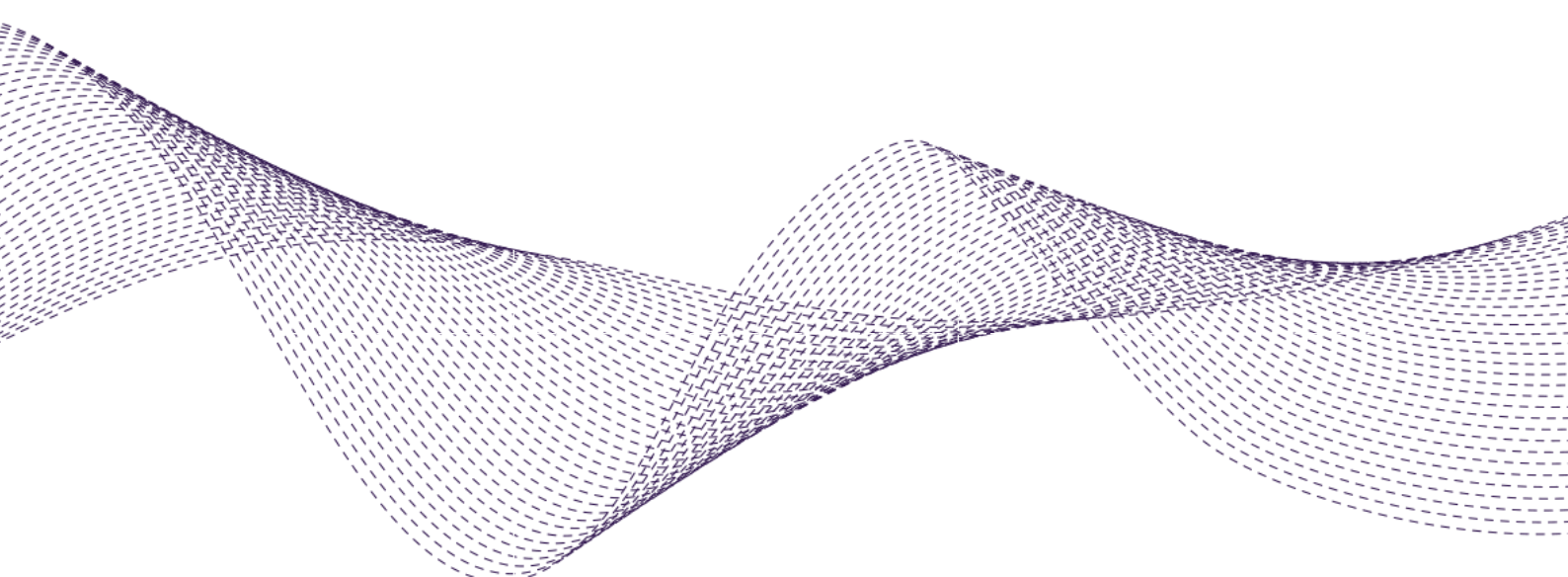


# Fulfillment Level Report 2020:

## Global Corporate Social Responsibility Policy of Siemens Gamesa Renewable Energy, S.A.

General Secretariat  
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# 1. Legal grounds

The Board of Directors of Siemens Gamesa Renewable Energy, S.A. (hereinafter the “company” or “Siemens Gamesa”) approved a “[Global Corporate Social Responsibility Policy](#)” (the “Policy”), which forms part of Siemens Gamesa Group’s Corporate Governance Rules, in its meeting on September 23, 2015.

Article 9(c) of Siemens Gamesa’s Audit, Compliance and Related Party Transactions Committee (the “Committee”) Regulations, in the consolidated text endorsed by the Board of Directors on November 27, 2020, defines one of the Committee’s main duties as *“The oversight and periodic review of the Company’s Global Corporate Social Responsibility policy ensuring that it complies with its purpose of promoting the corporate interest taking into consideration the legitimate interests of all the stakeholders. Likewise, if deemed appropriate, the Committee will propose to the Board of Directors the amendment of this policy”, and furthermore, article 29.3 of the same Regulations set forth that “Shareholders shall also be provided with reports on (a) the independence of auditors; (b) related operations referred to in article 13 (a) of these Regulations; and (c) the Global policy of corporate social responsibility.”*

The Corporate Affairs department of Siemens Gamesa has drawn up this Fulfillment Level Report on the Global Corporate Social Responsibility Policy for fiscal year 2020 in accordance with Articles 9(c) and 29.3 of the Audit, Compliance and Related Party Transactions Committee Regulations.

## 2. Fulfillment level of the Policy in FY20

In order to assess the Policy’s level of fulfillment in fiscal year 2020, the Corporate Affairs department of Siemens Gamesa has conducted an analysis of the different actions performed by the company on Sustainability / Corporate Social Responsibility (“CSR”) matters in said year. The Company started the process to update its Global Corporate Social Responsibility Policy in FY20, which was approved November 4, 2020.

