Siemens Gamesa Renewable Energy, S.A.

Management report for the year ended September 30, 2021

Business evolution

Siemens Gamesa is a holding company, and consequently, its results come mainly from dividends received from its investee companies and from income accrued on the financing granted and the services rendered to the companies in the Group

Significant events of the year ended September 30, 2021

The sum of “Revenue” and “Other operating income” of the ended year September 30, 2021 amounts to EUR 311,631 thousand (EUR 433,097 thousand in 2020), of which EUR 194,206 thousand correspond to dividends received from group companies and associates (EUR 333,908 thousand in 2020), EUR 25,731 thousand to financial income from financing granted to subsidiaries (EUR 37,568 thousand in 2020) and EUR 91,694 thousand to income from the services rendered to group companies (EUR 61,621 thousand in 2020) (Note 18).

“Staff costs” amounting to EUR 57,578 thousand (55,374 thousand in 2020) (Note 17), “Other operating expenses” amounting to EUR 151,200 thousand (EUR 107,343 thousand in 2020) (Note 17), “Depreciation and amortization” amounting to EUR 201 thousand (EUR 429 thousand in 2020) (Notes 7 and 8) and fundamentally the reversal under “Impairment and losses on disposals of financial instruments in group companies and associates” amounting to an income of EUR 698,549 thousand (an expense of EUR 1,445,072 thousand in 2020) (Note 9), lead to a positive "Operating result" of EUR 801,201 thousand (negative of EUR 1,175,121 thousand). The reversals of impairments of investments are mainly driven by the improvement in the expected cash flows of the subsidiaries in Spain, Chile, Portugal and Morocco, among others. The “Financial Result” has been negative in amount EUR 15,520 thousand (negative of EUR 8,475 thousand in 2020), mainly due to the financial expenses of the syndicated financing facility.

The Result before taxes amount to an income of EUR 785,681 thousand (loss of EUR 1,183,596 thousand in 2020) and the Corporate Income Tax entails an income of EUR 57,834 thousand (income of 16,147 thousand in 2020), which leaves a “Result for the year” from continuing operations of SIEMENS GAMESA of EUR 843,515 thousand of profit, compared to EUR 1,167,449 thousand of loss for the year ended September 30, 2020.

The Company’s Directors have prepared the Financial Statements on a going concern basis, as they consider that the future perspectives of the Company's and the Group’s business will allow obtaining positive results and positive cash flows in the next years. Additionally, the Company´s liquidity needs are guaranteed at all moments through credit lines (Note 13).

SIEMENS GAMESA’s activity is greatly influenced by the activity of the SIEMENS GAMESA Group, and therefore the significant aspects of its development are included as follows.

Management Report for the year ended September 30, 2021

1. Introduction

Fiscal year 2021 (FY21), from October 2020 to September 2021, was a complex one. We are seeing the first signs of economic recovery after COVID-19; however, the effects of the pandemic on supply chains, manufacturing and travel are lasting longer than expected. With supply only partly recovered, the rebound in demand has led to major imbalances: shortages of certain components, longer delivery times, and a sharp increase in commodity prices, plus record-high transportation costs. The impact of these imbalances, which are persisting, was particularly intense during the second half of the year (H2 21) and on the Wind Turbine (WTG) business, which was also affected by higher ramp-up costs for the Siemens Gamesa 5.X platform. The company has already launched an action plan to address both the challenges derived from the supply chain imbalances and the ramp-up of the Siemens Gamesa 5.X platform. As a result, following solid performance in the first half (H1 21), Siemens Gamesa[1] ended fiscal year 2021 with Group revenue amounting to €10,198m (+8% y/y) and an EBIT margin pre PPA and before integration and restructuring costs of -0.9%, both in line with the low end of the adjusted guidance range announced in July 2021. EBIT pre PPA and before integration and restructuring costs includes in the second half of FY21 provisions for onerous contracts in the Onshore business in the amount of c. -€298m[2]. Including integration and restructuring costs (-€197m in FY21) and the impact of the PPA on amortization of intangibles (-€230m in FY21), reported EBIT in FY21 amounted to -€522m and net income attributable to SGRE equity-holders amounted to -€627m.

Revenue in the fourth quarter of FY21 (Q4 21) amounted to €2,863m (0% y/y) and the EBIT margin pre PPA and before integration and restructuring costs was -6.2%. Returns in Q4 21 were affected by an increase of provisions for onerous contracts of the Siemens Gamesa 5.X platform amounting to c. -€69m (equivalent to c. -2.4% of revenue in Q4 21), mainly related to the impact of the capacity bottlenecks and the higher transportation costs on the projects in Northern Europe pipeline. Additionally, as planned, Q4 21 EBIT pre PPA and before integration and restructuring costs includes the costs related to the successful ramp-up of the Offshore SG 11.0-200 DD platform, whose first projects will begin execution in fiscal year 2022. Reported EBIT in Q4 21 amounted to -€279m, including the impact of integration and restructuring costs (-€48m) and of the PPA on amortization of intangibles (-€55m). Reported net income in Q4 21 amounted to -€258m.

The Group ended FY21 with a solid balance sheet and ample access to funding. As of 30 September 2021, the Group's net debt position stood at -€207m, while working capital amounted to -€2,496m, equivalent to -24% of revenue LTM. One of the main factors contributing to higher debt was the increase in lease liabilities[3]. As of September 30, 2021, Siemens Gamesa had €4,443m in committed funding lines, against which it had drawn €1,346m, and total available liquidity amounted to €5,058m, including cash on the balance sheet at year-end of €1,961m. Siemens Gamesa maintains an investment grade credit rating: BBB from S&P (outlook stable) and BBB- from Fitch (outlook negative).

Apart from the supply chain imbalances, which were exacerbated in the last six months, FY21 was characterized by a clear increase in global commitments to combating climate change, as decarbonization objectives account for 71% of world emissions. These commitments, which in some cases are accompanied by specific targets for wind power

[1] Siemens Gamesa Renewable Energy (Siemens Gamesa or SGRE) is the result of merging Siemens Wind Power, which was the wind power division of Siemens AG, with Gamesa Corporación Tecnológica (Gamesa). The Group engages in wind turbine development, manufacture and sale (Wind Turbine business) and provides operation and maintenance services (Service business).

[2] These provisions for onerous contracts reflect mainly the impact of higher commodity and transport prices and the ramp-up cost of the Siemens Gamesa 5.X platform on the returns on contracts with that platform that are in the backlog and scheduled for execution in fiscal year 2022 (FY22) and fiscal year 2023 (FY23).

[3] As of 30 September 2021, lease liabilities amounted to €829m. As of 30 September 2020, lease liabilities amounted to €611m.

facilities, especially Offshore, represent the basis for wind energy's strong potential in the medium and long term. In this context, Siemens Gamesa's commercial activity in FY21 resulted in orders totaling €12,185m, having signed €2,884m in Q4 21, and an order book of €32,542m. It should be noted that, despite the pace of adoption of commitments to the 2050 decarbonization target, the commitments made to date and the implicit renewable energy installations do not guarantee that decarbonization will be achieved by 2050. To achieve this, as stated by the International Energy Agency (IEA) in its latest World Energy Outlook (October 2021), it would be necessary to double the pace of wind and solar installations through 2030 with respect to the pace dictated by the current targets. As the report also indicates, the market opportunity for manufacturers of wind turbines, solar panels, lithium-ion batteries, electrolyzers and fuel cells to meet the global decarbonization target amounts to over USD 1 trillion per year by 2050, which is comparable in size to the current global oil market.

In FY21, Siemens Gamesa completed the first year of LEAP and of the new integration and restructuring plan 2021-2023, which will help the company to realize its long-term vision. Actions undertaken include notably:

- Technology innovation with Siemens Gamesa 5.X and SG 14-222 products.
- Within the productivity and asset management pillar:
    - Simplification of the Onshore organization by optimizing resources and enhancing their allocation.
    - Consolidation of operational capacity in EMEA with the closure of the Somozas and Cuenca plants.
    - FY21 productivity target met through rigorous cost control measures.
    - Working capital control, reaching a ratio of -24% over revenue.
- Within the operation excellence pillar:
    - Enhancement and harmonization of project management processes in all regions, promoting the exchange of operating best practices between businesses, and reinforcing quality criteria both internally and for contractors.
    - Ramp-up of the Vagos blade plant reducing reliance on China as a global supply cluster.
    - Improvement of the supplier management process through a global IT tool that allows monitoring the status of each supplier, supporting audits and verifying health and safety standards.
- Restructuring in India with Halol closure and adapting capacity to the new market size, ceasing new development and solar activities, and launching of the SG 3.4-145 wind turbine in that country, with contracts for 623 MW signed in July 2021.

In addition to executing the LEAP program and the restructuring activities, Siemens Gamesa took additional actions to protect the Group's performance in the current complex supply environment and to strengthen the competitive position of the Siemens Gamesa 5.X platform:

- Strengthening of the procurement strategy by increasing financial and physical hedges and through better alignment with suppliers.
- Improvement of measures (indexation, reopener or renegotiation clauses, and exit clauses) to reduce the risk associated with commercial contracts in the face of transport and commodity price volatility.
- Product cost saving programs and technology improvements to reduce the impact of higher supply costs on the cost of energy in the various platforms, especially focused on the Siemens Gamesa 5.X platform.

Related to sustainability, the company launched the sustainability strategy through 2030, and the introduction of the first fully recyclable blade (RecyclableBlade) in line with the sustainability strategy commitment to have a fully recyclable wind turbine by 2040.

Siemens Gamesa continues to occupy the top positions in industry league tables and has obtained high ESG ratings from the agencies in this field: best score in the industry from FTSE Russell and ISS ESG, and #2 from Vigeo Eiris. It also attained the 97th percentile in the industry according to Sustainalytics and S&P Global (Corporate Sustainability Assessment and Dow Jones Sustainability Index) and an A rating from MSCI. SGRE is the first wind turbine manufacturer to obtain an ESG rating (84 out of 100) from S&P.

SGRE maintains its presence in sustainability indexes: Dow Jones Sustainability (World and Europe), FTSE4Good, Euronext Vigeo, Ethibel Sustainability, STOXX ESG Leaders, STOXX SRI, EURO STOXX Sustainability, etc. It also improved its score in the Bloomberg Gender-Equality Index from 69% in 2020 to 75%.

Main consolidated figures for FY21

- Revenue: €10,198m (+8% y/y)
- EBIT pre PPA and before integration and restructuring costs[4]: -€96m (N.A.)
- Net income: -€627m (N.A.)
- Net cash/(Net financial debt – NFD)[5]: -€207m
- MWe sold: 10,995 MWe (+10% y/y)
- Order book: €32,542m (+8% y/y)
- Firm order intake in Q4: €2,884m (+13% y/y)
- Firm order intake in the last twelve months: €12,185 (-17% y/y)
- WTG firm order intake in Q4: 2,223 MW (-18% y/y)
- WTG firm order intake in the last twelve months: 10,679 MW (-13% y/y)
- Installed fleet: 117,666 MW
- Fleet under maintenance: 79,199 MW

4. EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of -€197m and the impact on fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of -€230m.

5. Cash / (Net financial debt) is defined as cash and cash equivalents less long-term and short-term financial debt, including lease liabilities. The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019. As of September 30, 2021, lease liabilities amounted to €829m.

Markets and orders

FY21 saw a clear increase in commitments to combat climate change, with over 50 countries, as well as the entire European Union, announcing decarbonization commitments. These commitments, which in some cases are linked to specific targets for wind power installations, especially Offshore, form the basis for the wind energy industry's strong potential and are reflected in the continuous improvement of the medium and long-term demand prospects. In this context, Siemens Gamesa signed orders worth €12,185m in FY21, equivalent to 1.2 times revenue in the period, and ended the year with an order book totaling €32,542m (+8% y/y), i.e. €2,294m more than at September 30, 2020.

As of September 30, 2021, 52% of the order book, i.e. €16,801m, was in Service, which has higher returns and expanded by 11% year-on-year. The WTG order book is split €9,528m Offshore (+11% y/y) and €6,213m Onshore (-4% y/y).

Figure 1: Order book as of 09.30.21 (€m)

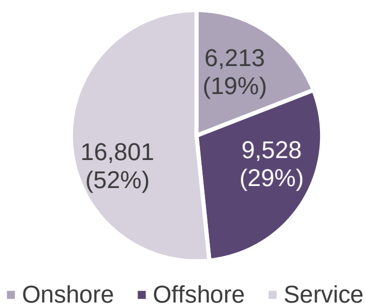
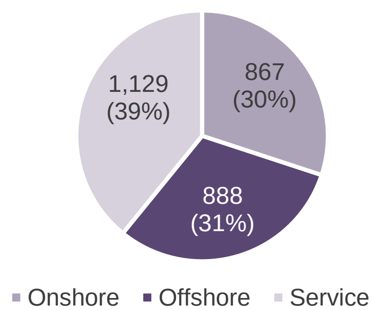


Figure 2: Order intake Q4 21 (€m)



The backlog in September 2021 covers over c. 90%[6] of the sales guidance announced for next fiscal year.

Order intake in Q4 21 amounted to €2,884m, +13% y/y, with strong performance by Service and Offshore.

Onshore logged 1,376 MW (-49% y/y) in new orders in the quarter, worth €867m (-49% y/y), giving a book-to-bill ratio of 0.6x. The year-on-year decline in order intake was due to several factors: the standstill in the US market while awaiting a possible extension of the wind power production tax credits, and in the Spanish market following the enactment of Decree Law 17/2021; the fact that contract negotiations are taking longer in the current inflationary environment; the slowdown in commercial activity for the Siemens Gamesa 5.X platform while its development is completed; all coupled with a high basis for comparison caused by the strong rebound of commercial activity in the fourth quarter of FY20 (Q4 20) following the impact of the pandemic in the third quarter (Q3 20).

Onshore order intake in the last twelve months amounted to 7,201 MW (-11% y/y), worth €4,708m (-15% y/y), i.e. a book-to-bill ratio of 0.9x; in addition to specific factors in Q4 20, these figures are mainly a reflection of the company's commercial strategy, which is focused on controlling risk and prioritizing profits in the projects in the backlog.

6. Revenue coverage calculated with backlog value as of September 30, 2021 for execution in FY22 divided by the mid-point of the revenue guidance communicated for the fiscal year (annual reduction range of 2% to 7%).

Figure 3: Order intake (€m)

Onshore LTM (%)

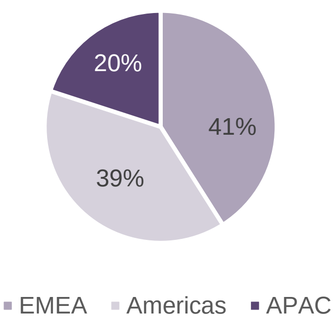
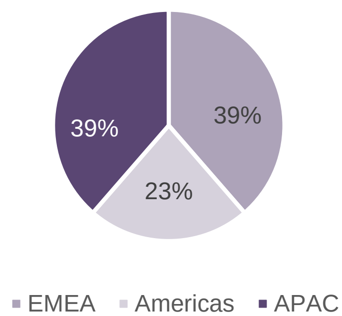


Figure 4: Order intake (€m)

Onshore Q4 21 (%)



Of the 44 countries that contributed new Onshore orders in the last twelve months, those that made the largest contribution, in monetary terms, were: Sweden (17%), Brazil (13%), US (12%) and Canada (11%). They were followed by Spain (9%), India (6%), and Vietnam and Japan (5% each). The main sources of new orders in Q4 21 were: India (39%), Sweden (20%), Canada (11%) and US (8%).

Orders for new platforms with capacity of 4 MW or greater accounted for 34% of total order intake in Q4 21 (68% in FY21). The Siemens Gamesa 5.X platform has accumulated 2.9 GW in orders since its launch, with 2.2 GW signed in FY21 and 242 MW in Q4 21.

The normal volatility in Offshore order intake resulted in orders worth €888m being signed in Q4 21 after signature of the first contracts in US. Offshore order intake in FY21 amounted to €4,068m, i.e. a book-to-bill ratio of 1.2x.

Siemens Gamesa continues to work very closely with customers to prepare for the large volume of auctions expected in 2021 and 2022 (32 GW) and beyond, given Offshore wind's role as the primary energy source for attaining the decarbonization targets.

In FY21, Siemens Gamesa obtained new preferred supplier contracts in Taiwan: Hai Long 2B (232 MW) and Hai Long 3 (512 MW). These wind farms, and Hai Long A (300 MW), will be equipped with the SG 14-222 DD turbine. After preferred supplier agreements in France, the Netherlands, UK and US were converted into firm orders, the conditional order book amounted to 7 GW as of September 30, 2021.

Service commercial activity was particularly strong in Q4 21, with firm orders signed for €1,129m following the extension of the service contract for the East Anglia ONE Offshore wind farm from 5 to 15 years. The Service division booked new orders worth €3,409m in FY21, i.e. a book-to-bill ratio of 1.8x (2.0x in Q4 21).

Table 1: Order intake (€m)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
WTG	3,158	1,424	4,227	1,776	1,776	4,258	986	1,755
Onshore	1,611	1,350	872	1,698	1,619	1,381	840	867
Offshore	1,547	74	3,355	78	157	2,877	146	888
Service	1,470	779	1,115	787	505	1,242	534	1,129
Group	**4,628**	**2,203**	**5,342**	**2,564**	**2,281**	**5,500**	**1,520**	**2,884**

Average selling price in Onshore during Q4 21 was affected positively by the increase in comparable prices and product mix (higher towers and larger rotors offset the dilution due to larger capacity platforms) and negatively by India's strong contribution to the geographic mix, accounting for 46% of total orders in the quarter (in MW). Considering India contribution, it is important to note that the trend towards smaller scopes in contracts is also contributing to a reduction

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in the ASP[7]. In FY21, the average selling price was positively impacted by product (higher towers), regional split, and higher prices during H2 21, and negatively impacted by the dilutive effect of larger platforms and by depreciation against the euro of the currencies in which the Group operates.

In Q4 21, Siemens Gamesa continued to incorporate cost inflation clauses into its contracts and other tools to achieve a more balanced commercial risk profile vis-à-vis commodity prices and transportation costs. Those tools include commodity indexation clauses (mainly to tower steel), reopeners and exit clauses, which began to be incorporated into bids made in the second half of 2021. The company has also worked intensively to support commercial offers with back-to-back cost coverage through binding offers from suppliers and continues to work on cost-cutting programs to offset the effect of inflation.

Figure 5: Average selling price - Onshore order intake (€m/MW)

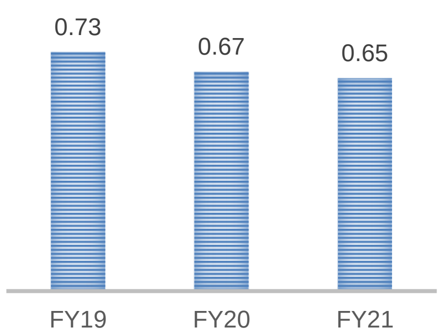
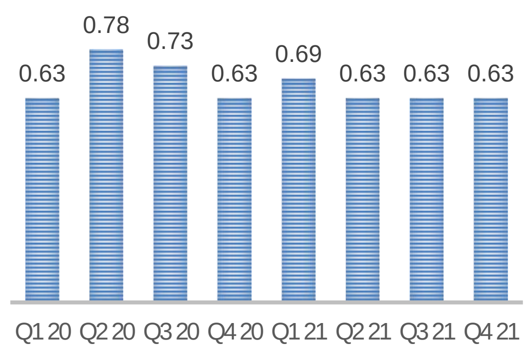


Figure 6: Average selling price - Onshore order intake (€m/MW)



7. Excluding the contribution of India, the ASP in Q4 21 amounts to €0.71/MW (€0.64m/MW in Q4 20).

Key financial performance metrics

The table below shows the main financial aggregates for the fourth quarter (July-September 2021) of fiscal year 2021 (Q4 21) and fiscal year 2020 (Q4 20), and the variation between periods. It also shows the key figures for fiscal year 2021 (FY21) and for fiscal year 2020 (FY20) and the variation between periods.

Table 2: Key figures

€m	FY20	FY21	Change y/y	Q4 20	Q4 21	Change y/y
Group revenue	9,483	10,198	+7.5%	2,868	2,863	-0.2%
WTG	7,715	8,272	+7.2%	2,325	2,292	-1.4%
Service	1,768	1,926	+8.9%	543	571	+5.2%
WTG volume (MWe)	9,968	10,995	+10.3%	3,226	2,781	-13.8%
Onshore	7,704	8,298	+7.7%	2,433	2,223	-8.6%
Offshore	2,264	2,697	+19.1%	793	558	-29.7%
EBIT pre PPA and before I&R costs	-233	-96	N.A.	31	-177	N.A.
EBIT margin pre PPA and before I&R costs	-2.5%	-0.9%	+1.5 p.p.	1.1%	-6.2%	-7.3 p.p.
WTG EBIT margin pre PPA and before I&R costs	-8.2%	-6.2%	+2.0 p.p.	-4.3%	-13.0%	-8.7 p.p.
Service EBIT margin pre PPA and before I&R costs	22.7%	21.8%	-0.9 p.p.	24.0%	21.2%	-2.8 p.p.
PPA amortization[1]	-262	-230	-12.3%	-59	-55	-7.8%
Integration and restructuring costs	-462	-197	-57.5%	-110	-48	-56.7%
Reported EBIT	-958	-522	N.A.	-139	-279	N.A.
Net income attributable to SGRE shareholders	-918	-627	N.A.	-113	-258	N.A.
Net income per share attributable to SGRE shareholders[2]	-1.35	-0.92	N.A.	-0.17	-0.38	N.A.
Capex	601	677	+75	249	225	-25
Capex/revenue (%)	6.3%	6.6%	+0.3 p.p.	8.7%	7.9%	-0.8 p.p.
Working capital (WC)	-1,976	-2,496	-520	-1,976	-2,496	-520
Working capital/revenue LTM (%)	-20.8%	-24.5%	-3.6 p.p.	-20.8%	-24.5%	-3.6 p.p.
Net (debt)/cash[3]	-49	-207	-158	-49	-207	-158
Net (debt)/EBITDA LTM	N.A.	-0.88	N.A.	N.A.	-0.88	N.A.

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period: Q4 20: 679,517,513; Q4 21: 680,067,397; FY20: 679,517,035; FY21: 679,906,438.
3. Lease liabilities as of September 30, 2020: €611m and September 30, 2021: €829m.

The Group's financial performance in FY21 reflects the effect of market imbalances caused by the global demand recovery while the supply chain continued to be affected by the pandemic. Those imbalances resulted in shortages of certain components, delays in deliveries, and a sharp increase in prices of both components and commodities and transport costs. The impact of these imbalances became visible during the second half of the year and mainly affected the Onshore market, in terms of both project execution and the profitability of the backlog, offsetting the solid execution of Offshore projects and Service unit performance. Performance during the year was also affected by longer lead times and rising costs of the Siemens Gamesa 5.X platform ramp-up. The cost increase was also due to the ongoing impact of the pandemic on the supply chain and on cost inflation pressure.

In this context, Group revenue amounted to €10,198m in FY21, 8% more than in FY20. Revenue growth was driven mainly by the Offshore market, which achieved a 16% increase in comparison to FY20, and by Service (+9% y/y). Onshore revenue increased by 2% year-on-year. Revenue in Q4 21 amounted to €2,863m, comparable to Q4 20, affected by delays in executing Onshore projects and by the manufacturing ramp-up of the SG 11.0-200 DD Offshore turbine.

