant spills
	G4-EN25	107	-	✓	165	Transported waste deemed hazardous
	G4-EN26	107	-	✓	165	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff

SPECIFIC STANDARD DISCLOSURES

Material aspects	Information on management approach and indicators	Omissions	External Assurance	Description		
Material aspects		Page	Omissions	External Assurance	Reference page	Description
Effluents and Waste	G4-DMA	105	-	✓	165	Management Approach
	G4-EN22	105	-	✓	165	Total water discharge by quality and destination
	G4-EN23	106	-	✓	165	Total weight of waste by type and disposal method
	G4-EN24	107	-	✓	165	Total number and volume of significant spills
	G4-EN25	107	-	✓	165	Transported waste deemed hazardous
	G4-EN26	107	-	✓	165	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff
Products and services	G4-DMA	108	-	✓	165	Management Approach
	G4-EN27	108	-	✓	165	Extent of mitigation of environmental impact of products/services
	G4-EN28	108	-	✓	165	Percentage of products sold and materials reclaimed at the end of their useful lives by category
Compliance	G4-DMA	110	-	✓	165	Management Approach
	G4-EN29	110	-	✓	165	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
Transport	G4-DMA	110	-	✓	165	Management Approach
	G4-EN30	110	-	✓	165	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
General	G4-DMA	110	-	✓	165	Management Approach
	G4-EN31	111	-	✓	165	Breakdown of environmental protection expenditure and investments by type
Supplier Environmental Assessment	G4-DMA	111	-	✓	165	Management Approach
	G4-EN32	111	-	✓	165	Percentage of new suppliers screened using environmental criteria
	G4-EN33	111	-	✓	165	Significant actual and potential negative environmental impacts in the supply chain and actions taken
Environmental Grievance Mechanisms	G4-DMA	112	-	✓	165	Management Approach
	G4-EN34	112	-	✓	165	Grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

Category: SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Material aspects	Page	Omissions	External Assurance	Reference page	Description	
Employment	G4-DMA	113	-	✓	165	Management Approach
	G4-LA1	114	-	✓	165	Total number and rate of employee turnover by age group, gender and region.
	G4-LA2	115	-	✓	165	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	G4-LA3	115	-	✓	165	Return to work and retention rates after parental leave, by gender
Labor Relations	G4-DMA	115	-	✓	165	Management Approach
	G4-LA4	116	-	✓	165	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
Occupational Health and Safety	G4-DMA	117	-	✓	165	Management Approach
	G4-LA5	118	-	✓	165	Workers represented on joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
	G4-LA6	120	-	✓	165	Types and rates of injury, occupational diseases, lost days, and absenteeism, and work-related fatalities
	G4-LA7	123	-	✓	165	Workers with high incidence or high risk of diseases related to their occupation
	G4-LA8	124	-	✓	165	Health and safety topics covered in formal agreements with labor unions.
Training and Education	G4-DMA	125	-	✓	165	Management Approach
	G4-LA9	125	-	✓	165	Average hours of training per year per employee by gender, and by employee category
	G4-LA10	126	-	✓	165	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
	G4-LA11	127	-	✓	165	Percentage of employees receiving regular performance and career development reviews.

SPECIFIC STANDARD DISCLOSURES

Material aspects	Information on management approach and indicators	Omissions	External Assurance	Description		
Material aspects		Page	Omissions	External Assurance	Reference page	Description
Diversity and Equal Opportunity	G4-DMA	128	-	✓	165	Management Approach
	G4-LA12	130	-	✓	165	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
Equal Remuneration for Men and Women	G4-DMA	132	-	✓	165	Management Approach
	G4-LA13	132	-	✓	165	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	133	-	✓	165	Management Approach
	G4-LA14	133	-	✓	165	Percentage of new suppliers that were screened using labor practices criteria
	G4-LA15	133	-	✓	165	Significant actual and potential negative impacts for labor practices in the supply chain
Labor Practices Grievance Mechanisms	G4-DMA	133	-	✓	165	Management Approach
	G4-LA16	133	-	✓	165	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: HUMAN RIGHTS

Material aspects	Page	Omissions	External Assurance	Reference page	Description	
Investment	G4-DMA	134	-	✓	165	Management Approach
	G4-HR1	135	-	✓	165	Investment agreements and contracts that include human rights clauses
	G4-HR2	135	-	✓	165	Employee training on human rights
Non-Discrimination	G4-DMA	136	-	✓	165	Management Approach
	G4-HR3	137	-	✓	165	Total number of incidents of discrimination and corrective actions taken.
Freedom of Association and Collective Bargaining	G4-DMA	137	-	✓	165	Management Approach
	G4-HR4	137	-	✓	165	Operations and suppliers in which the right to freedom of association and collective bargaining may be violated or at significant risk
Child Labor	G4-DMA	138	-	✓	165	Management Approach
	G4-HR5	138	-	✓	165	Operations and suppliers identified as having significant risk for incidents of child labor
Forced or Compulsory Labor	G4-DMA	139	-	✓	165	Management Approach
	G4-HR6	139	-	✓	165	Operations and suppliers identified as having significant risk for incidents of forced labor
Security Practices	G4-DMA	139	-	✓	165	Management Approach
	G4-HR7	140	-	✓	165	Percentage of security personnel trained in the organization's human rights policies
Indigenous Rights	G4-DMA	140	-	✓	165	Management Approach
	G4-HR8	140	-	✓	165	Total number of incidents of violations involving rights of indigenous people and actions taken
Assessment	G4-DMA	141	-	✓	165	Management Approach
	G4-HR9	141	-	✓	165	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
Supplier Human Rights Assessment	G4-DMA	141	-	✓	165	Management Approach
	G4-HR10	141	-	✓	165	Operations that have been subject to human rights impact assessments
	G4-HR11	142	-	✓	165	Human rights impacts in the supply chain
Human Rights Grievance Mechanisms	G4-DMA	142	-	✓	165	Management Approach
	G4-HR12	142	-	✓	165	Operations that have been subject to human rights impact assessments