The Global Corporate Social Responsibility Policy is based on six principles that allows the company to contribute to sustainable development by taking its stakeholders’ needs and expectations into account. The six principles are as followed:

- Principle 1: Comply with applicable law in the countries in which it does business and ensure ethical behavior, adopting international standards and guidelines and fostering and promoting the integration of the principles of the United Nations Global Compact.
- Principle 2: Ensure responsible governance and the transparency necessary to convey trust and credibility to stakeholders.
- Principle 3: Achieve a work culture based on safe and healthy work, equal opportunity and motivation.
- Principle 4: Contribute to sustainable development by reducing the environmental impact of the Company’s activities and generating new solutions through innovation.
- Principle 5: Develop a responsible supply chain, ensuring responsible management through transparent, objective and impartial procedures with suppliers and providing customers with all relevant information on the services and products sold.
- Principle 6: Promote socially responsible actions within the Siemens Gamesa Group to achieve harmony between corporate values and social expectations.

To support and properly apply the Global Corporate Social Responsibility Policy, the CSR Master Plan 2018-20 was developed in fiscal year 2018 aiming at covering different aspects set out in the Policy. The implementation of said CSR Master Plan was completed by end of fiscal year 2020.

This report intends to ascertain the level of fulfillment of each of the principles set forth in the Policy, which are divided into the following sections:

## 2.1. Principle 1: Comply with applicable law in the countries in which it does business and ensure ethical behavior, adopting international standards and guidelines and fostering and promoting the integration of the principles of the United Nations Global Compact.

### 2.1.1. Ensure corporate integrity, adopting the ethical and compliance values, principles and guidelines of Siemens Gamesa, articulated in the Company's Business Conduct Guidelines.

A cornerstone of Siemens Gamesa's corporate integrity are the Business Conduct Guidelines, which define the company's attitude towards responsible business, ensure that the company acts according to law and internal policies, and describe how Siemens Gamesa fulfills its responsibilities as an employer, in its markets, in society and to the environment.

Internally, the company's Compliance department has worked on harmonizing all compliance processes, guidance and policies by drawing up a single document: The Compliance Handbook. It allows all Siemens Gamesa employees to read about and understand the existence of the company's robust, reliable and state-of-the-art compliance system.

The Corporate Tax Policy supports Siemens Gamesa in fulfilling its tax obligations in all the territories in which it operates and to maintain a good relationship with the relevant tax authorities. It was last updated and approved by resolution of the Board of Directors on September 25, 2019. Furthermore, it should be highlighted that Siemens Gamesa is adhering to the Code of Good Tax Practices.

### 2.1.2. Respect internationally recognized human rights and avoid, prevent and mitigate any negative impact on human rights that might result from its own activities or from its commercial relations with third parties.

Siemens Gamesa aims to ensure respect for human rights in its own business operations and to promote this in its value chain. The United Nations Guiding Principles on Business and Human Rights (UNGP) provide Siemens Gamesa with valuable guidance. Also, the company 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 in line with the internationally recognized principles on the defense of universal human rights. These instruments essentially include i) the Business Conduct Guidelines that govern the behavior of all the Siemens Gamesa Group's employees and, more specifically, behavior related to the defense of human rights, while also setting out oversight mechanisms and disciplinary measures should said code be breached; and ii) a Suppliers' Code of Conduct. Accordingly, the company's involvement in any human rights infringements or other adverse human rights impacts must be avoided. Compliance with applicable laws and regulations is essential, but beyond that Siemens Gamesa employees are expected to be aware of these issues. They are also expected to avoid infringing the human rights of others and to address the adverse human rights impacts of the activities and circumstances in which the company is involved.

Furthermore, the Global Framework Agreement on Social Responsibility, the only agreement of its kind in the renewable energy industry, was signed by Siemens Gamesa and IndustriALL (the global trade union that encompasses

Siemens Gamesa's industrial activity) on November 25, 2019. Its content is fully aligned with the United Nations Sustainable Development Goal 12 'Responsible Consumption and Production' and with ILO's "Guidelines for a just transition". The aim of the agreement is to share and strengthen social, labor and environmental rights already contained in the company's Business Conduct Guidelines, ensuring their proper implementation, while fostering the conditions for a responsible social dialogue at a global level, and securing respect for fundamental human and social rights. To also cover the increasing size and complexity of the company, the agreement reinforces the previous commitments for such important areas, like Labor Rights; Social Dialogue; Health and Safety; Sustainable Working Environment, relationships with suppliers, contractors and business partners; and rejection of corruption and bribery. Siemens Gamesa is responsible to communicate and promote the implementation of this agreement among its suppliers, subcontractors and business partners. Furthermore, the agreement makes a reference to the Convention 190 concerning the elimination of violence and harassment and includes a more operational approach with regards to the Global Framework Agreement implementation and monitoring by establishing a follow-up team with representatives from all concerned parties worldwide.