EBIT pre PPA and before integration and restructuring costs amounted to -€96m, equivalent to a margin of -0.9% (-2.5% in FY20). EBIT includes in the second half of FY21 provisions for onerous contracts amounting to c. -€298m, equivalent to -2.9% of revenue in the year. The provision for onerous contracts arose as a result of the re-assessment of the returns in the Onshore WTG order book as a result of two main developments:

- The sharp increase in commodity prices and transportation costs.
- The higher ramp-up costs for the Siemens Gamesa 5.X Onshore platform.

EBIT pre PPA and before integration and restructuring costs amounted to -€177m in Q4 21, equivalent to a margin of -6.2% (1.1% in Q4 20). EBIT in Q4 21 was affected by manufacturing ramp-up costs of the SG 11.0-200 DD Offshore platform and the impact of the reassessment of the profitability of the WTG backlog, largely derived from higher transport costs, which resulted in provisions for onerous contracts in the amount of c. -€69m.

In addition to the impact of supply chain disruptions and higher ramp-up costs for the Siemens Gamesa 5.X platform in FY21, plus the impact of the pandemic, costs in the execution of projects in Northern Europe and the slowdown in the Indian market in FY20, year-on-year performance of EBIT pre PPA and before integration and restructuring costs reflects:

(-) The composition and scope of Onshore and Offshore WTG projects and the price reduction incorporated into the Offshore and Service backlogs.

(+) Improvements in productivity under the LEAP program that offset the impact of project composition and scope and of price reductions.

(+) The increase in sales volume.

FY21 profitability has also been positively impacted by a release of guarantee provisions associated with a comparatively high reduction in the product failure rate and by the reassessment of the marketability of WTG inventories.

The impact of PPA on amortization of intangible assets was -€230m in FY21 (-€55m in Q4 21), while integration and restructuring (I&R) costs amounted to -€197m in the same period (-€48m in Q4 21). Integration and restructuring costs include notably the following items:

- Closure of the Somozas and Cuenca blade factories.
- Restructuring in India.
- Integration and restructuring of the Service assets and the Vagos blade plant acquired from Senvion (-€20m in FY21 and -€9m in Q4 21).

Reported EBIT, including the impact of the PPA on amortization of intangibles and integration and restructuring costs, amounted to -€522m in FY21 (-€958m in FY20) and -€279m in Q4 21 (-€139m in Q4 20).

Result of companies accounted for using the equity method amounted to a profit of €10m in FY21 (loss of -€3m in FY20) and to €5m in Q4 21 (€1m in Q4 20). Net financial expenses amounted to -€41m in FY21 (-€59m in FY20) while the tax expense amounted to -€72m (corporate tax income of €100m in FY20). Net financial expenses amounted to -€9m in Q4 21 (-€15m in Q4 20), and the company booked a corporate tax income of €26m (corporate tax income of €40m in Q4 20). The reduction in financial expenses is the result of the optimization of debt and cash management carried out by the company during FY21. The tax expense in FY21 is a consequence of losses in markets where the company could not capitalize deferred tax assets.

As a result, the Group reported a net income of FY21 of -€627m (-€918m in FY20), which includes the impact on amortization of the PPA and of integration and restructuring costs, both net of taxes, totaling €305m[8] in FY21 (€519m in FY20). Net income per share for equity-holders of Siemens Gamesa amounted to -€0.92 in FY21 (-€1.35 in FY20). Net income in Q4 21 amounted to -€258m (-€113m in Q4 20) and net income per share for equity-holders of Siemens Gamesa to -€0.38 (-€0.17 in Q4 20).

The Group's working capital amounted to -€2,496m in Q4 21, i.e. -24% of revenue in the last twelve months. The reduction of €520m since FY20 year-end is the result of a reduction in accounts receivable and inventories and an increase in net contract liabilities. The Group continues with its policy of managing assets to maintain a strict control of working capital.

Table 3: Working capital (€m)

Working capital (€m)	Q1 20	Q2 20	Q3 20	Q4 20	1 Oct. 20[2]	Q1 21	Q2 21	Q3 21	Q4 21	Change y/y[3]
Accounts receivable	1,108	1,073	1,211	1,141	1,143	1,152	1,058	1,162	906	-235
Inventories	2,071	2,115	2,064	1,820	1,820	1,718	1,886	1,901	1,627	-193
Contract assets	1,801	1,808	1,715	1,538	1,538	1,517	1,464	1,657	1,468	-70
Other current assets[1]	578	466	584	398	398	467	449	553	520	+122
Accounts payable	-2,471	-2,544	-2,781	-2,964	-2,964	-2,393	-2,531	-2,904	-2,921	+43
Contract liabilities	-3,193	-3,101	-3,362	-3,148	-3,171	-3,393	-3,237	-3,209	-3,386	-239
Other current liabilities	-833	-682	-929	-761	-735	-767	-728	-780	-709	+52
Working capital (WC)	**-939**	**-865**	**-1,498**	**-1,976**	**-1,971**	**-1,699**	**-1,639**	**-1,621**	**-2,496**	**-520**
Change q/q	-106[1]	+74	-633	-477		+277[2]	+59	+19	-876	
Working capital/revenue LTM	**-9.4%**	**-8.8%**	**-15.7%**	**-20.8%**	**-20.8%**	**-17.4%**	**-16.5%**	**-15.9%**	**-24.5%**	**-3.6 p.p.**

1. The application of IFRS 16 modified the beginning balance of "Other current assets" by €10m: from €461m at FY19 year-end to €451m at the beginning of FY20. Working capital at the beginning of FY20 amounted to -€843m, €10m less than at the end of FY19. Considering the impact of IFRS 16, working capital decreased by €95m in the first quarter of FY20.
2. For the purposes of comparison, after adjusting the beginning balance of acquired businesses (Purchase Price Allocation, PPA, of the business combinations with Senvion in accordance with IFRS 3). Including that adjustment, working capital declined by €273m in Q1 21.
3. Annual variation between closing balances for FY20 and FY21.

Capex in FY21 amounted to €677m (€225m in Q4 21). Investment was concentrated in developing new Onshore and Offshore products, in tooling and equipment, and in the Le Havre nacelle and blade plant. More than half of capital expenditure in FY21 was concentrated in Offshore in order to cater for demand growth in the coming years.

The net debt position increased by €158m[9] in the year to -€207m at the end of Q4 21, mainly as a result of the increase in net financial debt associated with lease liabilities and of the CAPEX (€677m). The company maintains a sound financial position, with access to €4,443m in committed credit, and its liquidity amounts to €5,058m of available funding and cash on the balance sheet (€1,961m).

8. Amortization of the PPA amounts to -€230m in FY21 (-€262m in FY20), -€164m net of taxes (-€184m in FY20), and integration and restructuring costs amounts to -€197m in FY21 (-€462m in FY20), -€142m net of taxes (-€335m in FY20).

9. Net financial debt as of September 30, 2021: -€207m, including €829m of lease liabilities. Net financial debt as of 30 September 30, 2020: -€49m, including €611m in lease liabilities.

WTG

Table 4: WTG (€m)

€m	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Q1 21	Q2 21	Q3 21	Q4 21	FY21	Change y/y
Revenue	1,634	1,808	1,947	2,325	**7,715**	1,899	1,902	2,179	2,292	**8,272**	+7.2%
Onshore	1,116	1,149	1,143	1,499	**4,907**	1,061	1,154	1,328	1,463	**5,005**	+2.0%
Offshore	518	660	805	826	**2,808**	838	748	851	829	**3,266**	+16.3%
Volume (MWe)	1,932	2,183	2,627	3,226	**9,968**	2,478	2,657	3,079	2,781	**10,995**	+10.3%
Onshore	1,747	1,649	1,876	2,433	**7,704**	1,744	1,927	2,404	2,223	**8,298**	+7.7%
Offshore	185	534	751	793	**2,264**	734	730	675	558	**2,697**	+19.1%
EBIT pre PPA and before I&R costs	-224	-54	-256	-99	**-634**	18	25	-261	-298	**-516**	N.A.
EBIT margin pre PPA and before I&R costs	-13.7%	-3.0%	-13.2%	-4.3%	**-8.2%**	1.0%	1.3%	-12.0%	-13.0%	**-6.2%**	+2.0 p.p.

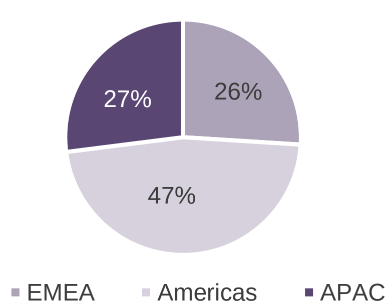
The WTG division, particularly the Onshore projects and backlog, was significantly affected by supply chain imbalances and the ramp-up costs of the Siemens Gamesa 5.X platform in H2 21. Supply chain imbalances resulted in delays in the supplies of certain components and significant increases in the price of both components and transport, the latter with a particularly high impact in Q4 21. The delay in the Siemens Gamesa 5.X platform ramp-up and the higher associated costs were particularly significant in Brazil, due to the impact of the pandemic in that country and the bottlenecks in the supply chain in a country that imposes local-content requirements.

WTG division revenue amounted to €8,272m in FY21, 7% more than in FY20, due mainly to growth in Offshore revenue (+16% y/y), while Onshore revenue (+2% y/y) was affected by lower commercial activity and delays in project execution. Revenue in Q4 21 amounted to €2,292m, i.e. practically flat with respect to Q4 20, following a slight decline in Onshore revenue and a lack of growth in Offshore due to the impact of ramping up manufacturing of the SG 11.0-200 DD turbine in the quarter.

Onshore revenue (+2.0% y/y) grew by less than manufacturing volume (+8% y/y) mainly as a result of the negative impact of the geographic mix, as APAC made a greater contribution to revenue in the period, and of depreciation against the euro of the currencies in which the Group operates.

The main source of Onshore sales (MWe) in FY21 was US (29%).

Figure 7: WTG Onshore sales (MWe) FY21 (%)



Sales growth in the Offshore market in FY21 (+16% y/y) was supported by growth in manufacturing (+19% y/y) and installation (+20% y/y). It's important to note the superb execution of Offshore projects, with over eight projects active during the year despite the supply chain challenges. Installation activity included notably the commissioning of the Kriegers Flak wind farm (c. 600 MW), achieved successfully and safely ahead of schedule despite the logistics challenges posed by COVID-19. The Fryslan wind farm delivery also finished in FY21. Manufacturing activity declined in Q4 21 due to preparation for the manufacturing ramp-up of the SG 11.0-200 DD turbine.

EBIT pre PPA and before integration and restructuring costs amounted to -€516m in FY21, equivalent to a margin of -6.2% (-8.2% in FY20). Despite strong performance in the Offshore market and the productivity improvements achieved under the LEAP program and the restructuring and integration process, EBIT in the WTG division was affected by the impact of higher commodity and transport prices and the higher ramp-up costs of the Siemens Gamesa 5.X platform on the profitability of the backlog, resulting in provisions for onerous contracts in the second half of FY21 in the amount of c. -€298m (equivalent to -3.6% of WTG's revenue).

During the year, in addition to executing the LEAP program, Siemens Gamesa applied a number of initiatives to improve the performance of the WTG division in the new market context, enhance competitiveness and address the costs and ramp-up time of the Siemens Gamesa 5.X platform:

- Further technology and cost improvements to offset the effect of inflation on the platforms' cost of energy.
- A steady increase in prices to pass on cost inflation, and introduction of clauses indexed to steel prices for towers, among others.
- Improved integration of Procurement, Projects and Sales when preparing bids to enhance risk profile and projects costs assessment.

EBIT pre PPA and before integration and restructuring costs in Q4 21 amounted to -€298m, equivalent to -13.0% of period revenue. Performance in the quarter reflects the impact of ramp-up costs for the SG 11.0-200 DD Offshore platform, the effect of higher material and transport costs on the profitability of WTG backlog, including provisions for onerous contracts for c. -€69m booked in the quarter.

Operation and Maintenance Service

Table 5: Operation and maintenance (€m)

€m	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Q1 21	Q2 21	Q3 21	Q4 21	FY21	Change y/y
Revenue	366	395	464	543	**1,768**	396	434	525	571	**1,926**	+8.9%
EBIT pre PPA and before I&R costs	88	87	96	130	**401**	102	86	110	121	**420**	+4.8%
EBIT margin pre PPA and before I&R costs	24.1%	21.9%	20.6%	24.0%	**22.7%**	25.9%	19.9%	21.0%	21.2%	**21.8%**	-0.9 p.p.
Fleet under maintenance (MW)	63,544	71,476	72,099	74,240	**74,240**	75,493	77,101	77,745	79,199	**79,199**	+6.7%

Service revenue increased by 9% y/y to €1,926m in FY21, with Q4 21 revenue up 5% y/y to €571m.

The fleet under maintenance stands at 79.2 GW, 7% more than in FY20. The Offshore fleet under maintenance, 11.9 GW, declined by 1% y/y, while the Onshore fleet expanded by 8% y/y to 67.3 GW. The fleet of third-party technologies under maintenance totaled 10.9 GW[10] as of September 30, 2021.

The contract renewal rate was 83% in FY21, up from 70% in FY20.

[10] The fleet of third-party technology under maintenance has been redefined to exclude the technology of companies acquired before the merger between Siemens Wind Power and Gamesa Corporación Tecnológica (MADE, Bonus and Adwen).

EBIT pre PPA and before integration and restructuring costs amounted to €420m in FY21, equivalent to a margin of 21.8%, in line with expectations for the Service division for FY21. In Q4 21, the Service division's EBIT pre PPA and before integration and restructuring costs amounted to €121m, i.e. a margin of 21.2%.

Sustainability

Table 6: Main sustainability figures

	09.30.20	09.30.21[1]	Change y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR) [2]	1.36	1.43	+5%
Total Recordable Incident Rate (TRIR) [3]	3.14	3.13	-0.3%
Environment			
CO_2 direct (scope 1) emissions (kt) [4]	26.0	26.8	+3%
CO_2 indirect (scope 2) emissions (kt) [4]	1.9	2.0	+5%
Primary (direct) energy used (TJ)	472	449	-5%
Secondary (indirect) energy use (TJ)	730	704	-4%
of which, Electricity (TJ)	655	618	-6%
from renewable sources (TJ)	655	618	-6%
from standard combustion sources (TJ)	0.5	0	N.A.
renewable electricity (%)	100	100	0%
Fresh water consumption (thousand m3)	454	470	+4%
Waste production (kt)	68	63	-7%
of which, hazardous (kt)	10	8	-20%
of which, non-hazardous (kt)	58	55	-5%
Waste recycled (kt)	49	50	+2%
Employees			
Number of employees (at year-end)	26,114	26,182	+0.3%
employees aged < 35 (%)	36.7	34.5	-2.2 p.p.
employees aged 35-44 (%)	37.4	38.3	+0.9 p.p.
employees aged 45-54 (%)	19.0	19.7	+0.7 p.p.
employees aged 55-60 (%)	4.6	5.1	+0.5 p.p.
employees > 60 (%)	2.3	2.4	+0.1 p.p.
Women in workforce (%)	18.8	19.1	+0.3 p.p.
Women in management positions (%)	11.7	12.9	+1.2 p.p.
Supply chain			
No. of Tier 1 suppliers	18,932	19,363	+2%
Purchase volume (€million)	7,365	6,863	-7%

1. Non-audited figures.
2. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one workday loss.
3. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.
4. Emissions are reported annually, with fiscal year end closing.

Note: TJ=Terajoules; 1Terajoule= 277.77 MWh; kt=thousand tons

Health and safety

At the end of period FY21, the Lost Time Incident Frequency Rate (LTIFR) was 1.43 (1.36 in FY20). The total recordable incident rate (TRIR) was set at 3.13 in FY21 (3.14 in FY20), at the end of the period. The trend of both indicators indicates that health and safety programs are in good track supported by safety inspections, safety observations and health and safety audits. Regrettably, the Company registered five fatalities during fiscal year 2021. Contractors working for Siemens Gamesa had three fatalities related to electrical incidents, one fatality related to an incident with a service lift, and one fatality related to a factory under construction. Each of these incidents has been subject to a detailed internal investigation to identify contributing factors. All efforts have been and will continue to be put into ensuring the circumstances which led to each incident is not repeated.

Environment

Siemens Gamesa's Integrated Management System (IMS) includes environmental certifications, policies and procedures. The Company has an Environmental Management System certified according to the ISO 14001:2015 standard, which covers most locations. Total internal energy consumption amounted to 1,153 Terajoules (1,202 Terajoules in FY20) and observed a slight decrease of 4% year-on-year. Cumulated energy consumption per employee stands at 44 GJ. The share of primary energy (includes energy for direct combustion sources such as fuel-oil, gasoline, natural gas or liquefied petroleum gases) is 39% while secondary energy (electricity and district heating) amounts to another 61% of the total. Siemens Gamesa's electricity consumption is 100% from renewable sources. Total waste production amounted to 63,127 tons in FY21 (68,311 t in FY20). Most of waste -87% - produced is non-hazardous. The recyclability rate of all waste produced stands at 79%, so that most waste is recycled.

During Q4 21, Siemens Gamesa has reached a milestone for the global wind industry, launching the RecyclableBlade, the world's first wind turbine blade that can be recycled at the end of its lifecycle. This breakthrough is a crucial step towards Siemens Gamesa's ambitious goal to make turbines fully recyclable by 2040. The first six RecyclableBlades have already been produced at Siemens Gamesa's blade manufacturing plant in Aalborg (Denmark), and has already reached agreements with 3 of its major customers.

It is also important to note the Group's commitment with net zero emissions by 2040, including CO_2 from the value chain, that is included in the Company's sustainable strategy through 2030, was approved by the Board of Directors during this fiscal year.

Employment

The workforce totaled 26,182 employees (26,114 in FY 20). Most of them are located in the Europe, Middle East and Africa region (69%), followed by Asia and Australia (18%) and the Americas (13%). From a gender perspective, women account for 19% of the total workforce in FY21, similar to FY20. Specifically, women represent 21% of the workforce in Europe, Middle East and Africa, 19% in America and 13% in Asia and Australia. Siemens Gamesa had 271 employees in management positions at the end of FY21, of which 12.9% are women (11.7% in FY20).

Suppliers

Procurement volume in FY21 amounted to €6,863m (€7,365m in FY20) from above 19,000 suppliers. Those suppliers benefit from an impartial selection process and they are evaluated to ensure that they fulfill the high-quality standards required by our approach to excellence. As a foundation on sustainability for suppliers, and compliant to the Group policy, the Code of Conduct for Suppliers and Third-Party Intermediaries is compulsory and sets out the Group's binding requirements. In FY21 the procurement volume covered by the Supplier's Code of Conduct amounts to 89%.

2. Outlook

Economic situation

Following the impact of the pandemic in FY20, the world economy is currently recovering, though more slowly than had been expected because of the persistence of COVID-19 and its new variants. The International Monetary Fund (IMF)[11] projects global growth of 5.9% in 2021 (0.1 p.p. less than the April projection) and 4.9% in 2022 (0.5 p.p. more than the April projection). Beyond 2022, the IMF projects that growth will ease to around 3.3% (same as the April projection). However, the effects of the pandemic on global supply chains are proving to be more persistent than expected, triggering delays and slowing manufacturing in many countries. Supply shortages coupled with reviving demand are triggering inflation in many countries, exacerbating the risks to economic growth.

Disparities in the access to vaccines and supportive policies are leading to a significant divergence between emerging and developing countries on the one hand, for which the IMF projects growth of 6.4% in 2021 and 5.1% in 2022 (respectively, 0.3 p.p. lower and 0.1 p.p. higher than projected in April), and the advanced economies, for which it projects growth of 5.2% in 2021 and 4.5% in 2022 (respectively 0.1 p.p. and 0.9 p.p. higher than projected in April). Moreover, the pandemic and climate change threaten to accentuate these economic divergences, making it essential to deploy multilateral efforts to accelerate universal access to vaccines, provide liquidity and debt relief to constrained economies, and mitigate climate change.

Short-, medium- and long-term prospects for wind worldwide

Once the pandemic is under control, climate change mitigation is one of the main priorities for narrowing the economic growth disparity between the advanced and developing economies in order to achieve sustainable development. Moreover, measures aimed at mitigating climate change, including investment in "green" infrastructure, also play a key role in the plans for economic recovery over the short and medium term.

Over the last twelve months, governments, supranational bodies, companies and not-for-profit organizations have announced plans to accelerate emission reductions and, in some cases, have made specific commitments as to the contribution by renewable energies in general and wind energy in particular. Those commitments include notably the following:

- The European Union has stepped up its 2030 emissions reduction target from 40% to 55% with respect to the 1990 level and, in its "Fit for 55" package, it has announced an increase in the target share of renewables in total energy to 40% by 2030, from the current 32%. Within renewables, it has set a target of 60 GW for Offshore installed capacity by 2030 and 300 GW by 2050 (15 GW installed in Europe, excluding the UK, at the end of 2020, according to the latest Wood Mackenzie (WM)[12] report).
- Within the European Union, Germany has taken its commitments even further, bringing forward the goal of climate neutrality to 2045, with a target of reducing emissions by up to 65% by 2030 (previously 55%), and by up to 88% by 2040, both with respect to 1990 levels. Under Germany's new Renewable Energy Sources Act (EEG), the Onshore target for 2030 is increased to 71 GW (56 GW were installed at the end of 2020, according to WM), and the Offshore target for 2040 is 40 GW (c. 8 GW installed at the end of 2020, according to WM).
- UK has set a legal target of reducing emissions by 78% by 2035 with respect to the 1990 levels. It has also published a ten-point plan for a green industrial revolution, the first point of which is to reach 40 GW Offshore installed capacity by 2030 (10 GW installed at the end of 2020, according to WM).

11. International Monetary Fund (IMF). World Economic Outlook. October 2021. Percentage point differences are with respect to the World Economic Outlook dated April 2021.

12. Wood Mackenzie (WM). Global Wind Power Market Outlook Update: Q3 2021. September 2021.

- The United States has announced an emissions reduction target of 50–52% by 2030 with respect to 2005 levels. For the first time, US has announced an Offshore target at federal level: 30 GW by 2030, putting the country on course to reach 110 GW by 2050. The individual states have established plans totaling approximately 44 GW with varying horizons (the longest being 2040).
- China has undertaken to achieve net zero emissions by 2060. As a first step, it is targeting 1,200 GW of wind and solar installed capacity by 2030 (279 GW of wind installed at the end of 2020, according to WM).
- Japan is the first country in Asia to legislate a decarbonization target for 2050, aiming to reduce emissions by 46% by 2030 (vs. 2013). Japan also plans to achieve 10 GW of Offshore capacity by 2030, and between 30 GW and 45 GW by 2040 (it had 0.1 GW installed at the end of 2020, according to WM).
- South Korea is targeting zero greenhouse gas emissions by 2050 as part of the "Green New Deal" and plans to cut emissions by 40% by 2030 with respect to the 2018 level.
- Brazil has made a commitment to reach zero emissions by 2050, ten years ahead of its previous goal.

At the time of writing this report, over 50 countries and the European Union had undertaken to decarbonize. Consequently, 2021 will probably mark a turning point in the commitment to implement renewable energy, both because of its role in decarbonization (the energy sector accounts for two-thirds of emissions) and because it represents the most economically viable source of energy practically everywhere in the world.