SPECIFIC STANDARD DISCLOSURES

Material aspects	Information on management approach and indicators	Omissions	External Assurance	Description
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SUB-CATEGORY: SOCIETY

Material aspects		Page	Omissions	External Assurance	Reference page	Description
Local Communities	G4-DMA	143	-	✓	165	Management Approach
	G4-SO1	144	-	✓	165	Local community engagement, impact assessments, and development programs
	G4-SO2	144	-	✓	165	Significant negative impacts on local communities
Anti-corruption	G4-DMA	148	-	✓	165	Management Approach
	G4-SO3	148	-	✓	165	Business units assessed for risks related to corruption
	G4-SO4	149	-	✓	165	Communication and training on anti-corruption policies and procedures
Public Policy	G4-SO5	149	-	✓	165	Confirmed incidents of corruption and actions taken
	G4-DMA	149	-	✓	165	Management Approach
Anti-Competitive Behavior	G4-SO6	150	-	✓	165	Total value of political contributions by country and recipient/beneficiary
	G4-DMA	150	-	✓	165	Management Approach
Compliance	G4-SO7	150	-	✓	165	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
	G4-DMA	150	-	✓	165	Management Approach
Supplier Assessment for Impacts on Society	G4-SO8	150	-	✓	165	Significant fines and non-monetary sanctions
	G4-DMA	151	-	✓	165	Management Approach
	G4-SO9	151	-	✓	165	Suppliers screened using criteria for impacts on society
Grievance Mechanisms for Impacts on Society	G4-SO10	151	-	✓	165	Impacts on society in the supply chain
	G4-DMA	151	-	✓	165	Management Approach
	G4-SO11	151	-	✓	165	Grievances about impacts on society

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Material aspects		Page	Omissions	External Assurance	Reference page	Description
Customer health & safety	G4-DMA	152	-	✓	165	Management Approach
	G4-PR1	152	-	✓	165	Products and services for which health and safety impacts are assessed
	G4-PR2	153	-	✓	165	Incidents of non-compliance with regulations or codes concerning health and safety
Product and Service Labeling	G4-DMA	153	-	✓	165	Management Approach
	G4-PR3	153	-	✓	165	Product and service information required by the organization's procedures and by law
	G4-PR4	153	-	✓	165	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
Marketing Communications	G4-PR5	154	-	✓	165	Results of surveys measuring customer satisfaction
	G4-DMA	156	-	✓	165	Management Approach
	G4-PR6	157	-	✓	165	Sale of banned or disputed products
Customer Privacy	G4-PR7	157	-	✓	165	Incidents of non-compliance with regulations concerning marketing communications
	G4-DMA	157	-	✓	165	Management Approach
	G4-PR8	157	-	✓	165	Substantiated complaints regarding breaches of customer privacy and losses of customer data
Compliance	G4-DMA	157	-	✓	165	Management Approach
	G4-PR9	157	-	✓	165	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

APPENDIX II: EXTERNAL INDEPENDENT ASSURANCE REPORT



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INDEPENDENT REVIEW REPORT OF GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'S 2015 CORPORATE RESPONSIBILITY REPORT

To the Board of Directors of Gamesa Corporación Tecnológica, S.A.

Scope of the work

We have carried out the review of the sustainability information included in the Gamesa Corporación Tecnológica, S.A.'s (hereinafter, Gamesa) 2015 Corporate Responsibility Report attached (hereinafter, the Report) and in the table of GRI indicators included as an Annex. This Report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 4 (G4).

The boundary determined by Gamesa for the preparation of the Report is included in section I.03 "Material Aspects and Boundary" of the attached Report.

The preparation of the attached Report, as well as 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 Guidelines for reviewing Corporate Responsibility Reports, issued by the Instituto de Censores Jurados de Cuentas de España (ICJCE) and
- 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.

Applied procedures

Our review consisted in performing inquiries to the managers of the Social Corporate Responsibility unit as well as the various business units that have participated in the preparation of the attached Report, and in applying analytical procedures and sampling review tests as described below:

- Interviews with the managers of the Social Corporate Responsibility unit in order to understand the elaboration process of the Report. Interviews with key staff of other business units that participate in the elaboration and definition of the Report's content have also been carried out.
- Review of the reporting systems used, the processes for the Report elaboration and the monitoring of the policies, relationships and commitments with Gamesa's stakeholders.

- Analysis of the adaptation of the structure and content of the sustainability information as indicated in GRI G4 Guidelines.

- Test, on a sample basis, of the quantitative and qualitative information of the indicators included in the GRI Indicators table, incorporated as an Annex in the Report, as well as its adequate compilation from data supplied by information sources. The review tests have been defined in order to provide assurance levels as described before.

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.

These procedures have been applied on the sustainability information included in the Report and in the GRI Indicators table included as an Annex, with the scope defined before.

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, we conclude that no matter came to our attention that would indicate that the Gamesa's 2015 Corporate Responsibility Report and the table of GRI indicators included as an Annex had not been prepared, in all their significant aspects, according to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 4.

This report has been prepared solely according to Gamesa's interest, 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 2016. In case of any discrepancy, the Spanish version always prevails.)

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