### 2.1.3. Contribute to the United Nations 2030 Agenda for Sustainable Development, with a direct impact on the UN Sustainable Development Goals (SDGs) relating to the Company's products and solutions.

Siemens Gamesa has an impact on most of the SDGs in four important ways: i) through the company's products and services, ii) by operating its business responsibly, iii) through Siemens Gamesa's expertise and thought leadership, and iv) through its corporate citizenship activities and community engagement programs. The magnitude by which Siemens Gamesa impacts the different SDGs varies, however.

The company's CSR Master Plan 2018-20 identified and prioritized which of the global goals are most relevant to Siemens Gamesa, given the countries and sectors in which it operates. It provided the necessary information to engage with the SDGs in an effective way, identified how each country was performing against its SDG goals and targets and used input-output modelling techniques to highlight relevance across both direct operations and the wider supply chain. It also drew on economic research to identify where value could be at risk from countries failing to achieve their SDG commitments and the potential opportunities (i.e. where business activities could help significantly more), on a country by country basis. It thereby helped the company map out and visualize strategic priorities in a more informed way. Thus, the company identified high as well as medium and low impact SDGs. For the most part, SDGs the company considers having a high impact are strongly correlated to Siemens Gamesa's products and services, often in combination with thought leadership initiatives in collaboration with partners around the world.

In addition, the Siemens Gamesa Group has given its constant support to the United Nations Global Compact's 10 Principles since 2005. In accordance with this undertaking, it publicly discloses the so-called Communication on Progress Report to its stakeholders, which can be accessed on the UN Global Compact website. The latest report was published on May 4, 2020.

**Considering all information under 2.1., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

## 2.2. Principle 2: Ensure responsible governance and the transparency necessary to convey trust and credibility to stakeholders

### 2.2.1. Adopt good governance practices and recommendations generally recognized in international markets, based on corporate transparency and mutual trust with shareholders and investors.

In fiscal year 2020, Siemens Gamesa's Board of Directors reviewed and approved (the complete approval process finished after fiscal year end) several policies to comply with the company's Global Corporate Social Responsibility Policy:

Corporate CSR policies	First issue	New in 2020	Latest version
Global Corporate Social Responsibility Policy	September 23, 2015	Update	November 4, 2020
Diversity and Inclusion Policy	September 23, 2015	-	September 25, 2019
Supplier Relationship Policy	September 23, 2015	-	September 25, 2019
Climate Change Policy	November 18, 2015	Update	November 4, 2020
Social Commitment Policy	November 4, 2020	Drafting	November 4, 2020
Human Rights Policy	September 12, 2018	Update	November 4, 2020

### 2.2.2. Foster communication and dialogue with stakeholders and the transmission of knowledge on issues that are significant to them.

Siemens Gamesa's relationship with any stakeholder is maintained in a two-fold way: from the standpoint of social responsibility, responding to the expectations and needs, and from a reputation-related perspective, managing the perception these stakeholders have of the company. There is no doubt that the disclosure of non-financial or corporate social responsibility related information contributes to measuring, monitoring and managing the company's performance and impact on society.

The Law 11/2018 of 28 December on Non-Financial Information and Diversity adopted in Spain implements Directive 2014/95/EU of the Parliament and of the Council amending Directive 2013/34/EU about the "disclosure of non-financial information and information on diversity by certain large companies". This new law expands non-financial reporting requirements, to specifically address environmental and social aspects regarding people management, diversity, respect for the environment, and of human rights and the fight against corruption and bribery, including the risks and outcomes linked to these issues. Disclosure of non-financial information or related to sustainability or corporate social responsibility became, therefore mandatory by law for Siemens Gamesa.

The company's Consolidated Non-Financial Statement (CNFS) covers the requirements of this new regulation coming into force and is an integral part of the Management Report of the company. It contributes to measuring, monitoring and managing the performance of the company and its impact on society. In this context, the report contains information in relation, at least, to environmental and social issues, as well as personnel, respect for human rights and the fight against corruption and bribery. It also summarizes the most relevant financial and non-financial information in accordance with the corresponding materiality analysis. The CNFS aims at satisfying the growing demands made by society in general, shareholders and investors for companies to explain their performance in non-financial aspects, which is also known as environmental, social and corporate governance (ESG) given that good performance in these areas is directly linked to business excellence.

2.2.3. Disseminate relevant, truthful and regular information concerning the activities of the company based on reliability and continuous improvement.

Siemens Gamesa published its Consolidated Non-Financial Statement at the end of fiscal year 2020.