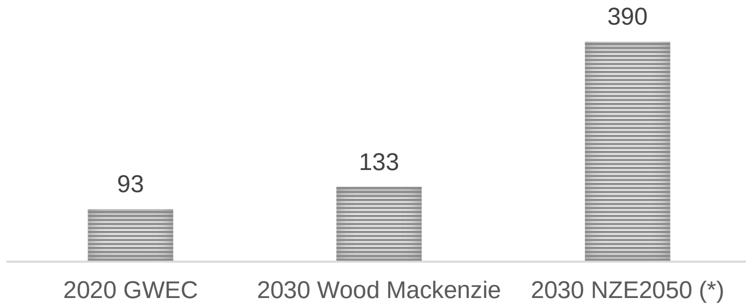
However, although implementing these measures will result in 500 GW per year of new solar and wind capacity combined by 2030[13] and would start to bend the global emissions curve, they are still not enough to achieve net zero emissions by 2050. To achieve net zero emissions by 2050, the International Energy Agency (IEA) lists four basic measures in its latest report[14], the first being to double the pace of solar and wind installations set out in the Announced Pledges Scenario (APS). According to the previous report[15], that level of wind installations would be 390 GW per year in 2030. This represents an annual market opportunity amounting to well over USD 1 trillion by 2050 for manufacturers of wind turbine generators, solar panels, lithium-ion batteries, electrolyzers and fuel cells — comparable in size to the world oil market at present.

13. International Energy Agency (IEA). World Energy Outlook 2021 (WEO 2021). October 2021. Installations under the Announced Pledges Scenario (APS).

14. International Energy Agency (IEA). World Energy Outlook 2021 (WEO 2021). October 2021.

15. International Energy Agency (IEA). A roadmap for the Global Energy Sector (Net Zero by 2050). May 2021.

Figure 8:Annual installations 2020 vs. 2030E (GW/year$_e$)[16, 17]



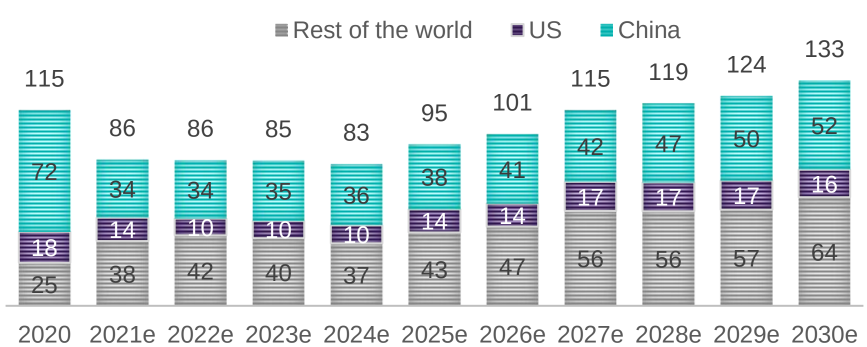
(*) NZE2050: Net-zero emissions worldwide by 2050

The establishment of short- and medium-term sub-targets and of effective regulatory frameworks and appropriate incentive systems will impact the pace of wind installation.

The impact on demand trends of the regulatory framework and incentives is reflected in the large installation volume in 2020: 115 GW installed (+84% y/y), according to Wood Mackenzie[17]. This growth is concentrated mainly in the Chinese market and also in US, both driven by the expected change in Onshore incentive systems (effective January 2021 in China, and January 2022 in US).

This peak of installations in 2020 helps to explain the projected reduction in annual installations through 2024, a reduction that is exclusively in the Onshore market, and concentrated in China and US. The pace of global installations will resume growth in 2025 and will maintain that trend during the second half of the decade (with total volume projected to be 591 GW in 2026-2030, compared with 435 GW in 2021-2025).

Figure 9:Annual Onshore and Offshore installations 2020-2030E (GW/year$_e$)[17]



Excluding sporadic peaks and troughs, the normalized pace of installations is expected to rise steadily throughout the decade, as is the pace of annual Offshore installations.

16. Global Wind Energy Council (GWEC). Global Wind Report 2021. March 2021.

17. Wood Mackenzie (WM). Global Wind Power Market Outlook Update: Q3 2021. September 2021.

Figure 10: Average installations per year (Onshore and Offshore) 2018-29E (GW)[17]

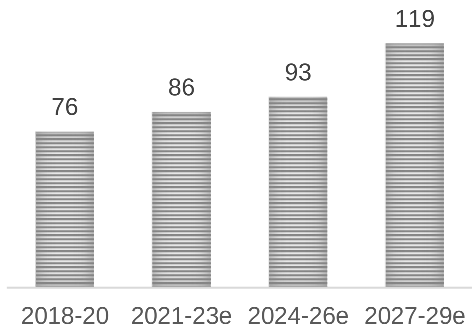
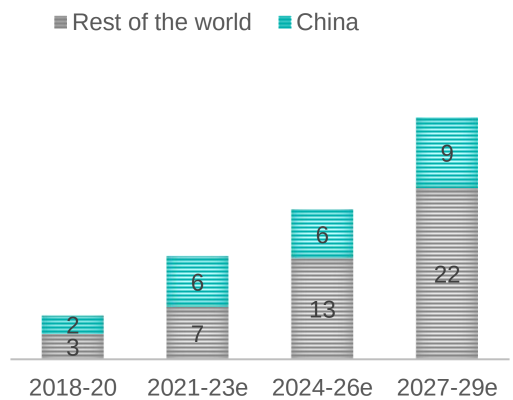


Figure 11:Average wind installations per year (Offshore) 2018-29E (GW)[17]



A comparison of market projections with those published by Wood Makenzie the previous quarter[18] shows a net increase of 5 GW in cumulative wind installations in this decade (2021-2030), most of which is located in the Onshore market in Europe (+3 GW) as a result of governments' willingness to achieve the renewable installation targets for 2030 (the European Union's target is for renewables to provide 40% of total energy).

In the last year, projections of installations in 2021-2029 have increased by 180 GW (25% more than estimated by Wood Mackenzie a year ago[19]); this strengthens the impression that 2021 is seeing a substantial increase in commitments to install renewable capacity. This variation is concentrated in China (+132 GW) as a result of the announcement that it will achieve net zero emissions by 2060, and in US (+43 GW) following the election of Joe Biden to presidency and his commitment to combating climate change. On the negative side, estimates of installations in India in 2021-2029 have been cut by 7 GW.

China (335 GW), US (106 GW), India (58 GW) and Germany (30 GW) are expected to retain their positions as the largest Onshore markets, accounting for 66% of total accumulated installations projected for 2021-2030. Brazil, France, Spain, South Africa, Sweden and Australia, with cumulative installations of between 11 GW and 20 GW each, will contribute 12% in the same period.

In the Offshore market, a comparison of market projections for 2021-2030 with those published by WM the previous quarter[18] shows a 2.7 GW increase, concentrated in China (+2.4 GW).

Estimates for 2021-2029 are up +33 GW (+21%) with respect to the WM estimates of a year ago[19], of which +10 GW are in 2021-2025 and +22 GW in 2026-2029. In US, installation projections for 2021-2025 have been cut by 2 GW, but those for 2026-2029 have been raised by 5 GW. Projections for Taiwan are up +2 GW following the country's announcement that it will add 15 GW between 2026 and 2035.

Although new markets are emerging, the Offshore market is still much more concentrated. China, with 75 GW of installations in 2021-2030, will account for 33% of total installations in the period. Europe, led by United Kingdom (30 GW of installations in the same period), will install 87 GW, accounting for 38% of the total. It is followed by US (32 GW) and Taiwan (13 GW). The contribution by new markets such as US will be concentrated in the second half of the decade (2026-2030).

Institutional support for the development of the Offshore market is reflected in the 9.5 GW allocated in auctions whose outcome has been announced in the last year (Table 7) and the 89 GW expected to be auctioned in the remainder of 2021 and in subsequent years until 2027 (Figure 12)[20].

Table 7: Main Offshore auctions whose outcome was published in FY 21

Auction	MW	Average price €/MWh[1]	COD[2]
Germany – central auction 1	958	zero subsidy	2026
Poland – direct assignment	5,904	70	2025-2030
US – New Jersey	2,658	72	2027-2029
Japan – Goto	17	not published	2024

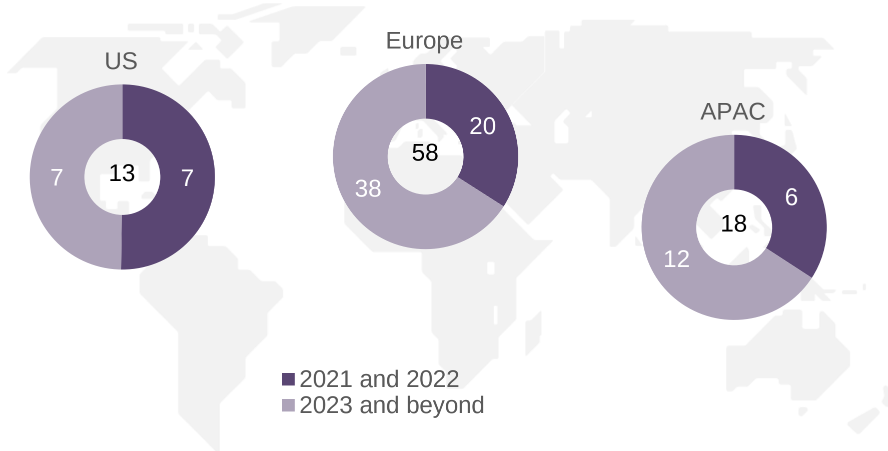
1. Using the exchange rate on the date the results were announced.
2. Expected commercial operation date based on auction conditions (not necessarily binding).

18. Wood Mackenzie. Global Wind Power Market Outlook Update: Q2 2021. June 2021.

19. Wood Mackenzie. Global Wind Power Market Outlook Update: Q3 2020. September 2020.

20. Table 7 and Figure 12 are not an exhaustive list of all published auction outcomes or planned auctions.

Figure 12: Planned Offshore auctions [GW], excluding China[21]



Wind is proving very competitive, as costs continue to fall due to technology improvements and low funding costs. The IEA[22] considers that the cost of Offshore wind production in the European Union was already lower than that of production from conventional sources in 2020, while Onshore wind was already cheaper than conventional sources worldwide. It also estimates that the Offshore cost will fall by 46%-53% by 2030 and by 65%-68% by 2050, while the Onshore cost will be cut by 0%-18% by 2030 and by 11%-27% by 2050, compared with the 2020 baseline in all cases.

Onshore price dynamics are proving to be relatively stable. According to BloombergNEF[23], the average price for Onshore contracts signed in the first half of 2021 was €0.75m/MW including installation (€0.69m/MW excluding installation), in line with the average price of contracts signed in 2020. In terms of product, Wood Mackenzie[24] notes that the >3 MW category dominates the Onshore market, and that the average capacity in contracts signed in 2021 is over 4 MW. Declines in prices in the Offshore market have been limited to date, and fully offset by operating efficiency gains. Future trends will depend both on auction outcomes and on the contribution by technology developments and supply-chain efficiencies to reductions in the cost of energy. In terms of product, the 8 MW category dominates the market (apart from China), while Wood Mackenzie[24] reports that the average capacity in contracts signed in 2021 is over 13 MW.

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21. Of the planned 89 GW, 3 GW have been officially convened in US, 7 GW in Europe and 2 GW in APAC. The remainder are planned auctions, some of which are reflected in the plans of the competent authorities.

22. IEA. World Energy Outlook 2021. October 2021.

23. BloombergNEF. 1H 2021 Wind Turbine Price Index. July 2021.

24. Wood Mackenzie. Global wind turbine order database. September 2021.

FY22 Guidance, outlook and long-term vision

The wind industry has solid future prospects. The energy transition required to achieve the decarbonization targets by 2050 opens up a potential market worth USD 27 trillion between now and 2050, with the renewables industry amounting to over USD 1 trillion in 2050 alone. However, the near-term market situation is still complicated. The pandemic's continued impact on the global supply chain beyond what had been projected, coupled with the recovery in demand, has led to imbalances, resulting in supply shortages of certain components and a sharp increase in commodity prices and transportation costs. By September 2021, the price of steel plate had increased between 56% and 177%, depending on the market, and copper was up 58%, while maritime transport costs had multiplied between 5 and 6 times[25], all in comparison to the 2020 average prices. In addition to these factors, policies to limit electricity consumption in order to reduce China's carbon footprint are also affecting manufacturing in that country, while trade tensions between US, Europe and China are continuing. Consequently, the situation is very different from that which Siemens Gamesa presented to the capital markets in August 2020 as the basis for its business plan for 2020-2023. This plan considered an ease of commodity prices and basic products, and a supply chain that was properly dimensioned to meet demand.

Although none of these changes are structural and we project a return to normality, there is little visibility on when that will take place and the current expectations are for the situation to persist over most or all of the next twelve months. In FY21, the company addressed current supply chain and cost inflation issues, and these measures are expected to bear fruit in the coming years. The measures, which will continue in 2022, include:

- Cost-cutting programs to offset the impact of inflation on the cost of energy of the various product platforms.
- Incorporating inflation into WTG prices and including mechanisms in customer contracts to protect returns despite volatility in commodity prices and transport costs.
- Strengthening physical and financial hedges for components and commodities, and working on industrial bundling of logistics services.

In this market environment, the company's guidance for FY22 incorporates:

- Sales: reduced Onshore commercial activity in FY21 with a lower order intake for execution in FY22, the potential temporary delay on commercial activity in FY22 due to changes of regulatory frameworks in specific markets, delays in investment decisions of some customers, and the impact of supply chain disruptions on projects’ execution pace.
- Profitability: the expected impact of higher commodity prices and transport costs on WTG project profitability and a lower degree of economies of scale (absorption of fixed costs) due to a decline in revenues.
- Additional savings from the LEAP program and the restructuring impact.

	July 2021 Guidance	FY21		FY22 Guidance
Revenue (€m)	c.10,200	10,198	✓	
Sales growth y/y (%)	N.A.			-7% to -2%
EBIT margin pre PPA and before integration and restructuring costs (%)	-1.0% to 0.0%	-0,9%	✓	1.0% to 4.0%

This outlook excludes charges related to legal and regulatory matters, and portfolio and currency effects. It does not include any impact from a potential lockdown of manufacturing activities or severe disruptions to the supply chain due to COVID-19 developments.

25. World Container Index and Shanghai Containerized Freight Index.

Given current supply chain constraints, we cannot exclude that a shortage of materials and components and/or a lack of freight capacity may have an impact on our business, especially on timelines and costs of larger projects.

In addition to the prospects for revenue and profitability, the Group expects CAPEX amounting to c. 8% of revenue in FY22. Investment will be concentrated in the Offshore market, split between R&D and increasing manufacturing capacity linked to local content requirements and the sharp growth expected in Offshore demand, particularly from 2025 onwards, when annual Offshore installations outside China are expected to reach c. 14 GW (doubling to c. 30 GW by 2030).

The integration and restructuring program is expected to include -€300m in expenditure mainly due to the optimization of Onshore manufacturing capacity and to a lesser extent to the final phases of digitalization of the company's harmonized processes. The impact of the PPA on amortization is expected to amount to -€220m in FY22.

Despite the complex near-term environment, Siemens Gamesa maintains its long-term vision for the business, aiming for a Group's revenue growth that will outstrip the market and for an EBIT margin pre PPA and before integration and restructuring costs of 8%-10%. Due to the new economic environment the company now expects to achieve this vision between fiscal 2024 and fiscal year 2025, based on a recovery in profitability in the Onshore market and on sustained profitable growth in Offshore and Services. To achieve these objectives, the Group is relying on:

- The LEAP program (concentrated on innovation, cost optimization, a focus on cash and operational excellence) and the integration and restructuring exercise.
- Enhanced procurement and sales practices to protect contract profitability against volatility in commodity prices and transport costs.
- Product cost-out and technology development programs to offset the impact of higher commodity and logistics prices on platforms' cost of energy, focusing particularly on the Siemens Gamesa 5.X platform.
- Capital expenditure plan to address growth and retain the technology lead.

In addition to the LEAP program and to restructuring, Onshore turnaround will rely on the Siemens Gamesa 5.X platform. In this connection, it's important to note the outcome of measures adopted in FY21 and those implemented to address ramp-up challenges and the impact of higher commodity prices and logistics costs on the platform's cost of energy, which will have an impact in the coming years.

- Initiatives adopted in Q4 21 include increasing the platform's rated capacity to 6.6 MW, the commissioning of the two platforms' products prototypes, SG 6.6-155 in Alaiz (Spain) and SG 6.2-170 in Høvsøre (Denmark), which have proven the technology.
- As for actions under way that will have an impact on FY22 and FY23, it is important to note that:
    - Improvements have been made to the product configuration and the bill of materials and a multi-year cost plan has been designed that will enable new technologies to be introduced more efficiently, everything by leveraging on expertise from Offshore and Service.
    - More capital and resources have been allocated to execute the projects in the backlog.
    - Investment increased to strengthen the supply chain.

Siemens Gamesa has already begun producing the first units of this platform and they are being installed in Skaftåsen project (Sweden).

In addition to profitability in the Onshore market, the other factors underpinning the Group's long-term vision are sustainable profitable growth in the Offshore market and in Service.

To ensure this growth and maintain the lead in the Offshore market (more than 146 GW of installations between 2022 and 2030 projected), Siemens Gamesa, with more than 14 GW of firm and conditional orders, has an ambitious plan to invest in R&D and production capacity. Siemens Gamesa's approach to R&D expenditure is based on evolution and constant reduction of costs to enable it to offer customers a significant increase in energy output with a reduced risk.

Accordingly, the company has launched the Offshore wind turbine SG 14-236 DD. Siemens Gamesa was nominated as preferred supplier with this product for Vattenfall's Norfolk projects, with an estimated capacity of 3.2 GW. The prototype is expected to be installed in 2022.

Turbine specifications	
Capacity	Up to 15 MW with Power Boost
Rotor diameter	236 m
Swept area	43,500 m^2
Prototype to be installed	2022

Proven customer confidence	
Nominated preferred supplier	Norfolk projects with Vattenfall
Location	47-72 km offshore, UK
Capacity	3.6 GW
Number of turbines	To be determined
CfD R4 award expected	2022

Regarding the investment in capacity, the company's strategy is to have the necessary capacity to cater for the high level of demand expected from 2025 onwards while meeting local content requirements, always safeguarding that there is a firm commitment from the client and a suitable return on investment.

As part of the company's expansion plans, it has announced the expansion of the blade plant in UK (Hull) to handle the c. 28 GW of accumulated demand projected until 2030, and the construction of a blade plant in US (Virginia), where demand is expected to amount to 32 GW accumulated, also until 2030. The first nacelle and blade plant in France (Le Havre) to cater for an estimated 56 GW of demand in continental Europe through 2030 is being completed, and the first nacelle has been assembled in the factory in Taiwan (Taichung), where 12 GW of demand is projected over the next 9 years.

In the Service market, which is expected to achieve high-single-digit growth (c. 7% per year according to Wood Mackenzie), Siemens Gamesa has fulfilled its goal of growing faster than the market, having achieved over 20% profitability (EBIT pre PPA and before integration and restructuring costs) since 2019. The sustainability of achieving similar performance in the coming years is based on:

- Growing order book: €16,801m (+11% y/y), with a presence in approximately 60 countries giving the company a solid platform to support our customers and pursue opportunities for growth and synergies.
- Competitive bids and innovative solutions, with a renewal rate of the fleet under maintenance above 80% in FY21.
- Strong diagnostics skills that have enabled to attain over 98% availability in FY21 (lost production factor below 2%) in the Offshore direct drive fleet under Siemens Gamesa maintenance.
- Development of innovative solutions for green hydrogen and for advanced grid services, opening new markets to ensure long-term growth.

As indicated, Onshore turnaround and the objective of sustainable profitable growth in Offshore and Services are supported by the LEAP program, the restructuring exercise and the new necessary measures to address the challenges of the supply chain. and the Siemens Gamesa 5.X platform.

Within the innovation pillar, the following actions are expected:

- Introduction of new technological features for the Siemens Gamesa 5.X platform such as larger towers for the German market and anti-icing systems for the Nordic markets.
- Installation of the prototype of the SG 14-136 DD within 2022.

- Continue working on a decentralized solution for the production of green hydrogen by integrating the Siemens Energy electrolyzer within an Offshore wind turbine.

Within the area of productivity and asset management, it will continue with:

- Cost-out exercises, including headcount control measures and outsourcing of services.
- Improved negotiation with suppliers, which in coordination with commercial practices will help protect the backlog profitability.
- Product design to cost.
- Strict control of working capital, and consideration of selected assets disposal.

Within the area of operational excellence, the standardization in projects execution (PM@SGRE) and the focus on non-conformity cost reduction will continue. Additionally, the improvement of the logistics organization by optimizing the presence and use of warehouses, and of the supply chain, will be implemented. Among the improvements in the supply chain are the development of new suppliers and the creation of 3 global supply mega-clusters (EMEA, Americas and APAC). The development of new suppliers will help lower the risk of supply chain bottlenecks, while the three global supply mega-clusters will help reduce the impact from logistics costs on product costs and to reduce the existing reliance on China as a source of materials for other markets. Likewise, Offshore footprint will be globalized as previously indicated.

The impact of these measures will not be immediate but is expected to bear fruits in the coming years.

3. Main business risks

The SIEMENS GAMESA Group is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The management and limitation of financial risks are executed in a coordinated manner between SIEMENS GAMESA’s Corporate Management and the business units, through the policies approved at Top Management level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit.

The risk associated with changes in exchange rates assumed for SIEMENS GAMESA's transactions involve the purchase and sale of products and services, that are denominated in various currencies, and that are related to its own activities.

In order to mitigate this risk, the SIEMENS GAMESA Group has entered into financial hedging instruments with several financial institutions (Note 9 of the Consolidated Financial Statements and Note 14 to the Individual Financial Statements as of September 30, 2021).

Additional disclosure on business risks has been included in Note 5 of the Consolidated Financial Statements (Note 4 of the Individual Financial Statements). Furthermore, the Annual Corporate Governance Report, presented as an Annex to this Management Report, includes in its section E a disclosure on business risks.

4. Use of financial instruments

The SIEMENS GAMESA Group uses financial hedges which allow the Group to mitigate risks involving exchange rates, interest rates, and commodity prices, among others, that could affect the Groups’ estimated results, based on estimates of expected transactions in its various areas of activities.

5. Subsequent events

At the date of formal preparation of the Consolidated and Individual Financial Statements of SIEMENS GAMESA as of September 30, 2021 no issue has emerged that might modify them or give rise to disclosures additional to those already included.

6. Research and development activities

Technological Development is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year, and to which a budget is assigned.

During the years 2021 and 2020, the main increase in the line item "Internally generated technology" within "Other intangible assets" in the Consolidated Balance Sheet of SIEMENS GAMESA Group is due to the development of new wind turbine models, software and the optimization of the components´ performance for an amount of EUR 188 million and EUR 182 million, respectively. These additions are mainly capitalized in our subsidiaries in Denmark amounting to EUR 114 million during 2021 (EUR 107 million during 2020) and our Spanish entities amounting to EUR 70 million during 2021 (EUR 72 million during 2020).

Not capitalised research and development expenses for the years ended September 30, 2021 and 2020 amount to EUR 292 million and EUR 231 million, respectively.

7. Treasury shares operations

As of September 30, 2021 SIEMENS GAMESA holds a total of 1,075,985 treasury shares, representing 0.16% of the share capital.

The total cost for these treasury shares amounts EUR 15,836 thousands, representing an average cost per share of EUR 14.718.