Furthermore, the company's sustainability performance is monitored constantly throughout the fiscal year and has been externally endorsed by the most renowned and relevant sustainability indexes and ratings. These indexes are designed to measure the performance of companies capable of demonstrating strong Environmental, Social and Governance (ESG) practices. For that purpose, Siemens Gamesa focuses on the communication with relevant sustainability analysts and ratings and the company's ESG team is in constant contact with the world's most prestigious sustainability indexes of which the company is a constituent member, such as Dow Jones Sustainability Indices®, FTSE4Good® and Ethibel Sustainability Index®. Furthermore, it is noteworthy that Siemens Gamesa was included in the MSCI ESG rating assessment with an A rating, in the 2020 Bloomberg Gender-Equality Index and ranked first in fiscal year 2020 among 25 companies of the Electric Components & Equipment sector for its ESG performance by Vigeo-Eiris.

**Considering all information under 2.2., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

2.3. Principle 3: Achieve a work culture based on safe and healthy work, equal opportunity and motivation.

2.3.1. Endeavour to ensure a safe and healthy work environment within the Siemens Gamesa Group and within its areas of influence.

Occupational health and safety is a crucial aspect for the company. It is an essential part of risk management and internal controls at Siemens Gamesa, as well as of our Business Conduct Guidelines. Safeguarding the safety and well-being of our employees is linked to some of the UN Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 08 (Decent Work and Economic Growth) and SDG 16 (Peace and Justice).

At our production facilities and across our project sites, we continuously drive improvements related to health and safety that are monitored through our internal systems. Furthermore, we work across our value chain on industry-driven initiatives and networks that focus on health and safety in the wind industry to raise awareness and adopt best practices, which typically includes customers and suppliers, industry associations, research institutes or similar.

Siemens Gamesa has a global occupational health and safety management system in place that is certified according to the OHSAS 18001 standard. The international OHSAS 18001 standard provides a framework to identify, control and decrease the risks associated with health and safety within the company.

Additionally, the Siemens Gamesa Policy provides clear direction and specific objectives in regards to Quality, Health, Safety and Environment. It consists of six pillars which form the basis of how the global HSE (Health, Safety and Environment) strategy is defined across the company and it is periodically reviewed and updated accordingly. The policy applies to Siemens Gamesa activities worldwide and is mandatory for all employees working for the company, on its behalf or under its authority. Together with Siemens Gamesa's Business Conduct Guidelines, the policy indicates

a zero-tolerance toward negligent health and safety conduct as well as personal security and a commitment to continuous improvement. The Board of Directors has an active Health & Safety oversight role.

In 2020, the number of Lost Time Injuries (LTI) within the Siemens Gamesa Group amounted to a total of 78. As a result, the overall employee Lost-Time Injury Frequency Rate reached 1.41 by the end of the fiscal year. This rate (LTIFR) is calculated for a 1,000,000-working hour's period and includes all accidents that result at least in one lost day of work. As for contractors, this rate was 1.22. The combined rate for employees and contractors was 1.36 by the end of fiscal year 2020.

The overall Total Recordable Injury Rate (TRIR) stood at 3.14 in 2020. The company has regrettably suffered four fatalities in fiscal year 2020 and put together an internal task force to ensure that the lessons learned from these tragic events are being implemented to prevent them from happening again. Generally, Siemens Gamesa strives to bring the number of occupational injuries down to zero and we are committed to carry on working with all relevant stakeholders to create a safe and healthy working environment for both our employees and contractors. For that purpose, the Group acts proactively to analyze the root causes of accidents and is equipped with management indicators that show the attainment level of this working philosophy in day-to-day management. This includes, for example, performing 26,059 safety inspections, 60,113 safety observations and 66 health & safety audits by the end of fiscal year 2020. In addition, Siemens Gamesa maintains regular external collaborations in the field of occupational health and safety, with administrations as well as other associations and organizations aimed at promoting occupational safety and health.

### 2.3.2. Foster a framework of labor relations based on equal opportunity, non-discrimination and respect for diversity.

Siemens Gamesa has a Diversity and Inclusion Policy in place that aims at ensuring equality and inclusion and avoiding any kind of discrimination based on race, gender, civil status, ideology, political opinions, nationality, religion or any other personal, physical or social characteristic. The Diversity Committee oversees its fulfillment in a working environment that fosters dignity and respect for all. Evidence of diversity within the company's workforce is that more than hundred (109) different nationalities are employed across the world.

The Diversity & Inclusion Strategy for the fiscal years 2020-22 was approved by the Executive Committee in 2020 and is driven by four long-term goals aimed at encouraging diversity and equal opportunities as impactful and competitive advantages: Strengthening our diversity and inclusion employer brand; increasing female representation in the company's Board, the overall workforce and senior management positions; creating the working environment of the future to attract and retain the best talent by promoting work-life balance measures and improving workforce flexibility; and contributing to positive social transformation in our internal culture by encouraging diversity as an impactful and competitive advantage. The goal of this plan is to design and share a new common concept of diversity and to embrace it truly in the first two years through different specific and global initiatives that are especially focused on gender equality, culture, inclusion and work-life balance.