A more detailed explanation of transactions involving treasury shares is set out in Note 22.E of the Consolidated Financial Statements and Note 12.D to the Individual Financial Statements as of September 30, 2021.

8. Capital structure

The capital structure, including securities that are not traded on a regulated ECC market, the different classes of share, the rights and obligations conferred by each and the percentage of share capital represented by each class:

In accordance with Article 7 of Siemens Gamesa Renewable Energy, S.A.'s bylaws, reflected in the version approved by the shareholders in general meeting held June 20, 2017, "Share capital amounts to ONE HUNDRED FIFTEEN MILLION SEVEN HUNDRED NINETY FOUR THOUSAND, THREE HUNDRED SEVENTY FOUR EUROS AND NINETY FOUR CENTS (EUR 115,794,374.94), represented by 681,143,382 ordinary shares of seventeen euro cents of nominal value each, in numbers from 1 to 681,143,382, comprised of a sole class and series, all entirely subscribed and paid in."

Significant direct or indirect shareholding

According to public information for Siemens Gamesa Renewable Energy, S.A., its share capital structure as of September 30, 2021 is as follows:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Number of voting rights linked to the exercise of financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	-	456,851,883	-	67.071%

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	Number of voting rights linked to the exercise of financial instruments	% of total voting rights
SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named SIEMENS GAS AND POWER GMBH & CO. KG)	456,851,883	-	67.071%

9. Restrictions on the transfer of securities

No restrictions on the transfer of securities exist.

10. Significant % of direct or indirect ownership

See Point 8.

11. Restrictions on voting rights

There are no legal or bylaw stipulated restrictions on exercising voting rights.

12. Side agreements

As of September 30, 2021 Siemens Gamesa Renewable Energy, S.A. is not aware of the existence of any side agreement.

13. Rules governing the appointment and replacement of directors and the amendment of the company´s bylaws

Article 30 of the SIEMENS GAMESA bylaws states that the members of the Board of Directors are *"appointed or approved by the shareholders in general meeting,"* and that *"If there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held.,"* in accordance with the terms reflected in the Spanish Companies Act approved by Royal Decree Law 1/2010 of July 2 (the "Companies Act") and bylaws which might be applicable.

In conformity with Article 13.2 of the Regulations of the Board of Directors, *"the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remunerations Committee; and (b) in other cases, a report from the aforementioned committee."* Article 13.3 of the Regulations of the Board of Directors states that *"when the Board of Directors declines the proposal or the report from the Appointments and Remunerations Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes."* Next, Article 13.4 of the referred Regulations states that *"the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors".*

Article 14 of the same regulations states that *"the Board of Directors and the Appointments and Remunerations Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience.*

Finally, Article 7.4 of the Regulations of the Appointments and Remunerations Committee grant it the responsibility *"To ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, age, competencies, personal skills and sector knowledge, international experience or geographical origin".*

As regards the re-election of the Directors, Article 15 of the Regulations of the Board of Directors indicates that *"proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remunerations Committee, while the re-election of other Directors must have a prior favorable report from this committee.*

Directors that are part of the Appointments and Remunerations Committee must abstain from taking part in the deliberations and votes that affect them.

The re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.

Board member removal and resignation is regulated by Article 16 of the Regulations of the Board of Directors , which states that "directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."

The steps and criteria established in this regard are set forth in the Companies Act and the Mercantile Register Regulations.

Article 16.2 of the Regulations of the Board of Directors states that "Directors must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remunerations Committee in the following cases:

a. *Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.*

b. *Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.*

c. *Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.*

d. *When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.*

e. *Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.*

f. *Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.*

g. *Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.*

h. *When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."*

i. *When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group."*

In accordance with Sections 3, 4, and 5*, "in any of the events indicated in the previous section, the Board of Directors shall require the Director to resign from his/her post, and propose, as appropriate, his/her resignation to the General Shareholders' Meeting. As an exception, the foregoing shall not be applicable in the events of resignation provided in letters a), d), f) and g) above when the Board of Directors considers that reasons exist to justify the continuity of the Director, without prejudice of the occurrence that any new and sudden circumstances may have on his/her qualification.*

The Board of Directors may only propose the removal of an Independent Director before the expiration of the period for which they were appointed when just cause is found by the Board of Directors, based on the proposal from the Appointments and Remuneration Committee. Specifically, for having failed to fulfill the duties inherent to his/her position or have unexpectedly incurred in any of the circumstances established by law as incompatible with assignment to such category.

Directors who cease to hold office due to resignation or other reasons prior to the end of the period for which they were appointed shall sufficiently explain the reasons for their cessation or, in the case of non-executive directors, their opinion regarding the reasons for removal by the shareholders acting at a General Shareholders' Meeting, in a letter sent to all of the members of the Board of Directors. All of the foregoing shall be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes of the Board. Furthermore, to the extent relevant to investors, the Company shall publish the cessation in office as soon as possible, including sufficient reference to the reasons or circumstances provided by the director."

Rules governing bylaw amendments

Amendments made to the Siemens Gamesa bylaws are governed by the terms of Articles 285 to 290 of the Companies Act.

Additionally, amendments made to the Siemens Gamesa bylaws are covered by the terms outlined in the Company's bylaws and the Regulations for the General Meeting of Shareholders.

As regards the competencies for making amendments, Articles 14. h) of bylaws and 6.1 i) of the Regulations for the General Meeting of Shareholders indicate that this role corresponds to the Siemens Gamesa General Meeting of Shareholders.

Articles 18 of bylaws, and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements for the General Meeting of Shareholders adoption of agreements. Articles 26 of its bylaws, and 32 of the Regulations for the General Meeting of Shareholders indicate the necessary majority for these purposes.

Article 31.4 of the Regulations for the General Meeting of Shareholders indicates that in accordance with legislation, "*the Board of Directors, in accordance with the provisions of the law, shall draw up different proposed resolutions in relation to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately." The above is specifically applicable in the case of amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.*

In accordance with Article 518 of Companies Act, due to the call for a general Meeting of Shareholder devoted to amending bylaws, the Company website will include the complete text of the agreement proposals on the Agenda in which the amendments are proposed, as well as reports from competent bodies in this regard.

14. The powers of Board of Directors and, specifically, powers to issue or buy back shares

Powers of Board of Directors

The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers on Mr. Andreas Nauen's behalf as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decided to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.

Powers to buy back shares

At the date of approval of this Report, the authorization granted by the General Shareholders' Meeting of the Company held on July 22, 2020, is in force, by virtue of which the Board of Directors was empowered to acquire own shares. The following is the literal text of the agreement adopted by the above reflected under point 13 of the Agenda:

"Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:

a. *Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.*

b. *Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.*

c. *Acquisitions may be made at any time up to the maximum amount allowed by law.*

d. *Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.*

e. *This authorisation is granted for a period of five years from the adoption of this resolution.*

f. *The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.*

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015." .

15. Significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid and the effects thereof, except where disclosure would severely prejudice the Company´s interests. This exception is not applicable where the company is specifically obliged to disclose such information on the basis of other legal requirements

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) (as amended on February 5, 2021) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, with a two months prior notice period since the date when IBERDROLA receives the communication from SIEMENS GAMESA evidencing change of control event, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the "2017 Strategic Supply Agreement") by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS Group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, on May 20, 2020 entered into an Extension and Amendment Agreement to the 2017

Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement states that upon Siemens AG ceasing to be the mayor shareholder of SIEMENS GAMESA, either party would be entitled to terminate the agreement with a 3 months prior notice. Siemens AG ceased to be the mayor shareholder of SIEMENS GAMESA on September 25, 2020, without any party having exercised this termination right.

On May 30, 2018 (as amended in December 19, 2019 and extended until December 19, 2025) SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG (“SEAG”) signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e. the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that Siemens Energy AG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as Siemens Energy AG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "SIEMENS GAMESA" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SIEMENS GAMESA" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if Siemens Energy AG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Energy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes Siemens Energy AG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

On August 13, 2020, SIEMENS GAMESA and SIEMENS AG entered into a preferential financing agreement (the “Financing Agreement”) which provides a framework in which both parties collaborate in the development and execution of financing solutions – through Siemens Financing Services (“SF”) and related Financing Entities – towards clients which use technology and/or services from SIEMENS GAMESA. SIEMENS AG has the right to terminate the Financing Agreement under several circumstances, among others if SEAG has no longer the control over SIEMENS GAMESA or if SIEMENS ENERGY's stake owned by SIEMENS AG falls under 25%.

On November 27, 2020, SIEMENS GAMESA and Siemens Energy Global GmbH & Co KG entered into a cooperation agreement for procurement area by virtue of which during an initial term of two years, both parties will execute cooperation activities in procurement area by means of the information sharing. That agreement will remain in force while Siemens Energy Global GmbH & Co KG is majority shareholder of SIEMENS GAMESA. In case of change of control, any of both parties shall be entitled to terminate the contract immediately.

Finally, it shall be pointed out that as it is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

16. Any agreements between the Company and its Directors, officers or employees that provide for severance payments if they resign, are dismissed or if their employment contracts terminate as a result of a takeover bid.

The contract of the Chief Executive Officer, according to the Director's remuneration policy in force during fiscal year 2021, which was approved by the General Meeting of Shareholders on March 27, 2019 as amended by the General Meeting of Shareholders held on July 22, 2020, recognizes him to receive one year of fixed remuneration for termination of his working relationship.

Likewise, for Top Management and for the termination of the working relationship, the current criterion of the Company is the payment of a maximum of one year of the fixed annual remuneration at the date of termination, without prejudice, in any case, of preexisting situations and that the amount may be higher according to the labour law.

In respect to the rest of managers and non-managers employees, their working relationship, in general, does not include economic compensations in case of its termination, different from the ones established in the current law.

17. Deferral of payments made to suppliers

The Group has implemented measures in place to continue adjusting the average payment period to those established in the current legislation (Note 34 of the Consolidated Financial Statements and Note 22 to the Individual Financial Statements as of September 30, 2021).

18. Consolidated Statement of non-financial information

The non-financial information related to environmental and social issues, as well as personnel related issues, human rights and the fight against corruption and bribery is included in the Non Financial Information Consolidated Statement that is attached to this Management Report as an annex.

SIEMENS GAMESA voluntarily presents this information since the Company is not obliged to present it on an individual level, as it has an average number of employees in 2021 of 491 according to Note 21 of the individual report.

19. Annual Corporate Governance Report

The 2021 Annual Corporate Governance Report, as required by Article 538 of Royal Decree Law 1/2010, of July 2, approving the Consolidated Text of the Corporate Enterprises Act, forms an integrant part of this Management Report.

20. Annual Report on Director´s Remuneration

As established in the new wording of article 538 of the Spanish Companies Act by Law 5/2021, of April 12, this Management Report also includes the Report on Directors' Remuneration.

21. Explanation added for translation to English

This is a translation of the Management Report originally written in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Annex

Alternative Performance Measures

Siemens Gamesa Renewable Energy (SGRE) financial information contains magnitudes and measurements prepared in accordance with the applicable accounting standards and others referred to as Alternative Performance Measures (APMs). The APMs are considered to be adjusted magnitudes with respect to those presented in accordance with EU-IFRS and, consequently, the reader should view them as supplementary to, but not replacements for, the latter.

The APMs are important for users of the financial information since they are the metrics used by SGRE’s Management to assess financial performance, cash flows and the financial position for the purposes of the Group's financial, operational and strategic decisions.

The APMs contained in SGRE´s financial disclosures that cannot be directly reconciled with the financial statements in accordance with EU-IFRS are as follows.

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Net Financial Debt (NFD)

Net financial debt (NFD) is calculated as the sum of the company's bank borrowings (including any subsidized loans) less cash and cash equivalents.

Net financial debt is the main APM used by Siemens Gamesa Renewable Energy's management to measure the Group's indebtedness and leverage.

€m	09.30.2019	10.01.2019	12.31.2019	03.31.2020	06.30.2020
Cash and cash equivalents	1,727	1,727	1,661	1,421	1,695
Short-term debt	(352)	(418)	(513)	(487)	(546)
Long-term debt	(512)	(1,029)	(974)	(1,229)	(1,239)
Cash / (Net Financial Debt)	**863**	**280**	**175**	**(295)**	**(90)**

€m	09.30.2020	12.31.2020	03.31.2021	06.30.2021	09.30.2021
Cash and cash equivalents	1,622	1,533	1,515	1,400	1,961
Short-term debt	(434)	(636)	(607)	(540)	(382)
Long-term debt	(1,236)	(1,372)	(1,680)	(1,698)	(1,786)
Cash / (Net Financial Debt)	**(49)**	**(476)**	**(771)**	**(838)**	**(207)**

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Working capital (WC)

Working Capital (WC) is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

Working Capital reflects the part of Capital Employed that is invested in net operating assets. Siemens Gamesa Renewable Energy's management uses this metric in managing and making decisions with respect to the business's cash conversion cycle, particularly in managing inventory, trade accounts receivable and trade accounts payable. Effective management of working capital involves achieving an optimal amount of working capital without jeopardising the company's ability to honour its obligations in the short term.

€m	09.30.2019	10.01.2019 Comp. (*)	12.31.2019	03.31.2020	06.30.2020
Trade and other receivables	1,287	1,287	1,079	1,036	1,174
Trade receivables from related companies	22	22	29	37	37
Contract assets	2,056	2,056	1,801	1,808	1,715
Inventories	1,864	1,864	2,071	2,115	2,064
Other current assets	461	451	578	466	584
Trade payables	(2,600)	(2,600)	(2,282)	(2,332)	(2,544)
Trade payables to related companies	(286)	(286)	(188)	(212)	(237)
Contract liabilities	(2,840)	(2,840)	(3,193)	(3,101)	(3,362)
Other current liabilities	(798)	(798)	(833)	(682)	(929)
Working Capital	**(833)**	**(843)**	**(939)**	**(865)**	**(1,498)**

(*) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

€m	09.30.2020	10.01.2020 (*)	12.31.2020	03.31.2021	06.30.2021	09.30.2021
Trade and other receivables	1,141	1,142	1,150	1,054	1,157	901
Trade receivables from related companies	1	1	1	5	4	5
Contract assets	1,538	1,538	1,517	1,464	1,657	1,468
Inventories	1,820	1,820	1,718	1,886	1,901	1,627
Other current assets	398	398	467	449	553	520
Trade payables	(2,956)	(2,956)	(2,346)	(2,493)	(2,880)	(2,900)
Trade payables to related companies	(8)	(8)	(47)	(38)	(25)	(22)
Contract liabilities	(3,148)	(3,171)	(3,393)	(3,237)	(3,209)	(3,386)
Other current liabilities	(761)	(735)	(767)	(728)	(780)	(709)
Working Capital	**(1,976)**	**(1,971)**	**(1,699)**	**(1,639)**	**(1,621)**	**(2,496)**

(*) Comparable for Opening Balance Sheet adjustments of acquired businesses (PPA of Senvion business combinations, according to IFRS 3).

The ratio of working capital to revenue is calculated as working capital at a given date divided by the revenue in the twelve months prior to that date.

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Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) refers to investments made in the period in property, plant and equipment and intangible assets to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance CAPEX). This APM does not include the allocation of the purchase price (the PPA exercise) to property, plant and equipment and intangible assets that has been performed in context of a business combination (e.g. the merger of Siemens Wind Power and Gamesa). This APM does also not include additions to right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q4 20	Q4 21	12M 20	12M 21
Acquisition of intangible assets	(44)	(54)	(182)	(188)
Acquisition of Property, Plant and Equipment	(205)	(171)	(419)	(489)
CAPEX	**(249)**	**(225)**	**(601)**	**(677)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
Acquisition of intangible assets	(39)	(50)	(45)	(54)	(188)
Acquisition of Property, Plant and Equipment	(101)	(99)	(118)	(171)	(489)
CAPEX	**(140)**	**(149)**	**(163)**	**(225)**	**(677)**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Acquisition of intangible assets	(42)	(42)	(54)	(44)	(182)
Acquisition of Property, Plant and Equipment	(50)	(67)	(97)	(205)	(419)
CAPEX	**(92)**	**(109)**	**(151)**	**(249)**	**(601)**

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Definitions of Cash Flow

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital and capital expenditure (CAPEX). SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adjusting the reported income for the period, for the ordinary non-cash items (mainly depreciation and amortization and provision charges).

€m	12M 20	12M 21
Net Income before taxes	(1,019)	(553)
Amortization + PPA	844	757
Other P&L (*)	11	12
Charge of provisions	370	540
Provision usage (without Adwen usage)	(351)	(341)
Tax payments	(172)	(134)
Gross Operating Cash Flow	**(317)**	**281**

€m	Q4 20	Q4 21
Net Income before taxes	(152)	(284)
Amortization + PPA	200	203
Other P&L (*)	1	20
Charge of provisions	102	153
Provision usage (without Adwen usage)	(94)	(89)
Tax payments	(29)	(25)
Gross Operating Cash Flow	**27**	**(23)**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

Cash flow is calculated as the variation in Net financial debt (NFD) between two closure dates.

SIEMENS Gamesa RENEWABLE ENERGY

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Average Selling Price in Order Intake, Onshore (ASP - Order Intake)

Average monetary order intake collected by Onshore WTG division per unit booked (measured in MW). ASP is affected by several factors (project scope, geographical distribution, product, exchange rate, prices, etc.) and does not represent the level or trend of profitability.

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

	Q1 21 (*)	Q2 21 (*)	Q3 21 (*)	Q4 21 (*)	LTM Sep 21
Order Intake Onshore Wind (€m)	1,619	1,330	856	867	4,673
Order Intake Onshore Wind (MW)	2,360	2,113	1,352	1,376	7,201
ASP Order Intake Wind Onshore	**0.69**	**0.63**	**0.63**	**0.63**	**0.65**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q1 21, €51m in Q2 21, €-16m in Q3 21 and €0m in Q4 21.

	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)	LTM Sep 20
Order Intake Onshore Wind (€m)	1,611	1,289	872	1,698	5,470
Order Intake Onshore Wind (MW)	2,563	1,645	1,200	2,713	8,121
ASP Order Intake Wind Onshore	**0.63**	**0.78**	**0.73**	**0.63**	**0.67**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q1 20, €61m in Q2 20, €0m in Q3 20 and €0m in Q4 20.

	Q1 19 (*)	Q2 19 (*)	Q3 19 (*)	Q4 19 (*)	LTM Sep 19
Order Intake Onshore Wind (€m)	1,793	1,167	1,695	2,238	6,893
Order Intake Onshore Wind (MW)	2,370	1,742	2,130	3,147	9,389
ASP Order Intake Wind Onshore	**0.76**	**0.67**	**0.80**	**0.71**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €6m in Q1 19, €33m in Q2 19, €1m in Q3 19 and €2m in Q4 19.

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Order Intake, Revenue and EBIT

Order Intake (in €) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in EUR) for the last four quarters.

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
WTG	1,776	4,258	986	1,755	8,776
Of which WTG ON	1,619	1,381	840	867	4,708
Of which WTG OF	157	2,877	146	888	4,068
Service	505	1,242	534	1,129	3,409
TOTAL	**2,281**	**5,500**	**1,520**	**2,884**	**12,185**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
WTG	3,158	1,424	4,227	1,776	10,584
Of which WTG ON	1,611	1,350	872	1,698	5,531
Of which WTG OF	1,547	74	3,355	78	5,053
Service	1,470	779	1,115	787	4,152
TOTAL	**4,628**	**2,203**	**5,342**	**2,564**	**14,736**

Order Intake (in MW) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in MW) for the last four quarters.

MW	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
WTG ON	2,360	2,113	1,352	1,376	7,201
WTG OF	-	2,607	24	847	3,478
TOTAL	**2,360**	**4,720**	**1,376**	**2,223**	**10,679**

MW	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
WTG ON	2,563	1,645	1,200	2,713	8,121
WTG OF	1,279	-	2,860	-	4,139
TOTAL	**3,841**	**1,645**	**4,060**	**2,713**	**12,260**

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Revenue LTM (Last Twelve Months) is calculated by aggregation of the quarterly revenues for the last four quarters.

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
WTG	1,899	1,902	2,179	2,292	8,272
Of which WTG ON	1,061	1,154	1,328	1,463	5,005
Of which WTG OF	838	748	851	829	3,266
Service	396	434	525	571	1,926
TOTAL	**2,295**	**2,336**	**2,704**	**2,863**	**10,198**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
WTG	1,634	1,808	1,947	2,325	7,715
Of which WTG ON	1,116	1,149	1,143	1,499	4,907
Of which WTG OF	518	660	805	826	2,808
Service	366	395	464	543	1,768
TOTAL	**2,001**	**2,204**	**2,411**	**2,868**	**9,483**

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EBIT (Earnings Before Interest and Taxes): operating profit as per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

EBIT (Earnings Before Interest and Taxes) pre PPA and integration & restructuring costs: EBIT excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the Purchase Price Allocation (PPA).

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	12M 20	12M 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(1,019)	(553)
(-) Income from investments acc. for using the equity method, net	3	(10)
(-) Interest income	(10)	(12)
(-) Interest expenses	66	51
(-) Other financial income (expenses), net	2	2
EBIT	**(958)**	**(522)**
(-) Integration costs	189	125
(-) Restructuring costs	273	72
(-) PPA impact	262	230
EBIT pre-PPA and integration & restructuring costs	**(233)**	**(96)**

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€m	Q4 20	Q4 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(152)	(284)
(-) Income from investments acc. for using the equity method, net	(1)	(5)
(-) Interest income	(2)	(5)
(-) Interest expenses	17	13
(-) Other financial income (expenses), net	1	1
EBIT	**(139)**	**(279)**
(-) Integration costs	72	41
(-) Restructuring costs	38	7
(-) PPA impact	59	55
EBIT pre-PPA and integration & restructuring costs	**31**	**(177)**

EBIT margin: ratio of EBIT to Revenue in the period that is equal to the revenue figure in the consolidated Income Statement for the period.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

€m	12M 20	12M 21
EBIT	(958)	(522)
Amortization, depreciation and impairment of intangible assets and PP&E	844	757
EBITDA	**(113)**	**235**

€m	Q4 20	Q4 21
EBIT	(139)	(279)
Amortization, depreciation and impairment of intangible assets and PP&E	200	203
EBITDA	**61**	**(77)**

EBITDA LTM (Last Twelve Months) is calculated by aggregation of the quarterly EBITDA for the last four quarters.

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
EBIT	14	(19)	(238)	(279)	(522)
Amortization, depreciation and impairment of intangible assets and PP&E	180	182	192	203	757
EBITDA	**194**	**163**	**(46)**	**(77)**	**235**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
EBIT	(229)	(118)	(472)	(139)	(958)
Amortization, depreciation and impairment of intangible assets and PP&E	172	182	290	200	844
EBITDA	**(57)**	**63**	**(181)**	**61**	**(113)**

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Net income and Net income per share (EPS)

Net income: consolidated profit for the year attributable to the parent company.

Net income per share (EPS): the result of dividing net income by the average number of shares outstanding in the period (excluding treasury shares).

	Q4 20	12M 20	Q4 21	12M 21
Net Income (€m)	(113)	(918)	(258)	(627)
Number of shares (units)	679,517,513	679,517,035	680,067,397	679,906,438
Earnings Per Share (€/share)	**(0.17)**	**(1.35)**	**(0.38)**	**(0.92)**

Other indicators

Revenue coverage: the revenue coverage ratio expresses the degree of achieving the revenue volume targets set by the company for a given year. It is calculated as the revenue booked until one period (including the activity/revenue expected for the rest of the year) divided by the activity/revenue guidance for that year.

€m	09.30.2019	06.30.2020	09.30.2020	06.30.2021
Actual revenue in year N (1)	-	6,615	-	7,335
Order Backlog for delivery in FY (2)	9,360	3,145	9,728	2,885
Average revenue guidance for FY (3) (*)	10,400	10,400	10,700	10,200
Revenue Coverage ([1+2]/3)	**90%**	**94%**	**91%**	**100%**

(*) FY21 revenue guidance communicated in November 2020 narrowed in July 2021 to €10.2bn.

€m	09.30.2021
Order Backlog for delivery in FY22 (1)	8,874
Average revenue guidance for FY22 (2) (*)	9,739
Revenue Coverage (1/2)	**91%**

(*) Midpoint of growth rate guidance from -2% to -7%.

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Book-to-Bill: ratio of order intake (in EUR) to activity/revenue (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

Book-to-Bill LTM (Last Twelve Months): this APM is calculated by aggregation of the quarterly Revenues and Order Intakes for the last four quarters.

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
Order Intake	2,281	5,500	1,520	2,884	12,185
Revenue	2,295	2,336	2,704	2,863	10,198
Book-to-Bill	**1.0**	**2.4**	**0.6**	**1.0**	**1.2**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Order Intake	4,628	2,203	5,342	2,564	14,736
Revenue	2,001	2,204	2,411	2,868	9,483
Book-to-Bill	**2.3**	**1.0**	**2.2**	**0.9**	**1.6**

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Reinvestment Rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles' fair value). According to the definition of CAPEX, the amount of amortization, depreciation and impairments does not include the amortization, depreciation and impairments of right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
CAPEX (1)	140	149	163	225	677
Amortization depreciation & impairments (a)	180	182	192	203	757
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	31	29	30	32	122
PPA Amortization on Intangibles (c)	60	59	56	55	230
Depreciation & Amortization (excl. PPA) (2=a-b-c)	90	94	105	115	405
Reinvestment rate (1/2)	**1.6**	**1.6**	**1.5**	**1.9**	**1.7**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
CAPEX (1)	92	109	151	249	601
Amortization depreciation & impairments (a)	172	182	290	200	844
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	25	27	33	28	114
PPA Amortization on Intangibles (c)	66	69	68	59	262
Depreciation & Amortization (excl. PPA) (2=a-b-c)	81	86	189	112	468
Reinvestment rate (1/2)	**1.1**	**1.3**	**0.8**	**2.2**	**1.3**

Gross Profit: the difference between revenue and cost of sales, according to the consolidated statements of profit and loss.

Gross Profit (pre PPA, I&R costs): Gross Profit excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the PPA (purchase price allocation). The result of dividing this indicator by the sales of the period, which are equal to the revenue figure in the consolidated Income Statement for the period, is denominated Gross Margin pre PPA, I&R costs, and it is expressed as a percentage.

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	12M 20	12M 21
Gross Profit	(110)	265
PPA amortization on intangibles	177	170
Integration costs	133	84
Restructuring costs	180	57
Gross Profit (pre PPA, I&R costs)	**381**	**576**

€m	Q4 20	Q4 21
Gross Profit	81	(107)
PPA amortization on intangibles	45	40
Integration costs	49	24
Restructuring costs	33	3
Gross Profit (pre PPA, I&R costs)	**207**	**(41)**

Translation of Management Report originally issued in Spanish. In the event of a discrepancy, the Spanish-language prevails (Note 21)

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
Gross Profit	202	199	(29)	(107)	265
PPA amortization on intangibles	45	44	42	40	170
Integration costs	20	21	19	24	84
Restructuring costs	13	37	4	3	57
Gross Profit (pre PPA, I&R costs)	**280**	**301**	**36**	**(41)**	**576**

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Gross Profit	(57)	63	(196)	81	(110)
PPA amortization on intangibles	42	45	45	45	177
Integration costs	15	28	41	49	133
Restructuring costs	6	42	100	33	180
Gross Profit (pre PPA, I&R costs)	**7**	**177**	**(10)**	**207**	**381**

Translation of Management Report originally issued in Spanish. In the event of a discrepancy, the Spanish-language prevails (Note 21)

Integration and Restructuring costs: see Gross Profit (pre PPA, I&R costs) and EBIT (pre PPA, I&R costs).

€m	12M 20	12M 21
Gross Profit	313	140
Research & Development	6	8
Sales and Administration	135	41
Others	9	8
Integration and Restructuring costs	**462**	**197**

€m	Q4 20	Q4 21
Gross Profit	82	27
Research & Development	2	2
Sales and Administration	24	14
Others	2	5
Integration and Restructuring costs	**110**	**48**

€m	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
Gross Profit	33	57	23	27	140
Research & Development	1	3	1	2	8
Sales and Administration	11	10	6	14	41
Others	1	1	1	5	8
Integration and Restructuring costs	**47**	**71**	**31**	**48**	**197**

Translation of Management Report originally issued in Spanish. In the event of a discrepancy, the Spanish-language prevails (Note 21)

€m	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Gross Profit	21	69	141	82	313
Research & Development	1	2	1	2	6
Sales and Administration	3	9	99	24	135
Others	3	2	2	2	9
Integration and Restructuring costs	**27**	**82**	**243**	**110**	**462**

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

MWe	Q1 21	Q2 21	Q3 21	Q4 21	LTM Sep 21
Onshore	1,744	1,927	2,404	2,223	8,298

MWe	Q1 20	Q2 20	Q3 20	Q4 20	LTM Sep 20
Onshore	1,747	1,649	1,876	2,433	7,704

Cost of energy (LCOE/COE): the cost of converting an energy source, e.g. wind, into electricity, measured in monetary units per MWh. It is calculated taking in account all costs incurred during asset's life cycle (including construction, financing, fuel, operation and maintenance, taxes and incentives) divided by the total output expected from the asset during its useful life.

Note that due to rounding, numbers presented in this document may not add up exactly to the totals shown and percentages may not exactly replicate the absolute figures presented.

Consolidated Non-Financial Statement 2021

SIEMENS Gamesa
RENEWABLE ENERGY

Key figures

	FY18	FY19	FY20	FY21	Var. 20/21
Revenues (€million)	9,122	10,227	9,483	10,198	8%
EBIT pre PPA and I&R costs (€million)	693	725	(233)	(96)	n.a.
Net profit (€million)	70	140	(918)	(627)	n.a.
Net financial debt (NFD) (€million)	615	863	(49)	(207)	n.a.
Equivalent MW sold	8,373	9,492	9,968	10,995	10%
MW installed (period)	6,234	9,895	8,767	10,164	16%
MW installed (cumulative)	88,840	98,735	107,502	117,666	9%
MW fleet under maintenance	56,725	60,028	74,240	79,199	7%
No. suppliers	17,051	17,890	18,932	19,363	2%
No. suppliers invoicing below 10k€/y	8,874	8,901	9,483	9,401	-1%
Procurement volume (€million) [98]	6,030	8,238	7,365	6,863	-7%
Headcount	23,034	24,453	26,114	26,182	0%
Lost time injury frequency rate - LTIFR	2.07	1.67	1.36	1.43	5%
Total recordable injury rate - TRIR	5.10	4.71	3.14	3.13	0%
% women in workforce	18.90	18.79	18.76	19.10	2%
% women in management positions	10.79	10.24	11.69	12.92	11%
Employee hiring	2,466	4,498	4,932	3,750	-24%
Employee exits	4,853	3,145	3,275	3,794	16%
Training hours (thousands)	619	905	840	555	-34%
Charitable contributions (€ million)	2.12	0.43	2.90	0.79	-73%
Energy consumption (TJ)	1,050	1,256	1,202	1,153	-4%
Energy consumption rate (GJ/MW)	168	127	137	114	-18%
Renewable electricity use (share in %)	71.7	61.5	99.9	100.0	0%
Water consumption (x1,000 m3)	446	667	522	553	6%
Waste generated (kt)	47.8	58.5	68.3	63.1	-8%
Waste intensity (t/MW installed)	7.7	5.9	7.8	6.2	-21%
CO_2 emissions (kt CO_2)	61.4	70.7	27.9	28.8	3%
CO_2 emissions intensity (t/MW installed)	9.8	7.1	3.2	2.8	-13%
CO_2 displaced (million t CO_2)	233	259	281	329	17%
Effluent generation (x1,000 m3)	451	329	342	492	44%
United Nations Global Compact	✓	✓	✓	✓	-
Dow Jones Global Sustainability Index	✓	✓	✓	✓	-
FTSE4Good Index	✓	✓	✓	✓	-
Ethibel Excellence Europe Index	✓	✓	✓	✓	-
Euronext Vigeo Index	-	✓	✓	✓	-
Bloomberg Gender Equality Index	-	-	✓	✓	-
MSCI ESG rating	BB	BB	A	A	-

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A. Our Company

A.1 Siemens Gamesa at a Glance

A1.1 About us

[L11-G01] Siemens Gamesa is a leading supplier of wind power solutions to customers all over the globe. Siemens Gamesa works at the heart of the global energy revolution.

With a leading position in onshore, offshore, and service, our team works in partnerships across 90 countries to engineer, build and deliver powerful, reliable wind energy solutions and services.

A global business with a strong local footprint, we have installed more than 107 GW and keep the lights on across the world, producing clean sustainable energy to power homes, schools, hospitals and keep us moving wherever we go.

Siemens Gamesa operates with a flexible business model and organizes its business in two segments: i) Wind Turbines (comprising Onshore and Offshore), which covers the design, development, manufacturing and installation of wind turbines, and ii) Service.

[L11-G02] [102-4] Siemens Gamesa is present in more than 90 countries around the world, and its turbines are installed in 79 countries. It operates more than 15 manufacturing plants in over 10 countries and has approximately 40 sales offices.

[102-8] At the end of the reporting period (September 30, 2021), the Company had 26,182 employees (26,114 employees in fiscal year 2020).

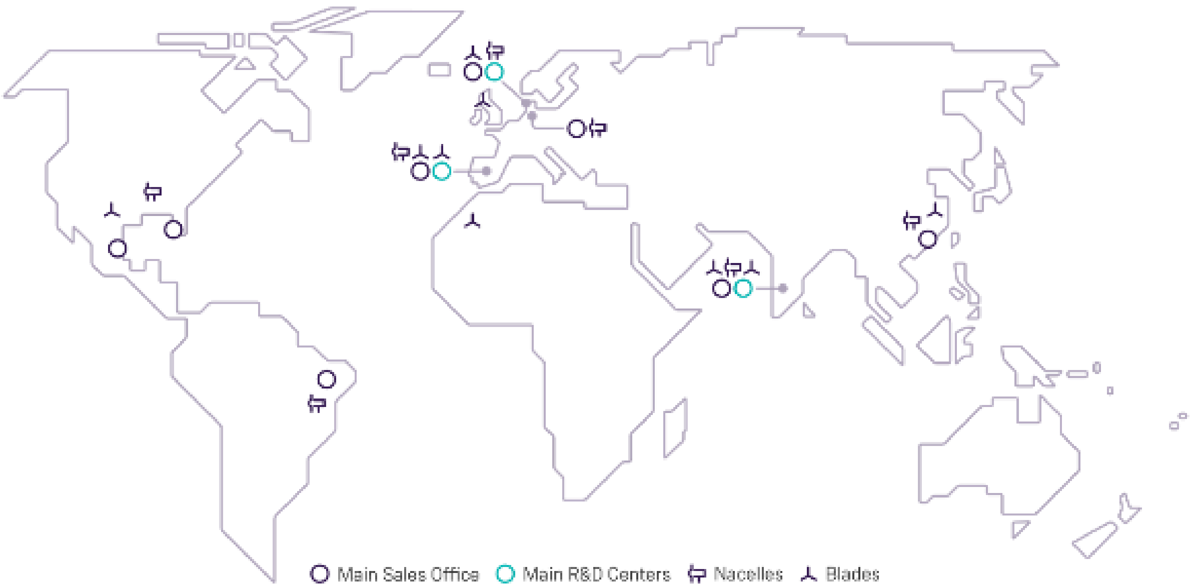
A1.2 Mission, Vision and Values

[102-16] Our Company mission "We make real what matters - Clean energy for generations to come" and our vision to "Be the global leader in the renewable energy industry driving the transition towards a sustainable world" define the foundation on which our shared corporate culture will grow as we become more and more integrated.

This is underpinned by six values:

- Results orientation: Results are relevant, delivered in a timely manner and at an appropriate cost.
- Customer focus: Think from a customer's perspective about how we can excel in delivery.
- Innovativeness: New solutions for customers and ourselves.
- Impactful leadership: Inspiring our people and exemplifying the culture and common values.
- Ownership attitude: People are motivated and engaged and see themselves as drivers of business success.
- Valuing people: Valuing the importance of the individual.

Figure 1 - Siemens Gamesa global footprint



A1.3 Legal Name and Ownership

[102-1] The corporate legal name Siemens Gamesa Renewable Energy, S.A. has been in effect since June 20, 2017 and was duly registered on July 18, 2017. The name was published in the Stock Exchange Bulletin on July 21, 2017. The shares have been listed as Siemens Gamesa Renewable Energy, S.A. since July 24, 2017.

[102-5] Siemens Gamesa is listed on the Madrid, Barcelona, Valencia, and Bilbao Stock Exchanges and is part of the Ibex 35 index. The significant shareholders are currently Siemens Energy AG, indirectly holding 67% and Blackrock Inc., with 3% of the share capital[1],. The free float is 30%.

The capital stock of Siemens Gamesa Renewable Energy, S.A. amounts to €115,794,374.94, consisting of 681,143,382 fully subscribed and paid uncertificated shares of common stock with a value per share of €0.17, all with identical rights and comprising a single class and series.

[102-7] The consolidated revenue in FY21 was €10,198 million (€9,483 million in FY20). All the economic and financial information of Siemens Gamesa Renewable Energy S. A. and its subsidiaries is available in the Consolidated Financial Statements and Management Report for the period ended September 30, 2021, its fiscal year-end. [201-1]

[102-3] For legal purposes, Siemens Gamesa Renewable Energy, S.A.'s corporate details are as follows: “SIEMENS GAMESA RENEWABLE ENERGY, S.A., a company duly incorporated under the laws of Spain, with registered office at Parque Tecnológico de Bizkaia, Building 222, Zamudio, Biscay, Spain and registered with the Mercantile Register of Biscay in Volume 5139, Folio 60, Page BI-56858, and with VAT registration number A-01011253”.

A.1.4 Products and Services

[102-2] [102-6] The core business portfolio of Siemens Gamesa comprises wind turbines for onshore and offshore wind power plants as well as a wide range of services. These business lines allow SGRE to be present across the wind value chain, offering a wide range of products and services for different project types and site conditions.

Siemens Gamesa develops and manufactures wind turbines which are suitable for a broad range of wind speeds (low, medium and high wind) and a full spectrum of weather conditions, and which can fulfill specific local requirements. Every wind generation location presents specific challenges which require the choice of the most appropriate product. To meet the specific needs of its customers, it offers versatile solutions for onshore and offshore power plants. According to its “one segment, one technology” strategy, it uses mainly geared technology for onshore and direct drive technology for offshore wind turbines. In direct drive technology, a low-speed permanent magnet replaces the gearbox, coupling and high-speed generator, combining simplicity with a high level of efficiency.

With wind turbines installed in 79 countries worldwide, totalling more than 117 GW, and a full range of product platforms, the Company sees itself as one of the main global technology leaders in the multi-megawatt wind turbine segment. Siemens Gamesa has installed more than 1 GW of wind turbines in each of the following countries as of September 30, 2021 (based on cumulative installed capacity figures, including all its onshore and offshore wind turbines for each country): Brazil, Canada, Chile, China, Denmark, Egypt, France, Germany, India, Ireland, Italy, Mexico, Morocco, Netherlands, Norway, Poland, Spain, Sweden, Turkey, United Kingdom and United States.

Innovation is a key driver in the wind energy sector. Siemens Gamesa believes it is at the forefront of technological development and innovation, and that it has one of the most comprehensive wind turbine and service portfolios in the sector, enabling it to minimize the LCoE (Levelized cost of energy) and provide optimal returns for its customers.

The Wind Turbines business generated total revenue in FY21 in the amount of €8.3 billion (€7.7 billion in FY20), that is 81% of its total revenue, of which €5.0 billion is attributable to Onshore and €3.3 billion to Offshore. The Service business generated total revenue in the amount of €1.9 billion (€1.7 billion in FY20) or 19% of Siemens Gamesa's total revenue), in fiscal year 2021. [See Table 2 - Revenues by segment]

Onshore Wind Turbines: Siemens Gamesa’s onshore approach focuses on geared technology, in which it has extensive knowledge and expertise. Its onshore portfolio relies on proven concepts with an extensive track record in the market and which offer high levels of reliability, such as the combination of a three-stage gearbox and a doubly-fed induction generator. Other advantages of its turbines are robustness, a modular, flexible design, and flexible power ratings for optimum adaptation and maximization of production at different kinds of sites and in all wind conditions.

Figure 2 - Siemens Gamesa activities

Onshore
99.0 GW installed worldwide
€5.0 billion revenues in FY21

Offshore
18.7 GW installed worldwide
€3.3 billion revenues in FY21

Service
79.2 GW maintained
€1.9 billion revenues in FY21


Siemens Gamesa 5.X


SG 14-200 DD


Hauma windfarm service

Offshore Wind Turbines: Siemens Gamesa's offshore approach is focused on direct drive technology, which is particularly suitable for offshore conditions. Replacing the gearbox, main shaft and a conventional high-speed generator with a low-speed generator eliminates two-thirds of the conventional drive train arrangement. As a result, the number of rotating and wear-prone parts is greatly reduced, so that a direct drive wind turbine has 50% fewer moving parts than a comparable geared machine. The simple design reduces the likelihood of failures. The use of fewer moving parts in the direct drive technology (compared to geared machines) also means fewer spare parts are needed over the course of a wind power plant's lifetime. [See Table 8 - Wind turbine installation track record by country / market (cumulative MW)]

Service: The Service business is responsible for the management, monitoring and maintenance of wind power plants. Siemens Gamesa has roughly 35,000 serviced turbines worldwide, with more than 79 GW under maintenance (including approximately 12 GW offshore and more than 67 GW onshore). It covers the full lifetime of a turbine, from when a wind park is commissioned to assuring its successful performance over its life. Not only does Service ensure that turbines are operating at their maximum capacity and generating their maximum potential energy to deliver clean energy globally, but it also develops innovative technology using big data to provide enhanced performance for our customers. Siemens Gamesa currently delivers high-quality O&M services with a global reach and has service operations in more than 60 countries around the world through its five regional and two global competence centers. [See Table 9 - Service track record (MW)]


Figure 3 - Hull blade plant


Figure 4 - Brande nacelle plant

A.1.5 Manufacturing Base

Siemens Gamesa manufactures wind turbines at its facilities in Brazil, China, Denmark, Germany, India, Morocco, Portugal, Spain, UK, and the United States. The Company has established a technical presence close to its customers across the world. Its manufacturing base is designed to ensure an efficient production process from the design of the wind turbines to the manufacturing of all critical components[2]. The decision as to whether a specific component of a wind turbine should be produced in-house or outsourced to third-party suppliers is determined by looking at three different dimensions: capacity, cost and local content or industrialization requirements. The Company operates blade factories, nacelle assembly factories and other kind of factories (such as gearbox, converter and cabinet factories).

A.1.6 Innovation, Research & Development

Wind turbines developed and manufactured by Siemens Gamesa are in permanent evolution, incorporating the latest technological advances with the aim of increasing both power and performance. Overall, Siemens Gamesa employs approximately 3,500 dedicated technology staff (13% of the total headcount). In fiscal year 2021, it spent €292 million on research and development (€231 million in 2020).

Its R&D activities are carried out mainly through seven technology centers located in Bangalore (India), Boulder (United States), Brande (Denmark), Hamburg (Germany), and Zamudio-Bilbao, Madrid and Pamplona (all three in Spain). The R&D activities in Zamudio-Bilbao and Pamplona are focused on the nacelle and its components, while Brande and Hamburg focus also on blades. The facilities in Madrid and Brande are equipped with test benches for testing and validating software systems for wind power, Photovotaic (IPV), energy storage and hybrid power systems. The Bangalore center serves global engineering and technology demands pertaining to software and design engineering for onshore and offshore wind turbines, with a focus on new technologies such as machine learning and artificial intelligence, required to build the “smart” wind turbines of the next generation.

Siemens Gamesa also works with renowned specialized institutions in the field of wind energy and fosters research partnerships across countries, organizations and disciplines. In addition, its partnership with Ørsted and the UK universities of Hull, Sheffield and Durham examines how renewable energy research can lower the costs of offshore wind power. This five-year partnership funded by the U.K. government under its Engineering & Physical Science Research Council enables Siemens Gamesa and its partner to develop new solutions relating to structural health monitoring and generator topologies.

A.1.7 Significant Changes in Fiscal Year

[102-10] There were no significant changes within the scope of Siemens Gamesa in fiscal year 2021.

A.1.8 Our Customers

Siemens Gamesa customers are mainly companies that are active within the energy sector. The main customer categories are as follows:

- **Utilities** – Companies that own wind farms and photovoltaic powerplants to sell power to the distribution network to reach final energy demand.
- **Independent Power Producers** – Companies that own wind farms and photovoltaic powerplants in order to sell power to an off-taker (via a power purchasing agreement) with the aim of obtaining a financial return in excess of their cost of capital.
- **Project Developers** – Companies that develop a project to sell it to a future owner with the interest and financial capability to build and operate it.
- **Others** – Financial investors, oil & gas players, companies that need to consume green energy in order to meet their corporate environmental targets, self-consumers, etc.

With the energy transition, customer profiles have expanded, with other participants other than the traditional players (such as utilities and independent power producers) gaining in importance.

A.1.9 Competition

The competitive situation for Siemens Gamesa differs in the three markets: onshore, offshore and service. It competes with international OEMs (Original Equipment Manufacturers, companies that produce parts and equipment that may be marketed by other manufacturers), Chinese OEMs and other regional OEMs, primarily focused on their local markets.

The market for onshore wind turbines is more fragmented, although consolidation has increased concentration of market shares outside China.

In the offshore market, there is a lower number of competitors due to the relatively high entry barriers. However, price competition in wind turbines is also strong and influenced by the introduction of auction mechanisms. Consolidation is moving forward in both onshore and offshore markets. It is driven by market players striving for scale to address technology challenges (which increase development costs) and market accessibility challenges.

There are about 30 wind turbine OEMs in the world. In general terms, wind turbine OEMs can be categorized into three groups i) International players with global reach, e.g. Siemens Gamesa, Vestas (Denmark), GE Renewable Energy (France/United States) and Enercon and Nordex (Germany); ii) Chinese OEMs, e.g. Xinjiang Goldwind Science & Technology Co., Ltd. and Envision; iii) Other regional OEMs (mostly located in India), e.g. Suzlon Energy Ltd. and Inox Wind Ltd. (both in India).