Gender equality is an essential prerequisite for creating a diverse and inclusive working environment and, thus, the company fosters diverse recruitment and equal opportunities for all. As far as gender diversity on the Board of Directors' composition is concerned, three of the Board's ten members were women on September 30, 2020, namely 30% of its members, thereby fulfilling the Board of Directors Diversity and Director Selection Policy. The overall share of female employees amounted to 19% of the entire workforce. By regions, women accounted for 21% of the workforce in Europe, the Middle East and Africa, 20% in the Americas and 10% in Asia, Australia.

Siemens Gamesa is committed to achieving pay parity across the globe as a way of fostering an inclusive culture that rewards fairly and recognizes the contributions made by all our employees. The Salary Increase Process at Siemens Gamesa makes sure increases are solely based on merit and the skills required in each specific case and ensures equal treatment for men and women. That is why this procedure adopts preventative measures to ensure compliance with the prevailing equality principles. Siemens Gamesa current gender pay ratio, which is calculated by dividing women's

wages by men's wages, amounted to an average of 1.13 or 113%. In other words, on average women make 1 Euro and 13 Cents for every Euro men make. A more detailed breakdown of the gender pay ratio by age and job level can be found on page 96 of the [Consolidated Non-Financial Statement 2020](#).

The endorsement of the Declaration of Women's Empowerment Principles has been maintained by the company since 2010. The principles were drawn up through a multilateral consultative process under the direction of the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact and offer a gender-based perspective which allows ongoing initiatives to be measured and analyzed.

Siemens Gamesa fosters inclusion through access to equal parental benefits that recognize the full spectrum of family diversity of our employees around the world. These benefits include: paid and unpaid parental leave for primary and secondary care-givers who have recently had a child through birth, adoption, surrogacy, foster care or legal guardianship; access to on-site breast-feeding rooms; time off for adoption assistance; child care services; and a broad range of health services, including company health insurance. Some of our local health insurances also provides partial coverage for fertility and contraception services.

The company is committed to accelerating equality for all and to creating an inclusive, accessible workplace, providing all reasonable adjustments for persons with disabilities. The average number of people employed by the Siemens Gamesa Group in 2020 with a disability grade greater than or equal to 33% is 127. By countries, Siemens Gamesa registers 41 persons with disabilities in Germany, 35 in United Kingdom, 28 in Spain, 16 in Brazil, 3 in the United States, 3 in India and 1 in México. In China and Denmark, we do not register people with disabilities in the workforce due to legal requirements. The above-mentioned countries account for 86% of the total workforce in fiscal year 2020.

Siemens Gamesa also has an Action Protocol in the event of Harassment and Discrimination in place, which establishes the scope, the reporting line and measures in case of harassment and/or discrimination.

### 2.3.3. Keep persons motivated and committed to a culture of high performance, continuous learning during one's entire working life and possibilities for professional development.

Siemens Gamesa pursues improvement in people's quality of life and believes in social and professional development as a core component of future success. The company aims at being the employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities. Siemens Gamesa's employment model is based on respect for and compliance with universal standards in both the human rights and labor legislation arenas. As part of the integration process in Siemens Gamesa following the merger, our employees built the new culture - known as Culture of Trust. It is based on three pillars: continuous learning, empowerment and diversity.

To support the continuous learning pillar, the company is creating global frameworks, processes and tools available for all employee. Together, these building blocks put employees at the very heart of their own career development by means of a strong performance cycle, a consistent talent development path, a meaningful learning experience and a set of global tools which are available to all employees. In addition, our leadership community plays an essential role in turning this employee experience into reality by providing support throughout the journey as part of their leadership roles. At the same time, Siemens Gamesa provides a leadership ecosystem to make sure we employ the very best leaders to ensure our strategy's success.

The Culture of Trust's other two areas supplement the Talent and Leadership Strategy by granting each employee ownership over their career. The Human Resources and Leadership community is ready to support and foster growth opportunities, but it is up to the employee to drive and steer their own career. Employees are expected to reflect on their career ambitions and understand the development opportunities needed to reach their development goals. Diversity then gives each of the building blocks the richness and depth needed to put together the very best team in the renewable energy industry.



Learning initiatives are used to support the company's vision by enhancing the skills of employees, thereby developing competencies to boost on-the-job performance. Today's competitive and fast changing business environment, along with increasingly complex labor market conditions have made Siemens Gamesa's ability to develop employees and accelerate the way we build new business-critical skills more crucial than ever.

In fiscal year 2020, the company registered a cumulative number of training hours of 839,950. The training hours rate per employee stood at 32 and the average training hours per training session is 4.2. In addition to global principles and programs, learning activities are usually included as part of local collective bargaining agreements.

**Considering all information under 2.3., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

## 2.4. Principle 4: Contribute to sustainable development by reducing the environmental impact of the Company's activities and generating new solutions through innovation.