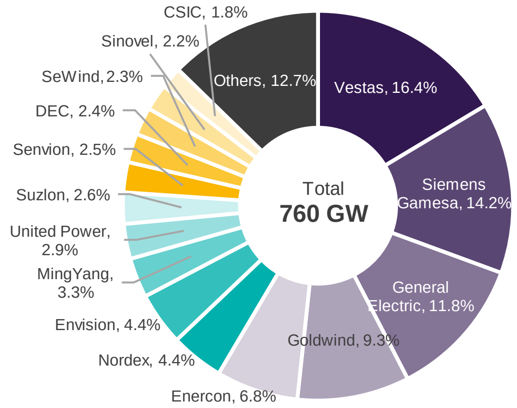


Figure 5 - Top 15 OEMs: Global cumulative share, 2020 (Source: Wood Mackenzie)

A.2 Business Environment

A.2.1 Megatrends Accelerating the Energy Transition

[L11-G04] The energy sector is undergoing a transition from conventional generation to a larger share of renewable generation. Global megatrends are accelerating this transition:

Globalization and Global Economic Growth. Globalization is a key driver for the growth of international trade. The global trade volume for goods roughly tripled between 2000 and 2019. In addition to globalization, a trend towards localization can also be observed in certain countries, which may translate into local production and local content requirements.

Rapid Urbanization. Globally, more people live in urban areas than in rural areas. The share of urban population is expected to increase to more than two-thirds by 2050. Urbanization is driving demand for food, water and energy in many places across the globe. Sustainable urbanization requires that cities provide the necessary infrastructure for energy, transportation and communication.

Demographics and Social Change. The main trends here include labor shortages, demand for healthcare, and changing consumer demands. The global population could increase by over 1 billion by 2030; by 2050, one-third of the population of 55 countries will be aged over 60. A growing population is one of the main factors behind the increase in energy demand. Continued rapid population growth also presents challenges for sustainable development.

Climate Change and Resource Scarcity. Climate change and decarbonization discussions — in which the energy transition plays a key role — and the commitment to low or zero emission standards by countries and companies are gaining traction. The IPCC (Intergovernmental Panel on Climate Change) has stated that emissions must be cut to net zero by around 2050 in order to cap global warming at 1.5°C.

Digitalization and Technological Breakthrough. Digitalization opens new perspectives. The use of data is important for reducing costs, increasing revenue, improving service quality, and integrating customers and business partners. With growing digitalization, the focus on cybersecurity is also increasing. The energy sector's increasingly complex grids are more prone to cyberattacks, making cybersecurity a key issue to ensure a secure energy supply. Cybersecurity also plays an important role in the area of remote services for power plants.

A.2.2 Impact of Megatrends

The energy industry is experiencing significant transformation. The traditional power (i.e. electricity) supply model was based on a centralized, conventional electricity generation structure (with dispatchable conventional power plants meeting power demand) and unidirectional grids (with electricity usually being transmitted from large-scale generators to consumers). The economics of generation technology ensured a stable business for conventional energy generation companies; in turn, the system ensured constant availability of electricity. This traditional model is now being challenged at many levels.

With the rapid deployment of electricity generation from renewables, the world energy supply continues to transition towards an affordable, reliable and sustainable model. Because of the very low cost of most renewable power generation technologies (e.g. wind) in many jurisdictions compared to conventional power generation technologies and also of support schemes (e.g. preferential feed-in), conventional power plants increasingly provide only the balance between power demand and renewable power generation and, consequently, have experienced a reduction in operating hours.

This transformation is driven by **changes in market economics and regulatory frameworks as well as more engaged customers and competitors**, and many new trends in the energy sector are also derived from or closely correlated with the megatrends described above. For example i) Investors are increasingly shifting capital to sustainable funds, ii) Governments are setting new frameworks, driven by commitments such as those in the Paris Agreement, iii) Companies and industries are making ambitious pledges, for example with respect to sustainability targets, iv) Public opinion is also increasingly pushing for the adoption of more ambitious environmentally-friendly measures, and v) Customers are increasingly factoring companies' environmental practices into their purchasing decisions.

We see a transition of the energy system towards decarbonization in which renewables will become the main source of cheap electricity and conventional technologies will be important to ensure security of supply. We also see integrated intelligent networks that can continuously manage load shifts. Zero-emission energy technologies such as hydrogen will become important to decarbonize other sectors, such as mobility, industry and residential and, therefore, to achieve climate protection goals. We view increasing demand for energy and electricity, decarbonization, decentralization and digitalization as the trends that have the largest impact on our business.

A.2.3 Business Risks

Global or local outbreaks of infectious diseases and other public health crises. We have been affected by the fallout of the outbreak of the recent Coronavirus pandemic. Risks stem not only from the immediate effect of such crises but also from any measures aimed at limiting their impact, including, but not limited to, restrictions on travel, imposition of quarantines, prolonged closures of workplaces, curfews and other social distancing measures, including the social impact of such measures.

Competition and lower market prices. Markets face structural changes, moving away from fixed support regimes for renewable energy generation towards market-based auction models where competing developers bid for projects, with awards based on the lowest entry price and the lowest level of incentives required for the project.

Supply chain constraints. Supply chain risks, due to the existence of critical components and services that could cause delays or cost increases in the production of Siemens Gamesa wind turbines or the execution of its construction projects.

Raw materials price increase: Exposure to risks relating to fluctuations in the prices of raw materials that could affect supply chain costs and project execution.

Risks of project execution. Cost overruns, missed deadlines, failure to meet business requirements, raw material price increases or increase of logistic and transport costs.

Risk of insufficient funding or difficulties in obtaining other financing instruments and services, such as financing, securities, hedging instruments and insurance, from financial institutions for specific projects or our whole business operations. This may be due to financial institutions' internal, industry-wide or policy-driven prerequisites for all dimensions of ESG. Examples are the new 'lending criteria' of the European Investment Bank ("EIB") or the future alignment with the European Union's (the "EU") taxonomy.

Political instability, international conflicts and new trade barriers. Several components are manufactured in China and the U.S.- China trade conflict may have a negative impact on our business, including: interruptions of product manufacturing processes, delays in delivering products, claims for damages and difficulties in replacing Chinese suppliers in time or at economically reasonable costs. Other scenarios include post Brexit relationship between UK and the EU, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.

Extreme weather conditions due to climate change. For example, Siemens Gamesa had to adjust its profitability target in January 2020 following unforeseen costs in a low triple-digit million euro amount relating to five onshore projects (1.1 GW) in northern Europe, mainly Norway, caused by adverse road conditions and the unusually early onset of winter weather, which delayed project execution.

Environmental, social and governance (ESG) standards. Compliance with certain ESG standards may pose additional challenges to our business. Our business and investment decisions increasingly consider environmental, social and governance ("ESG") standards and expectations regarding environment (e.g. climate change and sustainability), social concerns (e.g. diversity and human rights), and corporate governance issues (e.g. employee relations).

A.3 Corporate Strategy

Unleashing the full potential of Siemens Gamesa[3]. With a leading position in all three areas of the wind business – onshore, offshore, and service – we are driving the global green energy revolution and accelerating the efforts of our partners around the world. We are a global market leader in offshore wind and lead several onshore markets across the Americas, Europe, Africa and Asia. Our service business leads the industry in operating, maintaining and optimizing turbines throughout their lifespan. To unleash our full potential, we refreshed our corporate strategy, which aims to continue securing growth opportunities in our profitable Offshore and Service businesses, while driving a turnaround in Onshore. The strategy prioritizes profitability (over volume), cash generation, efficiency and productivity in all operations.

While wind turbine manufacturers' margins have been eroded by external factors — such as the introduction of auctions, global trade tensions, and the disruption caused by COVID-19 — the long-term outlook for wind power is very favorable. According to the International Energy Agency (IEA), renewable energies will account for more than 50% of the global capacity mix in 2040 and wind is expected to attract the highest investments in that period, according to BNEF. Strong growth is expected in the Offshore and Service markets over the next decade, while demand in Onshore will remain solid. Siemens Gamesa also expects prospects to be bolstered by the emergence of green hydrogen technologies, in which wind energy will play a leading role.

According to the World Energy Outlook 2019 (International Energy Agency-WEO 2019), cumulative wind capacity at the end of the period (2040) will amount to 1,850 GW, i.e. 150 GW above the previous report's estimates (with more than 300 GW Offshore). It is estimated that, over the next 20 years, average installations will be 57 GW per year, almost 15% more than previously projected.

[L11-G03] [G102-14] Siemens Gamesa has developed action plans to take advantage of long-term opportunities and protect against long-term risks.

Launched in 2020, the LEAP program set clear priorities:

- **Innovation** – Strive for technology leadership and business model innovation.
- **Productivity & Asset Management** – Continued focus on cost-out and stringent cash management to optimize profitability and cash generation.
- **Operational Excellence** – Strengthen process and project execution discipline and achieve industry benchmark safety and quality levels.
- **Sustainability and People** – Become the 'go-to' company in renewable energy by setting the industry benchmark in sustainability and in appeal as a place to work.
- **Digitalization -** Siemens Gamesa is investing in digitalization which it believes is a key enabler for accelerating the achievement of its objectives.

In this context, its key objectives for the period until 2023 focus on:

- **Returning Onshore to sustainable profitability** with a turnaround plan focused on the following priorities: (i) Focus on profitable volume and de-risking the business; (ii) Introduction of new leading technology; (iii) Reduction of supply chain complexity; (iv) Reinforcement of project execution capabilities; and (v) Reorganization to improve performance.
- **Capturing offshore market growth** through a profitable leadership position with the following priorities: (i) technological differentiation; (ii) globalization with market expansion and early customer engagement; and (iii) focus on execution excellence.
- **Sustainably growing faster than the market in service**, with the following priorities: (i) continuously develop new business models in partnership with customers; (ii) focus on innovation, productivity and operational excellence; and (iii) capture the potential of the profitable multi-brand business.

Accordingly, Siemens Gamesa's revenue mix is expected to shift towards a higher share of Offshore and Service and, consequently, a smaller share for Onshore. In addition, in line with the energy transition trends, it is also actively exploring adjacent business areas to tap the full potential of its core wind business, such as hybrid solutions, storage, floating and hydrogen.

A.4 Risk Management

A.4.1 Management Approach

[L11-G08] Siemens Gamesa has a Risk Control and Management System that is covered by the rules of Corporate Governance within an internal framework that we call ERM (Enterprise Risk Management). ERM is considered at the highest level, based on the guidelines established in the Regulations of the Board of Directors and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (ACRPTC), using internationally recognized methods (COSO 2017 and ISO 31000:2018).

The Risk Control and Management System within ERM is promoted by the Board of Directors and top management and implemented throughout the organization. Siemens Gamesa has a Risk and Internal Control (RIC) department that reports to the Chief Financial Officer (CFO) and regularly reports to the Audit, Compliance and Related Party Transactions Committee.

The General Risk Control and Management Policy[4], establishes the foundations and general context for the key elements of ERM and classifies risks in four categories: **i) Strategic; ii) Operational; iii) Financial** and **iv) Compliance**. The ERM process is a continuous cycle intended to proactively manage business risks. It is divided into six phases: i) Identify; ii) Evaluate; iii) Respond; iv) Monitor; v) Report and scale; and vi) Continuous improvement.

Note: More detailed information on the Risk management and control systems is available for consultation in Section E *("Risk management and control systems")* and Section F ("*Internal risk management and control systems related to the process of publishing financial information*") of Siemens Gamesa's Annual Corporate Governance Report 2021[5].

A.4.2 ERM System

The Company's Risk Control and Management System is structured into **four levels of defense**:

1. Ownership of risk control

- **Executive Committee:** As owner of the top risks, it is responsible for ensuring and promoting compliance with relevant legal requirements and internal policies, applying the General Risk Control and Management Policy and the Risk & Opportunity (R/O) management strategy. It also ensures that risk management and control is integrated into business and decision-making processes. Other responsibilities include defining and proposing the approval of risk limits and reporting to the ACRPTC on all Company-related issues connected to strategy, planning, business development, risk management and compliance.
- **Business unit directorates**: Each unit is the owner of the Risks and Opportunities (R/O's) at business unit level.
- **Regional Executive Committees**: As owners of the regional Risks and Opportunities (R/O's).
- **Financial Directorate**: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire Siemens Gamesa Group.
- **Tax Department**: Ensures compliance with the tax strategy and policy.

2. Monitoring and Compliance

- **Risk and Internal Control (RIC) Department:** As part of the Financial Directorate, it ensures that the executive team evaluates all matters relating to the Company's risks and that the risk owners develop mitigation plans for all high and major risks. It is also responsible for the process to test the effectiveness of the internal control system.
- **Ethics and Compliance Directorate**: Applies the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets and supervises the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Export control and Customs.

3. Independent assurance

The Internal Audit department reports to the Audit, Compliance and Related Party Transactions Committee (ACRPTC) and the Chief Executive Officer (CEO). Further information can be found at section E2 of the Annual Corporate Governance Report.

4. Oversight

The Audit, Compliance and Related Party Transactions Committee (ACRPTC) supports the Board of Directors in the oversight of risk management and reports about the effectiveness of such system that is under the control of Executive Management. The Board of Directors approves the risk levels that the Siemens Gamesa Group considers acceptable and the policies from which the risk levels derive, all with the aim of managing these risks properly.

A.4.3 Overview of Risks & Monitoring

Siemens Gamesa faces various risks inherent to the industry and the countries in which it operates when it deploys its strategic and operational planning. These risks can prevent business objectives from being achieved.

Some risk factors that materialized during 2021 in the countries and markets in which Siemens Gamesa did business had an adverse impact on the Group's financial results, the most significant being: commodity risk, project execution, and Covid-19.

Figure 6 – Overview of risks and monitoring

Strategic Risks

- Industry and SGRE operations that may be affected by infectious diseases, health crises, and the recent Covid-19 pandemic. Additionally, may also be affected by commodity risk.
- Pressure on contribution margin and on MW volumes.
- SGRE is exposed to country risk, understood as the environment in which socio-political and security conditions may affect the local interests of SGRE.
- Climate change may generate heavy rains and floods, which could potentially affect certain company assets.
- Reputational risk damage based on reorganization and restructuring announcements.
- Failure to attract or retain the required talent.

Monitoring

- Multidisciplinary team establishes health and safety protocols, analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk and commodity risk.
- Development of new business opportunities, entry into new countries, and cost reduction programs.
- Balanced diversification of sales in other countries, supply chain diversification and security model.
- Carbon neutrality achieved and assets are safeguarded by the Real Estate.
- Perform scenario analysis on different climate change scenarios over the three-year ERM horizon.
- Review compliance with all contracts/laws.
- Employee satisfaction surveys, succession plans, professional career

Operational Risks

- **Operational risks** relating to the launch of new products, the opening of new production centers and manufacturing management, as well as the quality of products and services.
- Risks relating to the **commitments** made in certain contracts.
- Risk in the event that cost reduction processes do not occur as quickly as required.
- Risk in project execution.
- **Cyberattack** risks.
- **Supply chain** risks.
- **Market & commodity price** risks.

Monitoring

- New products and production centers monitored to ensure cost and quality.
- Monitoring commitments to clients, suppliers and stakeholders.
- Reduction in costs to improve profitability.
- Dedicated team to obtain excellence in project execution.
- Information security model led by Security Committee.
- Second source supply strategy, and long-term agreements with suppliers of critical components.
- Use of hedge derivatives ,negotiate price clauses or redesign for market risk relating to raw material prices.

Financial Risks

- Risks connected to the wind market's needs with respect to third-party guarantees and insurance.
- Risks that could affect balance sheet strength, working capital, cash flow, liquidity and earnings.
- Exchange rate risk.
- Interest rate risk.
- Tax risks arising from local and/or global requirements and direct or indirect taxation.
- Risk related to the implementation of new systems and changes in responsibilities as part of the company's continuous growth and digitalization.

Monitoring

- Ratings from rating agencies and negotiation with customers.
- Monitoring cash flows and business issues that could lead to asset impairment.
- Increasing local content, hedging through derivative financial instruments, monitoring exposure to fluctuations, and analyzing currency sensitivity.
- Optimizing exposure to interest rates.
- Application of the Corporate Tax Policy; monitoring compliance in tax matters by region.
- Specific supervision of corporate functions (including IT) with regard to risks arising from migrations to new systems.

Compliance Risks

- Risk of severe and/or fatal accidents occurring with the additional effects of delays, damage to assets and reputational loss caused by the high-risk profile of some works.
- Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including data protection) and compliance with contractual obligations, intellectual property rights, and controlling the risk of crime, such as fraud and corruption.

Monitoring

- The risk of serious and fatal accidents is mitigated in several ways, including strengthening the zero-tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.
- Systems for monitoring regulatory changes and compliance handbooks, in accordance with the legal requirements and risks associated with the Company's activities in key regions. They include appropriate specific measures to detect and prevent such risks.

A.4.4 Risk Tolerance

Subject to Board approval, top management establishes the risk strategy and tolerance, setting the amount of risk that it is prepared to assume in order to achieve its objectives. Siemens Gamesa uses three levels of risk tolerance: "risk acceptance", "risk monitoring" and "risk escalation".

A.4.5 Additional Controls

Continuous supervision and monitoring processes are complemented with additional controls that include structured oversight and reporting processes regarding the evolution of risks and opportunities (R/O) maps and mitigation plans. External management system certification pursuant to ISO 45001, ISO 14001 and ISO9001 and the AENOR UNE 19602 standard related to the tax compliance management system are also included. Internal certifications signed by management to ensure that the RIC process is effective are an additional practice. Additionally, there are regular training sessions for managers and senior managers regarding ERM Policy and Methodology.

A.5 Corporate Governance

[102-18] The Group's governance structure is based on two main bodies, namely the General Meeting of Shareholders and the Board of Directors. Detailed information on the Group's corporate governance model is available in the Corporate Governance section of the Siemens Gamesa website [6].

A.5.1 General Meeting of Shareholders

The General Meeting of Shareholders is the meeting of the Company's shareholders that, once duly convened, decides by majority voting on the issues within its powers in accordance with the Law, the By-Laws and the Regulations for the General Meeting of Shareholders[7]. All shareholders, including those that do not take part in the General Meeting or who have expressed their disagreement, are bound by the resolutions adopted at the General Meeting, without prejudice to their legal right to challenge such resolutions.

A.5.2 Board of Directors

[102-22] 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 the business's administration. Apart from the matters reserved for the General Meeting of Shareholders, the Board of Directors is the highest representative and decision-making body. It has no substantial constraints apart from those laid down in the law and the By-Laws, particularly regarding the Company's corporate purpose. Full information on the Board of Directors' composition, as well as its members' profiles, can be found in section C.1 of the Annual Corporate Governance Report and on the Company's website[8].

Siemens Gamesa's Board of Directors is the body responsible for reviewing and formulating this Consolidated Non-financial Statement, which is approved by the General Meeting of Shareholders.

A.5.3 Board Committees

The Board of Directors has a Delegated Executive Committee and two specialized committees to deal with specific areas, which are entrusted with powers to report, advise, make proposals and exercise oversight and control. The specialized committees are a) the Audit, Compliance and Related Party Transactions Committee, and b) the Appointments and Remunerations Committee. Detailed information on these Committees can be found in the Annual Corporate Governance Report and on the Company's website.

Delegated Executive Committee

The Delegated Executive Committee has been granted some of the powers of the Board of Directors, excluding amongst others those whose delegation is not permitted by law, the By-Laws or the Regulations of the Board of Directors. Articles 5 through 7 in Chapter II of the Regulations of the Delegated Executive Committee[9] set forth this committee's duties.

Audit, Compliance and Related Party Transactions Committee

This is a permanent internal body of the Board of Directors for reporting and consultation purposes. It is entrusted with informing, advising and making recommendations. Articles 5 through 14 in Chapter II of the Regulations of the Audit, Compliance and Related-Party Transactions Committee (ACRPT) [10] set forth this committee's duties.

The ACRPTC functions related to the process of preparing non-financial information, to the appointment of the external assurance provider and to sustainable development are defined in Art.9 of the Regulations of the ACRPTC.

Appointments and Remunerations Committee

This Committee is a permanent internal body of the Board of Directors for information and consultation purposes. It is entrusted with informing, advising and making recommendations concerning matters within its scope. Articles 5 through 9 in Chapter II of the Regulations of the Appointments and Remunerations Committee[11] set forth this Committee's duties. More specifically, its primary functions are to oversee the composition, performance and assessment of the Company's Board of Directors and Top Management, along with their remuneration.

A.5.4 Executive Level Positions

[102-19] The General Meeting of Shareholders of Siemens Gamesa held on July 22, 2020, approved the ratification and re-election of Mr. Andreas Nauen within the category of executive director and he accepted his appointment and the ratification of the delegation of powers on the same date. For further information, please refer to section C.1.9 of the Annual Corporate Governance Report 2021.

[102-20] The Company's organization chart includes functions with responsibility for the economic, social and environmental areas. Additionally, the highest-ranking officers of these functions report to the Board of Directors whenever they are requested to do so.

As of September 30, 2021, the top management positions of Onshore CEO, Offshore CEO and Service CEO are occupied by Mr. Lars Bondo Krogsgaard, Mr. Marc Becker and Mr. Juan P. Gutiérrez respectively. Top management corporate positions are as follows: Ms. Beatriz Puente (CFO), Mr. Christoph Wollny (COO) and Mr. Jürgen Bartl (General Secretary). Other key management positions are occupied by Mr. Carlos Albi (Chief Strategy and Corporate Affairs Officer) and Mr. Javier Fernández-Combarro (Human Resources Director). Their curriculum vitae can be found on the Company website.

A.5.5 Remuneration

[L11-HR07] The Annual Report on Remuneration of Directors is submitted for a consultative vote to the Company's General Meeting of Shareholders on an annual basis. In accordance with prevailing legislation, the remuneration policy of the current year and of the preceding year includes each director's individual remuneration.

Total remuneration of members of the top management amounts to €5,643 thousand in fiscal year 2021 (€7,901 thousand in FY20). The difference between the two years is explained by two departures of top management from the company in fiscal year 2020, which increased the cost significantly. The average remuneration of members of the top management amounts to €852 thousand in fiscal year 2021 (€ 1,158 thousand in FY20), without distinction by gender. There is one woman in the top management team, so it is not possible to break down the individual amount of her remuneration for confidentiality considerations, although there is no gender discrimination.

Additional information about top management and their overall remuneration is provided in section C.1.14 of the Annual Corporate Governance Report 2021 [12].

Detailed information is contained in the Annual Report on Directors' Remuneration [13] section and is also disclosed in the Annual Corporate Governance Report for the year.

A.5.6 Legal and Administrative Proceedings

[L11-SO09] Due to the nature of our business, all commercial transactions with clients are carried out under specific contracts. Therefore, any customer complaints are related to such contracts and are dealt with within that framework. In the ordinary course of business, we are involved in out-of-court disputes, litigation and arbitration proceedings as well as administrative proceedings. Frequent situations include claims for alleged breaches of contract (particularly claims brought by or against project partners and customers relating to delays, poor performance or non-performance), labor disputes, antitrust issues, product liability and warranty claims as well as infringement or the validity of IP rights.

Most cases arise from the interpretation of agreements and are resolved through contractual agreements, guarantees and warranty extensions, etc. The cases that remain open this fiscal year include: i) Customer claims regarding commercial disputes over project delays, and; ii) Disputes or disagreements about IP rights. The latter involve competitors or other third parties and relate to the validity of IP rights or infringements. Siemens Gamesa is a party to several licensing agreements that provide it with IP rights (patents, trademarks and design rights) that are either necessary or useful for the Company's business. Disputes or disagreements have occasionally arisen concerning the fulfillment of existing agreements, the interpretation of the scope of use of the IP rights granted to Siemens Gamesa by third parties (including competitors) and alleged IP infringements. The group covers such risks by means of appropriate provisions and guarantees to minimize the risk that they will materialize.

A.6 ESG: Ratings and Sustainability Indexes

The Company responds to specific demands related to ESG, including: i) Specialized support for the growing demand from investors for detailed information on environment, social and governance issues; ii) Support for the growing ESG data and information requests and engagement by ESG rating agencies; and iii) Support for the increasingly demanding requirements in the area of non-financial information reporting. Siemens Gamesa held numerous meetings (>50) with analysts and investors during this fiscal year. While most of them wanted to discuss the Company's ESG management and performance in general, other common engagement topics include climate change, diversity and inclusion, product life cycle (blade recycling), and the use and sourcing of rare earth elements and balsa wood.

A.6.1 Non-financial Reporting

ESG department is responsible for coordinating with the business areas and for gathering all the information required for the annual CNFS report and also for the half-year and quarterly financial reporting for delivery to investors, which includes a number of material ESG KPIs. To ensure accuracy of the data, we have implemented an internal business intelligence tool that requires top management approval from the person responsible for each business area. Additionally, the information is presented to the ACRPTC, which is responsible for the internal approval of quarterly and annual ESG reporting. During the final stage of preparation of CNFS reporting, the external auditor provides limited review of all the content, ESG data and information.

A.6.2 ESG Ratings and Sustainability Indexes

S&P Global ESG Evaluation[14]: Siemens Gamesa underwent an ESG evaluation from S&P Global for the first time in May 2021. The Company obtained an excellent result: a score of 84 out of 100. At the time the evaluation was released, Siemens Gamesa was the only wind turbine manufacturer analyzed and it ranked #1 among Spanish companies.

In the environment assessment (score of 84/100), S&P emphasizes our key role in fostering decarbonization across the energy sector supported by the Company's strong climate strategy, highlighting GHG intensity reduction, efforts to address scope 3 emissions, the net-zero target by 2050, SBTI targets including suppliers, and the goal to produce blades that are 100% recyclable.

The social issues assessment (score: 77/100) identifies improvements in safety performance, workforce strategy focusing on innovation and inclusion, and employee training and diversity targets and performance. The assessment of governance issues (score: 76/100) provides an overview of appropriate Board composition, skillset and experience. It highlighted the Company's transparency, reporting and robust values, policy framework, and ethical behavior, mitigating bribery and corruption risks and limiting human rights exposure in its value chain.

The evaluation report also highlights Siemens Gamesa's strong preparedness (additional +3 points in the total ESG score) to face the future in the industry as it continues to lead cutting-edge developments that bring significant environmental benefits to its customers in the global transition toward a more sustainable, and low carbon economy.

ESG rating agencies measure the company’s exposure to, and management of, environmental, social and governance (ESG) practices. Siemens Gamesa receives outstanding ESG ratings from most ESG rating agencies: it ranks #1 in its sector according to two ESG agencies: ISS ESG and FTSE Russell ESG; it ranks #2 according to Vigeo-Eiris and S&P Global´s Corporate Sustainability Assessment (the agency that analyzes the constituents of the Dow Jones Sustainability Index); and is in the 97th percentile from Sustainalytics.

Therefore, Siemens Gamesa is eligible for inclusion in institutional and ESG investors’ portfolios and in sustainable investment indexes such as the Dow Jones Sustainability Indexes (World and Europe), FTSE4Good, Bloomberg Gender-Equality Index, STOXX Europe Sustainability Index, Euronext Vigeo and the Ethibel Sustainability index families.

S&P Global Corporate Sustainability Assessment[15] (CSA and Dow Jones Sustainability Index): S&P Global ESG (November 2021): Rating 83$^{/100}$ (79$^{/100}$ in 2020) and 99th percentile. Ranks #2 out of 126 companies within the Machinery and Electrical Equipment industry. The Company obtained a score of 92$^{/100}$ in the Environmental dimension (vs. industry mean of 31), a Governance score of 81$^{/100}$ (vs. industry mean of 27) and a Social score of 79$^{/100}$ (vs. industry mean of 26). Siemens Gamesa scored particularly well in the following aspects: climate strategy, product stewardship, innovation management, codes of business conduct, risk & crisis management and supply change management. Siemens Gamesa also received the Industry Mover Award in The Sustainability Yearbook 2021.The Company is included in Dow Jones Sustainability Indexes (World and Europe).

Vigeo-Eiris: In FY20, Vigeo-Eiris ranked the Company #2 among the 29 companies in the Electric Components & Equipment sector for its ESG performance. Within ESG issues, the Company outperforms the average of the Electric Components and Equipment sector in all three themes (E,S,G). In terms of carbon footprint, Siemens Gamesa obtained a top (“A”) rating and a top (“Advanced”) Energy Transition Score. Additionally, Vigeo-Eiris ranked Siemens Gamesa as a top (“Major”) contributor to sustainable development though its products and services.

The Company is currently in the following indexes produced by Vigeo-Eiris: i) Euronext Vigeo Europe 120; ii) Euronext Vigeo Eurozone 120; iii) Euronext Eurozone ESG Large 80 index and iv) Ethibel Sustainability Index-Excellence Europe.

FTSE Russell ESG Ratings: In the FTSE Russell assessment of Siemens Gamesa’s ESG standing, the Company stands out within the sector with an overall rating of 4.6 (out of a maximum of 5) and is ranked #1 (100th percentile) in the following FTSE ICB sector: Oil & Gas - Alternative Energy - Renewable Energy Equipment. Within the ESG dimensions, the Company outperformed the average of the Renewable Energy Equipment sector in all three areas (E,S,G). Additionally, the Company outperformed the average of Spanish rated companies in all E, S and G aspects (i.e. climate change, pollution and resources, health and safety, labor standards, anti-corruption, corporate governance, and tax transparency). FTSE Russell manages the FTSE4Good Index Series, of which Siemens Gamesa has been a constituent since 2005.

Sustainalytics[16]: Siemens Gamesa received an ESG rating of 15.4 from Sustainalytics and was assessed to be at Low Risk of experiencing material financial impacts from ESG factors. Siemens Gamesa's ESG risk rating places it # 5 out of 188 (97th percentile) in the Electrical Equipment industry.

The Company is a constituent of the following ESG indexes: STOXX Europe Sustainability and STOXX Thematic index family (ESG), which integrate data and analysis from Sustainalytics and ISS ESG.

MSCI ESG[17]: Siemens Gamesa received an A rating (on a scale of AAA-CCC) in the MSCI ESG ratings assessment in February 2021, allowing the Company to be included in MSCI ESG indices with an investment grade rating.

Bloomberg[18]: In 2021, Siemens Gamesa was confirmed in the Bloomberg Gender-Equality Index (GEI). This index includes 380 companies from 11 sectors and 50 industries with a combined market capitalization of USD14 trillion headquartered in 44 countries and regions. The GEI tracks the financial performance of listed companies committed to supporting gender equality through policy development, representation, and transparency. This benchmark index measures gender equality across five aspects: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women brand.

CDP:[19]

CDP recognized our efforts to decarbonize our operations and supply chain. This has resulted in Siemens Gamesa receiving an A score, awarded only to the top 30% of companies that are currently implementing best practices. Siemens Gamesa is the only wind OEM to receive an A score. Further, CDP has developed an annual Supplier Engagement Rating (SER) that assesses and encourages action on climate issues in companies' supply chain, based on the CDP Climate Change Questionnaire. It covers governance, targets, value chain emissions (Scope 3) and supplier engagement strategies, and it feeds into the Company's climate score. In this category, Siemens Gamesa was also selected amongst the highest scoring companies — among the top 7% of companies that completed the full climate questionnaire this year – and was consequently recognized in the Supplier Engagement Leaderboard.

Figure 7. Siemens Gamesa key ESG indexes & ratings

A.7 Sustainability

A.7.1 Management Approach

[L11-SO01] At Siemens Gamesa, we believe that sustainable development and commercial success go hand in hand. We strive to advance social and economic progress by being a global force for sustainable development. This means being a company that responds to evolving market trends and building a team of engaged, productive and valued employees. Above all, it means being a company that does not just respond to social progress but also aligns with and helps to lead it.

[L11-G06] Siemens Gamesa is equipped 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 its subsidiaries, along with the actions of its directors, executives and employees under the framework of the Company's strategic plan and vision and values.

A.7.2 Alignment with the UN Sustainable Development Goals (SDGs)

[L11-G01] [102-15] As a business, our self-interest also spurs us to drive this agenda forward and to contribute to achieving the SDGs. Siemens Gamesa has an impact on a significant number of SDGs in four important ways: i) Through our products and services, ii) By operating our business responsibly, iii) Through our expertise and thought leadership, and iv) Through our social commitment.

The Company has identified and prioritized the SDGs that are most relevant to us, given the countries and sectors in which we operate. We identified high, medium and low-impact SDGs. For the most part, the SDGs that we consider having a higher impact are strongly correlated to our products and services, often in combination with thought leadership initiatives in collaboration with partners around the world.

SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all. Siemens Gamesa is shaping the renewable energy industry, leading the way forward. The Company provides cleaner, more reliable and affordable wind power and is a leading supplier of wind power solutions to customers all around the world.

SDG13: Take urgent action to combat climate change and its impacts. Siemens Gamesa set a target of becoming CO_2-neutral in all its operations by 2025 and achieved carbon neutrality already at the end of fiscal year 2019. The Company is thus highlighting the need for businesses to contribute to decarbonizing the economy. With our products and services, we help to improve energy efficiency and reduce CO_2 emissions.

SDG5: Achieve gender equality and empower all women and girls. Our main impact on SDG5 is by managing our own workforce. Siemens Gamesa recognizes that employees represent a large variety of cultures, ethnicities, beliefs and languages.

SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Siemens Gamesa directly impacts SDG8 through its global operations that contribute to GDP growth in many countries, our commitment to providing decent jobs and enabling employment and by driving the decoupling of economic growth from energy usage in our capacity as a thought leader.

SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Our Company is committed to implementing the UN Global Compact's requirements and all other relevant regulations in our supply chain and disseminating them through partnerships with external organizations and institutions.

A.7.3 Relationship with Stakeholders

[102-40] The Company's relationship with stakeholders is two-fold: from the standpoint of sustainability, responding to their expectations and needs and, from a reputational perspective, managing stakeholders' perceptions of the Company. Siemens Gamesa has a wide variety of stakeholders that include: i) Customers; ii) Employees; iii) Shareholders; iv) Investors, analysts & ESG rating agencies; v) Suppliers; vi) Governments and regulators; vii) Media and viii) Society and communities in general. [102-42] The group's stakeholders are identified through internal processes of reflection involving the management team and based on established relationships with key groups to meet both their expectations and the Company's needs.

The Company engages with stakeholders through dedicated channels (mailboxes, dedicated portals, annual or multi-annual surveys…) to identify the most important issues and provide a reasonable response to their expectations whenever possible.

A.7.4 Material Topics and Boundaries

[103-1] Siemens Gamesa conducts materiality assessments on sustainability issues to identify the topics that are most relevant to our Company's long-term business success and matter most to Siemens Gamesa's internal and external stakeholders. The list of material topics and the general process is explained in section G. For Siemens Gamesa, all material topics are relevant throughout our value chain, unless otherwise indicated.

[102-47] Material issues for our stakeholders include governance, respect for human rights, work practices, environmental impacts, value chain operations, and positive and negative impacts on local communities. Details of the materiality analysis can be checked in Section G. Materiality Analysis.

A.7.5 Sustainability Policy

[103-2] For Siemens Gamesa, the main purpose of the management approach is to manage the major risks and opportunities of all material topics, including financial and non-financial risks and opportunities. Our vision of sustainability addresses the business's responsibility to a wide range of stakeholders in addition to shareholders and investors. There are many areas that may impact our business footprint both now and, in the future, such as overall environmental protection and the well-

being of employees, along with the community and civil society in general.

[102-26] The Board of Directors is aware of the responsibilities of Siemens Gamesa towards society. It is committed to ensuring that it operates in accordance with a set of values, principles, criteria and attitudes aimed at achieving the sustained creation of value for shareholders, employees, customers and society. This target is reinforced by the principles contained in Siemens Gamesa's Sustainability Policy[20].

A.7.6 Related policies and commitments

The Company's corporate governance system is comprised of the Articles of Association, its corporate policies, internal rules of corporate governance and the other internal policies, codes and procedures that are described in detail on the group's corporate website [21]. Key policies setting out detailed information about roles, responsibilities and commitments in connection with material issues are as follows:

- Our Mission, Vision and Values.
- Corporate Group policies: Sustainability, Diversity and Inclusion, Supplier Relationship, Human Rights, Social Commitment, etc.
- Business Conduct Guidelines.
- Internal policies, procedures and instructions.
- Supplier Code of Conduct.
- Other sustainability processes and commitments at Siemens Gamesa.

A.7.7 Global Sustainability Commitments

[102-12] The Group voluntarily endorsed several codes of ethical principles and good practices.

- **United Nations Global Compact**: The Group has endorsed the principles of the United Nations Global Compact (participant ID 4098) and, each year, it reaffirms its commitment to, and support for, the ten principles in the area of labor rights, human rights, environmental protection and the fight against corruption. The Company publishes a Communication on Progress Report (COP) each year, which reviews compliance with those principles. This document is published on the United Nations Global Compact website[22].
- **Global Reporting Initiative (GRI)** Since 2004, the Company has disclosed sustainability information referencing the evolving guidelines of the Global Reporting Initiative (GRI), a non-governmental organization which aims at transparency and comparability of corporate sustainability reporting.
- **Paris Pledge for Action:** The Group endorsed the Paris Pledge for Action and welcomed the adoption of a new universal agreement at the COP 21 in Paris; it also pledged support to ensuring that the aspirations of the agreement will be attained or surpassed.
- **Caring for Climate:** "Caring for Climate: The business leadership platform" is a UN Global Compact Initiative. Its goal is to involve businesses and governments in acting on climate change, energy efficiency, reduction of greenhouse gas (GHG) emissions and positive collaboration with other public and private institutions. Siemens Gamesa joined voluntarily in June 2007.
- **Women Empowerment Principles**: The "Principles of Empowerment of Women" are promoted by UN Women/UN Global Compact and aim to foster business practices that empower women and promote gender equality, including equal pay, equal opportunity for career advancement, paid parental leave and zero tolerance for sexual harassment in the workplace, marketplace and community, and to drive positive outcomes for society and business. Siemens Gamesa endorsed the "Principle of Empowerment of Women" in December 2010.
- **Science Based Targets (SBTi):** Science Based Targets (SBTi) is a joint international initiative of CDP, UN Global Compact, World Resources Institute, Worldwide Fund for Nature and We Mean Business coalition. It aims to reduce carbon emissions in a measurable manner and to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. Siemens Gamesa voluntarily joined this initiative on September 12, 2018; In August 2020, SBTi checked that its emission reduction strategy is aligned with what climate science says is required to meet the 1.5°C trajectory.
- **Business Ambition for 1.5C – Our Only Future:** At the climate change talks in Madrid (COP-25), Siemens Gamesa adopted the pledge for business to do its part in helping the planet avoid overheating by more than 1.5C in the coming years. The pledge obliges companies to meet emission objectives evaluated through the UN's Science Based Targets initiative (SBTi), or to make a public commitment to reach net-zero emissions by no later than 2050.

A.7.8 Responsibilities

The Siemens Gamesa governance structure in connection with sustainability consists of the following:

- The **Board of Directors** sets the strategic direction and ambition for sustainability at Siemens Gamesa in alignment with the Corporate Strategy, approves the Sustainability Strategy and Targets and monitors their achievement. It also formulates the Consolidated Non-Financial Statement, after receiving a report from the Audit, Compliance and Related Party Transactions Committee and the Appointments and Remunerations Committee.
- The **Audit, Compliance and Related Party Transactions Committee** (ACRPTC) is responsible for overseeing the integrity of the Consolidated Non-Financial Statement and other functions related to overseeing the sustainability strategy and practices. Further details about the competencies attributed to this Committee can be checked at Siemens Gamesa's Sustainability Policy.
- The **Executive Committee** approves the Sustainability programs, assigns responsibility and resources for the programs at executive level and monitors progress. Further details about the competencies attributed to this Committee can be checked at Siemens Gamesa's Sustainability Policy
- In 2021 the Company created the "**Sustainability Working Group** " The Sustainability Working Group is appointed by the Executive Committee and is accountable for developing and

championing the sustainability strategy and its constituent programs and targets. The Sustainability Working Group reviews the Sustainability Strategy on an annual basis, provides recommendations for adding or updating programs and targets, monitors performance and KPIs related to the programs and approves the related data; it also proposes the Sustainability Programs Portfolio for approval by the Executive Committee. The Sustainability Working Group, which is chaired by the head of QM&HSE, meets regularly and each member has governance responsibility for specific programs, policies and procedures.

- The **business units and corporate functions** are responsible for developing procedures and defining and implementing actions to fulfil the programs and targets applicable to their scope and reporting on performance in implementation of the sustainability programs. The business units and corporate functions perform a yearly review of the existing themes, programs and targets and propose updates to the Sustainability Working Group.

A.7.9 Objectives, Resources and Results Evaluation

[L11-G07] [103-3] Siemens Gamesa regularly discloses its medium and long-term objectives. This report discloses all the sustainability topics that are material to the Company including a management approach for each of them. Internally, the business units and corporate functions set their annual targets according to the group's financial and non-financial strategic objectives. The results obtained in relation to the targets are used to set the annual variable remuneration of the Company's management team.

[103-1] Siemens Gamesa puts decarbonization, recyclability and people at heart of its ambitious new sustainability strategy. In July 2021, the Company launched its **Sustainability Vision towards 2040**[23] to ensure its contribution has the greatest impact in the future.

Decarbonization: Among the numerous projects and initiatives, the plan outlines a way to help achieve a decarbonized economy with the goal of reaching net-zero emissions by 2040, including emissions produced by the Company's whole value chain. Previously, the net-zero target was for 2050.

To this end, the Company will pursue opportunities to achieve a carbon intensity rate of zero-emissions per MW installed without any offsets. Some of the main actions will be replacing existing heating and cooling systems with new zero carbon alternatives, and self-generation in the wind farms and factories.

Commitment to the circular economy: The wind industry is still relatively young and is aware of its responsibility to find a sustainable way to deal with wind turbine components at the end of their life cycle. Most of the components of a wind turbine are already recyclable, but wind turbine blades, specifically, represent a challenge due to the materials used and their complex composition.

The Company announced an ambitious goal to redesign its turbines to ensure that, by 2040, all turbines it markets will be 100% recyclable, and that blades will be fully recyclable by 2030. This marks a milestone on the path towards a fully recyclable wind turbine value chain.

Generating a real impact in the Company as well as in society: Siemens Gamesa embraces diversity, promotes equal opportunities for all, particularly under-represented groups, and fosters a safe, inclusive environment in which every individual has a full sense of belonging and feels empowered to express themselves. To this end, the Company has set ambitious targets for gender equality and commits to increase female representation in the workforce as well as in senior management to 30% by 2030. The Company focusses its social commitment projects on reducing poverty in communities, fighting climate change, and promoting technical education in line with the future needs of society. These are compatible with the Company's goal of aligning its focus to the United Nations' Sustainable Development Goals. More information is available on our new Social Commitment platform.

Figure 8 - Siemens Gamesa renewed sustainability strategy 2021-2040

B. Social and Human Resources Related Matters

B1. Working at Siemens Gamesa

B.1.1 Management Approach

Empowering people to lead the future and maintaining a culture of trust are essential to Siemens Gamesa's business model. They are central to the business strategy, organization, hiring and decision-making process and daily operations, and to how the Company and employees grow.

The **Culture of Trust** program was established right at the beginning of the merger to ensure and support the development of a shared corporate culture across the group based on trust, empowerment, diversity and continuous learning. These four pillars support our Company values.

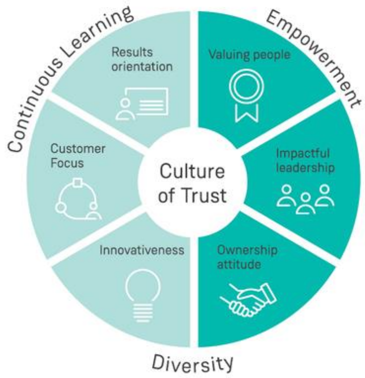


Figure 9 – Culture of Trust at Siemens Gamesa

B.1.2 Our Employment Model

[L11-HR10] Siemens Gamesa aims to be an employer of choice by pursuing improvements in people's quality of life, and by empowering and motivating all employees with an exciting culture, life-long learning and development possibilities. Our employment model is based on respect for and compliance with universal human rights standards and labor legislation, professional development, inclusiveness and occupational health and safety.

Due to the very nature of its business, Siemens Gamesa's production plants need to operate round the clock, with the result that certain groups (generally those classified as direct and indirect labor) must work in shifts. Nevertheless, shifts can be rotated to adjust working hours to workers' specific needs. Siemens Gamesa provides work-life balance measures where this is possible. They include flexible hours, straight shifts, and adapting work schedules to certain family circumstances.

We pursue labor relationships that are based on trust, transparency, and good faith negotiations. We believe in, and promote, workers' right to freedom of association, union membership and collective bargaining. [See Section B4. Labor Relations for more details]

We offer professional development opportunities in the form of training and job experience in a multicultural and multinational environment; these are the cornerstones on which we base our talent management cycle. Siemens Gamesa has talent management tools involving general programs and individual plans for high potential employees. Such plans are aimed at contributing to personal growth and developing desired competencies and skills. In addition to individual development plans, the Company has other programs for developing talent. [See Section B5. Talent Management and Learning for more details]

The Company embeds cultural diversity, a commitment to combating discrimination, and support for equal opportunities in its human capital management processes. We value openness and tolerance and treat each other with respect and dignity. We aim to contribute actively to a society where everyone feels included and valued. We are dedicated to fostering an inclusive corporate culture that welcomes different perspectives and allows for every employee to have a full sense of belonging within our organization. [See Section B3. Diversity and Equal Opportunity for more details]

Occupational health & safety is embedded everywhere in the Siemens Gamesa culture. Our Company complies with existing legislation in every market where we have a presence, and we establish such safety measures as may be necessary. Beyond specific market requirements, we are always guided by excellence and continuous improvement, and we apply an integrated health and safety, environment and quality management policy lens to all that we do. We have a zero-tolerance policy towards negligent occupational health and safety conduct. [See Section B2. Health & Safety for more details]

Our labor policies and practices are underpinned by endorsement of the most stringent international labor standards (including the conventions of the International Labor Organization – ILO – and United Nations) and are expressed in the promotion of employee rights, particularly the right to freedom of association and collective bargaining, going beyond local requirements in this respect. [See Section D. Fight against Corruption and Bribery. Respect for Human Rights for more details]

B.1.3 Great Place to Work

As a modern flexible Company, we want to be able to adapt quickly to changes in our circumstances and to our employees' needs. Therefore, we carry out surveys on how people would like to work and have developed a sustainable work model that is both socially responsible in terms of work-life balance and well-being, and environmentally responsible in accordance with our Company purpose.

FlexAgility, the term for the way we work at Siemens Gamesa, has been upgraded to version 2.0, a key step towards becoming One Siemens Gamesa. We have reviewed and revised the existing open, digital and flexible concepts to move from new ways of working to more ways of working.

The **Smart Working concept** launched by Human Resources enables employees to reach an agreement with their manager to work at home, or in a satellite location, for part or all of their working week. Office 365 and the new IT infrastructure provide a collaboration platform for all Siemens Gamesa employees, regardless of where they are. And the **New Office Standard 2.0** - NOS 2.0 - provides modern office space to support flexible working and a standardized global office set-up. With NOS 2.0, we will step up the focus on flexibility and collaboration.