### 2.4.1. Contribute to the fight against climate change, playing a leading role in the renewable energy sector.

Climate change and resource scarcity are some of the greatest global challenges facing society today. To contribute to overcoming these challenges, the Siemens Gamesa Group has adopted a company-wide [Climate Change Policy](#), which was last reviewed and approved by the Board of Directors on November 4, 2020. The policy enforces the company's intent to continue developing renewable energy technologies and promoting their uptake to achieve a global low-carbon energy generation model that not only reduces environmental impacts but also ensures a sustainable future for generations to come.

Siemens Gamesa became carbon neutral at the end of 2019, five years ahead of schedule. This accomplishment is a major milestone and was attained by a combination of reducing and/or offsetting the CO<sub>2</sub> generated directly or indirectly by the company. The global roadmap for meeting the commitment – defined in the Climate Change Policy – included a combination of actions such as implementing energy reduction and efficiency measures, relying on electricity from renewable energy-based sources, developing a green mobility plan to reduce fleet emissions, and offsetting non-avoidable emissions through compensation projects.

In fiscal year 2020, Siemens Gamesa widened its ambitions and incorporated a long-term target of achieving net-zero emissions by 2050. Net-zero means zero absolute emissions without the use of any kind of offsetting. Another new strategic focus was established for our Scope 3 emissions, which were previously excluded from the original carbon neutral strategy. Scope 3 emissions are indirect emissions generated by our value chain, so Siemens Gamesa will engage further with our key suppliers to encourage them to reduce their Scope 1 and Scope 2 emissions of the products and services they supply to us.

The company has made undertakings to several business initiatives aimed at assessing its climate related risks and opportunities, mapping and reducing the impacts associated with its emission sources, and voluntarily committing to climate protection and decarbonization initiatives such as the Paris Pledge for Action or the Science Based Targets Initiative (SBTi). The SBTi is an initiative between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, the World Wildlife Fund for Nature and the We Mean Business Coalition. It encourages

companies to set carbon emissions reduction targets at a level necessary to meet the 1.5/2°C compared with preindustrial temperatures set in the Paris Climate Agreement. Siemens Gamesa committed to the SBTi as the first renewable energy manufacturer in September 2018 and reaffirmed its commitment to the initiative by becoming a signatory of the United Nation's Business Ambition for 1.5°C campaign in the lead up to COP26 in December 2019. Ten months after becoming carbon neutral, in summer 2020, SBTi verified that Siemens Gamesa's emission reduction strategy is aligned with what is required to meet the 1.5°C trajectory according to climate science. The company joins a group of 430 other global organizations who have had their targets approved by the SBTi, where only about 150 have targets consistent with meeting the most ambitious 1.5°C scenario.

Since Siemens Gamesa is committed to transparent science-based communication, the company monitors and reports its progress along the path to carbon neutrality and net-zero carbon emissions by issuing an annual GHG emissions report in accordance with the GHG Protocol and the requirements set by the ISO 14064-1 standard. In addition, Siemens Gamesa's GHG emissions report is verified by an independent third party according to the ISO 14064-3 standard with a limited assurance scope pursuant to the ISAE 3410 standard. The Company's total emissions of CO<sub>2</sub>-eq under Scope 1 and Scope 2 amounted to 27,910 tons CO<sub>2</sub>-eq in fiscal year 2020.

This figure includes direct emissions (Scope 1) amounting to 26,053 tCO<sub>2</sub>-eq, caused by the combustion of materials for the generation of heat resources, as well as indirect emissions (Scope 2) deriving from the purchase of electricity for the operation of our own resources and services, amounting to 1,857 tCO<sub>2</sub>eq (44,261 tCO<sub>2</sub>eq in FY19, which represents a 96% reduction). With electricity supply at locations having a strong manufacturing footprint, such as Spain, Denmark, Germany and the United Kingdom, they led the way and had gone green. Siemens Gamesa's renewable electricity ratio has been steadily rising from 58% in fiscal year 2017, 61% in fiscal year 2018 and 62% in fiscal year 2019 to reach almost 100% in fiscal year 2020. The conversion of the company's annual electricity consumption amounted to almost 650 Gigajoules, all of which was generated by renewable sources. That led to a total of approximately 42,000 tCO<sub>2</sub> of avoided emissions in Siemens Gamesa's carbon footprint on an annual basis.

Total internal energy consumption amounted to 1,201,637 gigajoules in fiscal year 2020, leading to an estimated 46 gigajoules of energy consumption per employee and year.

Total water consumption in the period amounted to 522,530 cubic meters. During fiscal year 2020, a total of 19,740 m<sup>3</sup> of recycled water was used. This includes a total of 16,945 cubic meters of recycled water treated internally.

#### 2.4.2. Contribute to the circular economy, both from the standpoint of rational use of resources and of responsible waste management.

Siemens Gamesa continuously works on improving the end-of-life phase. For example, the company offers extended lifetimes regarding both design and the lifetime extension programs. Alternative materials such as recyclable resins are also being investigated to improve the recyclability of the composite rotor blades. Modular wind turbine design is also an environmental benefit, since it eases dismantling and optimizes waste treatment methods. Increasing the recyclability of turbine components is high on the company's agenda and Siemens Gamesa continuously takes part in projects to support the development of a circular economy. Some of the company's facilities are fully or partially dedicated to repairing components and returning them to operation (gearboxes, generators, electrical boards and even blades) in order to make progress toward a circular economy with the final aim of achieving cradle to-cradle solutions.

Environmental impacts from Siemens Gamesa's waste depend on the waste types generated and the waste treatment methods selected. Our waste performance indicators address absolute reductions in waste as well as improvements in waste treatment according to the waste hierarchy. The waste generation and the management of waste is governed through an internal procedure for waste management that applies globally across Siemens Gamesa. The procedure defines the differentiation between hazardous and non-hazardous waste, being that this material arises directly from our production facilities and project sites. Waste generation is recorded from all significant locations on a monthly

basis. The total volume of waste amounted to 68,311 t in fiscal year 2020. The ratio of hazardous waste generation to non-hazardous waste generation was 1:6, and the waste overall recycling rate was 72%.

#### 2.4.3. Respect the natural environment, protect biodiversity and minimize impacts on ecosystems.

Siemens Gamesa's products and services use certain natural resources (raw materials, water, fossil fuels and wind) to perform their function, thereby interacting with, and potentially affecting, ecosystems, landscapes and species. For example, this can occur when establishing new facilities or when constructing new wind power plants. Potential impacts to biodiversity can include, for example: Potential land use changes by using vehicles and machinery to open paths and remove vegetation; prolonged human presence which temporarily affects the behavior of species of fauna in a generally reversible way; or potential species mortality due to collisions with our customers' wind turbines.

Despite these potential impacts on biodiversity, our wind projects are constructed in a sustainable way that allows for a balanced coexistence, thus conserving and protecting natural assets, i.e. biodiversity and climate. Protected areas and areas of high biodiversity value without protection are generally avoided during the planning stage of new infrastructures. Potential environmental impacts are analyzed through a formal HSE aspects evaluation and by conducting environmental impact assessments beforehand, with measures to correct and minimize the impacts. In case that they cannot be completely mitigated, offsetting measures are taken.

**Considering all information under 2.4., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

### 2.5. Principle 5: Develop a responsible supply chain, ensuring responsible management through transparent, objective and impartial procedures with suppliers and providing customers with all relevant information on the services and products sold.

#### 2.5.1. Maintain an ethical, honest and fair relationship with the supply chain.

Siemens Gamesa's message to suppliers is that they must share the common goal of behaving in an ethical, law-abiding manner. The group has therefore set a specific policy for governing supplier relations and contracting that provides a group-wide framework for the management and control of procurement activities: the [Supplier Relationship Policy](#). It was last reviewed and approved by the Board of Directors on September 25, 2019.

As a foundation of sustainability for suppliers, and compliant with the Group policy, the [Code of Conduct for Suppliers and Third-Party Intermediaries](#) (also commonly referred to as "the Code of Conduct"), sets out the Group's binding requirements. The Code of Conduct is based on – among others – the UN Global Compact and the principles of the International Labor Organization, the principles of the Rio Declaration on Environment and Development, the Electronic Industry Citizenship Coalition® Code of Conduct, WindEurope® Industry Principles and ISO standards. It also reflects the Siemens Gamesa internal Business Conduct Guidelines, which reinforces the fundamental principles of sustainability and applies companywide. The Code establishes standards to ensure that working conditions in the company supply chain are safe, that workers are treated with respect and dignity, and that business operations with

suppliers are ethically, socially and environmentally responsible. The Code is a stand-alone document and updated on a regular basis to reflect the standards of Siemens Gamesa in its operations with suppliers.

In fiscal year 2020, Siemens Gamesa purchased almost €7.4 billion from approximately 19,000 tier-1 suppliers. These suppliers have been impartially screened and assessed for high standards compliance with our excellence value.

Siemens Gamesa implemented a risk-based due diligence process to identify any areas of non-compliance of the Code of Conduct and to highlight opportunities promoting improved performance. This includes systematic screening of new and existing suppliers through background checks and risk assessments associated with the sector and countries of operation. For example, reports from external providers provide us with information on geopolitical, commodity and financial risks. In case a red flag is raised, e.g. due to a risk of irresponsible or non-sustainable behavior, the supplier must go through one or more detection modules. These detection modules are: Sustainability Self Assessments, Supplier Evaluations, External Sustainability Audits, and Supplier Quality Audits with Sustainability scope. If areas of non-conformance are identified, the supplier and Siemens Gamesa will collaborate and agree on an action plan consisting of appropriate improvement measures. 783 Sustainability Self-Assessments, 197 Quality Audits with Sustainability Questions and 199 External Sustainability Audits were conducted in fiscal year 2020. Siemens Gamesa covered 77% of the purchasing volume (PVO) of high sustainability risk suppliers by at least one of the detection modules above.

#### 2.5.2. Establish long-term relationships with key suppliers, creating technological partners and contributing to common development.

Siemens Gamesa has a strong history of supplier excellence, built up over the years through sustainable relationships with our supplier and contractor base. Our company was built on very strong legacies that have consistently created positive value contribution with our suppliers and contributors. That's why sustainability will remain a key catalyst for the supply chain for Siemens Gamesa.

The principles followed by our supply chain support includes several key activities that have consistently created positive value with our suppliers and stakeholders, for example: the development of the local supply base adding highly technologically prepared and competitive partners, while contributing to local wealth creation; the improvement through development plans with suppliers to achieve world-class component design to reduce costs; and by creating opportunities for qualified suppliers to export to other regions based on their competitiveness.

All these activities are important contributors to internal activities such as the definition of commodity strategies, new product introduction and engineering change management.

**Considering all information under 2.5., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

## 2.6. Principle 6: Promote socially responsible actions within Siemens Gamesa Group to achieve harmony between corporate values and social expectations.

### 2.6.1. Foster the economic and social development of the communities in which the Company has a presence, promoting higher levels of well-being through actions to cooperate with local development.

Siemens Gamesa is deeply anchored in the communities in which we operate. We see it as our duty to collaborate in their sustainable development. That is our business model. Long-term acceptance by local communities is our main priority. In addition, it is our goal to play an active role in these communities' activities. Through the achievement of the UN's Sustainable Development Goals, we also meet the concerns of employees to engage with communities through volunteer activities.

Siemens Gamesa is committed to achieving harmony between our corporate values and society's expectations, as well as fostering economic and social development of the communities in which we operate. Improvements of the quality of life and wealth creation are provided by our standard commercial activities, as well as by driving forward socio-economic development through non-business channels. For that purpose, Siemens Gamesa collaborates with a variety of stakeholders, such as institutions, administrations, and organizations in civil society and actively sponsors social action initiatives worldwide.

The Social Commitment Policy was first approved by a resolution of the Board of Directors on November 4, 2020 (replacing the formerly existing Social Action Policy). It provides the framework for all community engagement or social action initiatives and defines the following primary objectives: Stimulate sustainability, improve the company's recognition and reputation, increase pride of belonging and satisfaction among employees and partners, and contribute to the improvement of the communities in which the Siemens Gamesa Group does business. Hence, the UN Sustainable Development Goals play a crucial role in Siemens Gamesa's community approach: any social action initiative or community engagement must meet one or more of the UN SDGs that have been deemed as material to Siemens Gamesa's social engagement. As described in the Social Commitment policy, Siemens Gamesa pledges to pay special attention to the most vulnerable groups. Thus, another focal point of all social action initiative or community engagement must be a group of beneficiaries. The value of an activity, however, is not solely based on the sheer number of beneficiaries, but also on the qualitative impact the project has on vulnerable individuals or groups.

Siemens Gamesa partnered with the University of Deusto in Bilbao, Spain to assess the Social Return on Investment (SROI) of the projects funded by SGRE Impact, the company's global social action initiative. SROI measures the efficiency of how the funds invested in these projects have been used. It is obtained by calculating a ratio using Integrated Social Value, which is the consolidation (sum without repetition) of the distribution value to economic players (workers, suppliers, etc.), and the distribution value to beneficiaries (usually through non-market mechanisms). The SROI for the projects implemented in fiscal years 2018-19 was calculated to stand at €5.54, which means that the actual investment was worth 5.54 times of every euro spent on the projects by Siemens Gamesa.

In fiscal year 2020, many projects were implemented around the globe focusing on COVID-19 relief, community engagement, environmental initiatives and technological education. Siemens Gamesa's total donations and charitable contributions amounted to 2.90 million Euros. By regions, most of these investments were originated in Europe, Middle East and Africa (68%), followed by Americas (25%) and Asia, Australia (7%). All the donations and charitable contributions of local nature are included in this overall amount. The largest share of funds, however, is managed directly from the Social Commitment team within Human Resources, which centralizes and directly manages social projects and the allocation of funds, and made the following investments in 2020:

- In-kind and direct donations due to COVID-19: 1,050,000 Euros
- SGRE Impact donations: 500,000 Euros
- Environmental projects: 108,000 Euros

- Technological education projects: 280,000 Euros

**Considering all information under 2.6., it can be concluded that the Global Corporate Social Responsibility Policy has been duly fulfilled regarding this principle.**

## 3. Conclusion

Based on all that has been set out in this report, the Corporate Affairs department concludes that Siemens Gamesa Renewable Energy has duly fulfilled the Global Corporate Social Responsibility Policy in fiscal year 2020.

*For further information please also see the [Consolidated Non-Financial Statement 2020](#).*