B.1.4 Performance 2021. Response to COVID-19

In response to the COVID-19 crisis, Siemens Gamesa evolved its ways of working with impressive speed and responsiveness. Most of our staff moved to remote working arrangements, with the exception of front-line staff in critical or essential occupations. We redefined the IT environment to allow home access and virtual collaboration. We maintained high-level health and safety standards to safeguard the health of those colleagues working on site to deliver vital services to businesses and customers. All this was done at an extraordinary pace.

Remote working at the current scale was never a choice, but a necessity. And it has worked, for the most part. In fact, in several surveys, more than 70% of office employees expressed a preference for working from home for at least 50% of the time in order to improve their work-life balance. However, this new way of working can have undesirable effects on workers in terms of both workload and stress levels. The Company has implemented specific programs in order to safeguard workers' mental health.

We recognize that meaningful change takes time and none of our actions will succeed without the right culture and working environment. That is why we will continue developing **flexible work, digital disconnection and family-friendly policies** as the cornerstones of the new way of working.

B.1.5 Employee Survey

Siemens Gamesa promotes a culture that is transparent, open and collaborative. Being interested in our employees opinion and listening to them promotes understanding and empathy. Assuring our teams that they have been heard, and acting on it, is a powerful and demonstrable commitment to them. For this reason, we periodically carry out engagement surveys which are a powerful tool to measure and improve the engagement drivers that matter most to build our corporate culture.

This fiscal year 2021 the Employee Engagement Survey (EES) was conducted again with a response rate of 79% (82% in FY20). The survey collects company-wide feedback from 58 questions in 17 categories. Notably, the results reveal widespread satisfaction with the Company's safety culture (83% favorable score), along with an improved perception of the supervisor (77% favorable score) and the sustainable engagement (75% favorable score). These are the top 3 most favorable categories.

Valuing the importance of our employees is one of the Company's values and therefore we have included 2 indicators in the survey that measure our employee global satisfaction. The intention of our employees not to leave Siemens Gamesa' scores 60% (68% in FY20), meaning that 60% of our employees are not considering leaving the company. The 'Net promoter Score (NPS)' is the result of % Promoters - % Detractors. It shows whether our employees would recommend Siemens Gamesa as a good place to work. The NPS 2021 is -12 (NPS 2020 +3).

Although we've seen progress in some areas over the last year, we cannot be satisfied with this negative development in our employee global satisfaction. We know we have to reverse this to our previous positive trend and therefore the company is committed to working hard to create a work environment and a company culture that engages, inspires and retains our workforce even stronger.

The results of the Employee Engagement Survey that was conducted in FY20 were analyzed in detail during FY21 and our leaders defined more than 2,000 actions, 1,219 of which have already been completed. Though results of the EES 2021 are still to be analyzed in detail, we will focus entirely on continuing to improve employee engagement, employee satisfaction and high performance. The Company will analyze the results to plan new improvement actions in each of our businesses, departments and teams.

B1.6 Employees Worldwide

[L11-HR01] At the end of the reporting period, the total headcount was 26,182 employees (26,114 in FY20). [See Table 10 - Employee breakdown by country or market]. Europe, the Middle East and Africa was the region with the highest proportion of the workforce (69%), followed by Asia and Australia (18%) and the Americas (13%). The age structure in fiscal year 2021 was dominated by employees aged 35-44 (38%) and the under-35 age group (35%), followed by the 45-54 (20%) and 55-60 (5%) groups, with those over 60 accounting for just 2%. [See Table 11 - Employee breakdown by gender, region, age structure and professional category]

The overall employee turnover rate for the reporting period was 7.66% (7.04% in FY20). [See Table 18 - Overall employee turnover rate (%) - Annualized

The average age of employees was 41 in Europe, the Middle East and Africa, 40 in the Americas and 35 in Asia and Australia. The overall average age of the group's employees was 39.8 at fiscal year-end (39.2 in FY20). [See Table 12 - Overall age]

B1.7 Contracts

[L11-HR02] [L11-HR03] At the end of the fiscal period, 24,312 employees out of 26,182 (93%, similar to FY20) had permanent contracts and 1,357 employees (5%) had temporary contracts. Another 2% (513 employees) were working part-time.

On average, the number of permanent contracts during fiscal year 2021 amounted to 24,265 out of an average headcount of 26,020. Accordingly, 93% of contracts were indefinite or permanent during the year. This situation suggests that both parties wish to maintain a fully committed long-term employer/employee relationship.

[See Table 13 - Contract type by gender, professional category and age structure] [See Table 14 – Average contracts in fiscal year 2021 by Region, Category level, Contract type and Gender]

B1.8 Hiring and Exits

[L11-HR04] [401-1] The number of hires in the reporting period amounted to 3,750 (4,932 in FY20). Europe, the Middle East and Africa accounted for the largest proportion (61%) of hires. Men accounted for the bulk of hires in the fiscal year: 3,077 (82%). [See Table 28 Hiring by region, gender, age group and level]

A total of 3,794 employee left the Company in FY21 (3,275 in FY20), 1,992 (53%) of them voluntarily. [See Table 29 - Exits by gender and type of exit, region, age group and level]. Headcount only includes active employees (not dormant employees). Therefore, headcount variation between periods can differ from a simple balance of hires and exits.

B2. Health & Safety

B.2.1 Management Approach to Health & Safety

[L11-HR13] Maintaining the health, safety and wellbeing of our employees is a core value of 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's Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 08 (Decent Work and Economic Growth) and SDG 16 (Peace and Justice).

We continuously implement health and safety improvements at our production facilities and across our operational and project sites. These are monitored and verified through internal systems. Furthermore, we work on industry-driven initiatives across our value chain and participate in networks that focus on health and safety in the wind industry to raise awareness and adopt best practices. These industry groups usually include customers and suppliers, industry associations, research institutes and similar.

B.2.2 Policy Framework: Health & Safety Policy

The **Siemens Gamesa Policy** [24] provides clear direction and specific objectives with regard to Quality, Health, Safety and Environment. It consists of six pillars which form the basis of how the global HSE strategy is defined across the Company and it is reviewed periodically and updated accordingly. The policy applies to all Siemens Gamesa activities worldwide and is mandatory for all employees working for the Company, on its behalf or under its authority.

B.2.3 Zero Harm Culture

Safety is the prerequisite for every activity in Siemens Gamesa. It goes further than legislation and market requirements — it is a precondition for all the work we do. We believe that we will only become the global industry leader if we are also the leader in safety. The Company works hard to ensure there is a firmly implemented safety and zero-harm culture across the entire business for employees, suppliers and customers. We apply a just and fair culture approach, supported by relevant disciplinary policies in the event of deviations. Siemens Gamesa has launched several initiatives to foster and promote a zero-harm culture, such as the following:

Safety is my choice

"Safety is my choice" is Siemens Gamesa's umbrella initiative, which was initiated globally in 2018. It focuses on individual behaviors by reminding employees of their own role and responsibility in safety as a key for success.

Whilst Siemens Gamesa takes many steps to create a zero-harm culture by implementing preventive measures, offering training courses and providing a wide range of resources and tools, safety at work ultimately requires a personal commitment, hence the ongoing references to "Safety is my choice".

The initiative also seeks to ensure that safety is seen as a positive aspect of working for Siemens Gamesa rather than a barrier. In this respect, leadership has a special role to play in safety awareness, and cultural change must be supported by leadership.

LeadSafe

This project aims to allow the organization to speed up its progress towards zero harm. The LeadSafe project focusses on i) Raising risk awareness throughout the Company; ii) Building leadership skills related to safety management, and iii) Improving the safety of our engineering processes. LeadSafe is implementing several actions across all echelons of the organization: top management, middle management and all staff members. Leadership workshops, coaching sessions, and implementation of the Risk Factor™ are some of the initiatives in this project, together with engineering safety awareness workshops on "Safety in Design" while promoting sharing of tools and best practices.

Life-Saving Rules

The "10 Life-Saving Rules" are the minimum expectation that must be fulfilled in all Siemens Gamesa activities. They cover the most critical life safety hazards that, in the past, have been found to cause serious injury or loss of life in the wind industry. Implementation of these rules is part of the Company's commitment to continuous improvement in HSE and contributes to strengthening our "Safety is my choice" culture.

Figure 10 - SGRE 10 Life-Saving Rules

B.2.4 External Commitments

Siemens Gamesa's commitment to health and safety is reflected not only in our internal policies, but also in our involvement in external associations such as WindEurope, the Global Wind Organization (GWO), and the Global Offshore Wind Health and Safety Organization (G+), in which the Company's representatives play key roles.

B.2.5 Health & Safety Management System

The Quality Management and Health, Safety and Environment (QM&HSE) function, led by the Global Head of QM&HSE, is responsible for the governance of Siemens Gamesa's Integrated Management System (IMS), including all HSE-related certifications, policies and procedures.

Siemens Gamesa has an Occupational Health and Safety Management System certified according to the ISO 45001:2018 standard. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development, including, construction, installation and service of wind turbines, is also covered by the scope of this certification. The certificate is valid from July 2021 to July 2024.

Siemens Gamesa's Integrated Management System provides a framework for overall procedures and tools to monitor, oversee and improve the Company's HSE performance. With respect to health and safety, the Company can demonstrate compliance with our stakeholders' requirements, identify potential hazards and implement controls to reduce or avoid harm, as well as engaging employees and motivating contractors to put safety leadership into practice in their daily work. Nonetheless, the management system, which is comprised of a series of documents and tools, would be ineffective without competent employees and a supportive leadership team that can bring it to life. Key global HSE procedures include:

HSE Aspects Identification procedures, which are able to identify hazards systematically and to assess associated risks within a work activity or workplace to subsequently facilitate the implementation of reasonable control measures with the objective to eliminate or mitigate risks. In addition, it helps Siemens Gamesa to fulfill its legal risk assessment obligations.

Risk Assessment procedures, which provides for systematic hazard identification and the assessment of any associated risks within a work activity or workplace to facilitate the subsequent implementation of reasonable control measures aimed at eliminating or mitigating risks. In addition, it helps Siemens Gamesa to be in a position to fulfill its legal risk assessment obligations.

Incident Management procedure which supports effective incident reporting and management to strengthen risk management and prevent the recurrence of incidents. It allows for a robust framework to be in place by providing a systematic approach to incident reporting, management and investigation, thereby enabling effective corrective, preventive actions to be taken, and lessons to be shared.

Emergency Management procedure which sets the Siemens Gamesa Emergency Management approach by defining a set of aligned escalation phases in connection with the crisis management system. This is coupled with a systematic approach to regaining control in an emergency.

Stop Work Process, which provides a framework for the Technical Safety Committee to ensure that timely effective action can be taken to deal with HSE incidents. It makes cross-business communication possible on actions that need to be taken to maintain safe working environments or ensure the quality of products and their components.

[403-1] Relevant Siemens Gamesa organizational units have a working environment committee that has a chairman, management-level representatives and employee-level representatives. These committees help to monitor and put forward advice on workforce-specific occupational health and safety topics. They also ensure joint participation in the design of policies and the implementation of control measures aimed at improving working conditions.

B.2.6 Health & Safety Targets and Performance

The Siemens Gamesa corporate HSE strategy is set out in a two-year corporate HSE strategy that is then cascaded across the business. Strategic plans are backed by specific action plans, which are reviewed annually and strive to improve HSE performance in all areas of the Company, including corporate, business unit and local level. Each organizational unit is required to set improvement actions covering at least one significant health & safety aspect and one significant environmental aspect.

Strategic corporate HSE targets support the strategy on the topics that have been assessed as significant for Siemens Gamesa as a whole, including total recordable injuries, lost-time injuries, energy consumption, waste generation and sustainability score. These corporate targets are cascaded across the business and monitored locally, along with any additional targets that may be relevant to each location, site or unit.

At Siemens Gamesa, we have defined clear targets to reduce our Lost Time Frequency Rate (LTFR) from 2.2 in FY18 to 1.00 in FY22 and Total Recordable Injury Rate (TRIR) from 6.0 in FY18 to 2.5 in FY22. This represents our ambition to reduce the frequency rate for both targets by more than 50% in 4 years.

Figure 11.- LTIFR target

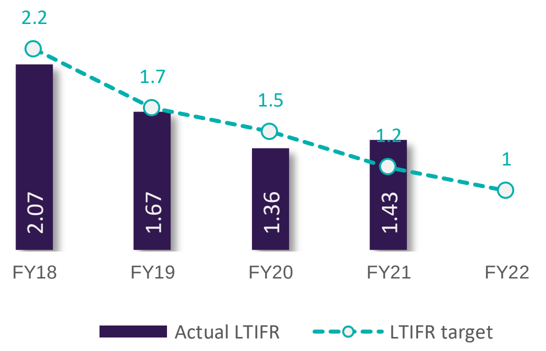
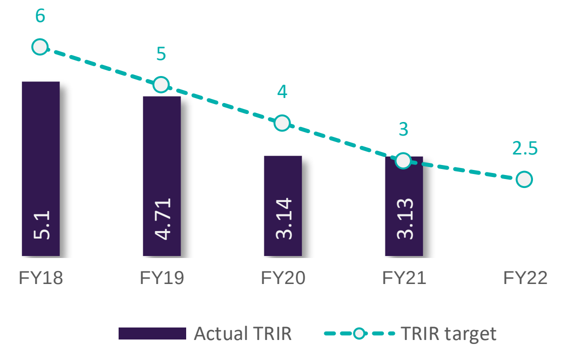


Figure 12.- TRIR target



Sphera, our internal HSE software tool, is the backbone for handling all safety-related data and provides support for:

- Reporting incidents and safety observations.
- Monitoring health and safety data and visualizing them for better analysis.
- Creating workflows where high-risk reports will initiate an investigation and prompt corrective actions and lessons learned.
- Ensuring transparency and opportunities for sharing best practices.

Weekly management reports are submitted, and meetings are held at which selected managers and employees review Siemens Gamesa's safety performance by discussing previous incidents, the lessons learned and corrective actions. Remuneration is also linked to the Company's Health &Safety performance.

B.2.7 Health & Safety in times of COVID-19

Protecting the health and safety of our business, people and stakeholders has been Siemens Gamesa's core strategy as far as the COVID-19 response is concerned. At the onset of the COVID-19 pandemic, protocols were drawn up to respond. Ensuring the continuity of operating wind farms was a primary goal to provide affordable clean energy for vital services, while ensuring that our factories continued to run following local authority regulations. More than half of Siemens Gamesa's employees were able to work from home to minimize the risk of coronavirus exposure. Siemens Gamesa implemented a Prevent, Contain and Sustain methodology.

- In order to **prevent**, Siemens Gamesa established a continuous monitoring system, reduced business travel, deployed a 100% work from home system and developed preventive protocols for various aspects to avoid the spread of COVID-19.
- In order to **contain**, Siemens Gamesa designed a testing strategy that includes PCR and antibody testing. The Company also made sure all protocols are updated to adapt to the evolving situation.
- In order to **sustain**, Siemens Gamesa developed long-term measures, including office reopening protocols, a testing strategy and automated risk control systems.

Some of the outcomes of the stringent health and safety approach include: office staff were able to work from home without any productivity loss, there were no COVID-19 outbreaks in our operations, and ongoing support was provided to suppliers and subcontractors by sharing safety protocols and providing testing support. As a result, our Operation & Maintenance activities continued, and our manufacturing plants continued operating, halting only when required by government. However, there were some delays in construction activities.

B.2.8 Performance in 2021

[L11-HR14] Incident management is governed by a global procedure and internal controls that set forth standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to: 1) Detect their underlying causes and other factors which may cause or contribute to a recurrence; 2) Identify the need to implement corrective actions; and 3) Detect opportunities for implementing preventive action and continuous improvement.

Regrettably, the Company registered five fatalities during fiscal year 2021. Contractors working for Siemens Gamesa had three fatalities related to electrical incidents, one fatality related to an incident with a service elevator, and one fatality related to a factory under construction. Each of these tragic incidents was subjected to a thorough internal investigation to identify contributing factors. All efforts have been and will continue to be made to ensure that the circumstances which led to each incident do not recur.

During 2021, in the United Kingdom, Siemens Gamesa was fined £533,334, having pleaded guilty at an earlier hearing to a single health & safety charge relating to an incident in November 2017 when a contractor sustained injuries while carrying out activities at its blade factory in Hull. Siemens Gamesa very much regrets that this incident occurred. The Company voluntarily took specific corrective actions. The Company provided edge protection following the incident and, after risk assessing the task, identified a method whereby there is no need to work at height: workers can simply rotate the blade 90 degrees.

In fiscal year 21, Siemens Gamesa registered a total of 132 Lost Time Cases (LTC) (121 in 2020), i.e. a 9% increase year-on-year. As a result, the overall Lost Time Injury Frequency Rate (LTIFR) of Siemens Gamesa reached 1.43 (1.36 in 2020) at the end of the period. The LTIFR is calculated for every million working hours and includes all accidents that result at least in one lost day of work (lost-time incident).

The figure for Total Recordable Injuries (TRI), which totals Fatalities, Lost-Time Cases, Medical Treatments and Restricted Work, amounted to 288 (280 in 2020), an increase of 3%. Consequently, the overall Total Recordable Injury Rate (TRIR) stood at 3.13 at the end of the reporting period (3.14 in 2020). [See Table 33 - Key safety statistics]

[L11-HR11] Absenteeism figures reflect only the number of days lost due to accidents; the figure for FY21 was 1,291 (2,641 in 2020), equivalent to 10,328 working hours (21,128 in FY20). Siemens Gamesa strives to bring the number of occupational injuries down to zero and we are committed to working with all relevant stakeholders to create a safe and healthy working environment for both our employees and contractors.

The Company acts proactively to analyze the causes of accidents and has management indicators that track progress in this connection. For example, in the reporting period, it conducted 44,283 safety inspections (26,059 in 2020), made 100,173 safety observations (60,113 in 2020), and conducted 90 health & safety audits (66 in 2020). [See Table 33 - Key safety statistics]

The occupational illness frequency rate (OIFR) for employees ended the fiscal year at 0.163 (0.379 in 2020), calculated solely based on cases of occupational illness recognized by the Employers' Liability Insurance Association (of which there were 15 in FY21, and 21 in FY20). [See Table 33 - Key safety statistics].

Siemens Gamesa conducts preventive employee health screening and the Company's medical services are responsible for carrying out regular medical check-ups. In general terms, the Company considers that workers are not exposed to occupational illnesses or work-related diseases that could be considered as having a high level of incidence or risk.

B.2.9 Healthy Workplace

Employee health and well-being is a priority, because it is considered a prerequisite for high productivity and innovation. The Company provides employees with:

- Health insurance and healthcare benefits.
- Flexible work arrangements to ensure a work-life balance, such as working from home, flexible time and reduced working hours.
- Policies and guidelines on pregnancy, adoption and parental leave.
- Policies on alcohol and other substance abuse, including smoking.
- Rules and guidelines related to leave and returning to work for employees who undergo a period of absence from work due to illness, accident or for social reasons.
- Free vaccination against influenza.
- Opportunities to donate blood during work hours.

B2.10 Product Health & Safety

[L11-SO08] [416-1] The Company assesses the impacts of its products on the health and safety of its customers from the initial development stages with the aim of improving them through design and project management policies.

This is achieved by describing Product Safety as an umbrella term for the Quality Management and HSE procedures and processes we have in place to protect customers, employees and members of the public from any risk derived from our products or our manufacturing, installation, operating and decommissioning activities.

Management procedures are in place to establish responsibilities, workflows and activities to ensure that component designs are optimal and that they do not produce unnecessary hazards or endanger the health and safety of those working directly with the component as a result of poor safety design.

For instance, Siemens Gamesa has issued an instruction that defines the processes for ensuring that the wind turbines and/or related products that we place in the market in the EU or EEA (European Economic Area) comply with any Directives which apply inside and outside the EU, where those requirements are established by contractual obligations to customers.

The countries in which Siemens Gamesa operates have enacted a great deal of environmental and labor legislation to ensure any risks to people's health and safety are kept within regulated limits.

B2.11 Health & Safety in the Value Chain

The group is committed to promoting health and safety throughout the value chain and does so in partnership with suppliers, customers, contractors, and national and international associations.

Collaboration with suppliers and contractors is managed through our Supplier Management Process, which involves HSE requirements in both the basic qualification processes and the supplier quality evaluation and development stages. The Supplier Quality Management team recently set up an HSE awareness-raising program which is focused on the health and safety of team members when they visit suppliers and contractors at their facilities or project sites. The program also allows team members to record and monitor HSE performance within the supply chain and identify specific suppliers or contractors that may require additional improvement and/or development programs. The program's mission and goals were specifically designed to:

- Protect the safety of all Siemens Gamesa employees during supplier visits.
- Ensure that our supply chain complies with Siemens Gamesa HSE requirements.
- Continuously improve our suppliers' HSE performance.

To pave the way towards zero harm and support the Supplier Quality Management team with regard to HSE awareness, an HSE contractor management procedure for the execution phase is in the process of being implemented across the business to ensure contracted work tasks are executed safely.

B3. Diversity and Equal Opportunity

B.3.1 Management approach

[L11-HR21] **Siemens Gamesa is a strong advocate for diversity, inclusion and equal opportunities**. Valuing the importance of the individual is one of the cornerstones of our culture.

Promoting diversity, inclusion, equal opportunities and the well-being of our employees is linked to some of the UN's Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 04 (Quality Education), SDG 05 (Gender Equality), SDG 08 (Decent Work and Economic Growth) and SDG 16 (Peace and Justice).

The Diversity and Inclusion (D&I) function, led by the Global Head of D&I, is responsible for the governance of Siemens Gamesa's D&I, including global policies, procedures and tools, and for providing the framework to monitor, oversee and improve the Company's performance. The D&I management approach, which is aligned with the Company's strategy and the sustainability strategy, meets the requirements of the Company's Business Code of Conduct, the International Labor Organization's Conventions and other relevant legislation. Furthermore, the Company can demonstrate compliance with our stakeholders' requirements and customers' expectations and engages with employees to embrace diversity and inclusion in their daily work.

The Global Head of D&I is supported by the Diversity and Inclusion (D&I) Governance Board, comprised of senior executives and the representatives of employee resource groups, and by the D&I Regional Councils, which are comprised of engaged employees that support the implementation of the D&I strategy at regional / country level.

We work on global initiatives that focus on promoting diversity, inclusion and equality in the renewable energy industry and in the marketplace and society in general and participate in networks to raise awareness and adopt best practices in our commitment to continuous improvement.

B.3.2 Applicable policies

[L11-HR24] Siemens Gamesa's Diversity & Inclusion Policy[25] sets the framework and the principles that are common to all the group's companies. The purpose of this policy is to promote equal opportunity, diversity, inclusion, equality and dignity in the Company's culture and in all the Company's policies and practices related to recruiting, hiring, remuneration, training, promotion and termination.

The right to be treated with respect and dignity

In compliance with the Diversity and Inclusion Policy and with the Business Conduct Guidelines, Siemens Gamesa is committed to fostering a work environment in which all individuals are treated with respect and dignity. Siemens Gamesa's **Protocol of Action in Case of Harassment and Discrimination** [26] sets out the Company's policy of zero tolerance towards any form of violence, harassment, verbal abuse, abuse of authority at work, unlawful discrimination or any other behavior that creates an intimidating environment or is offensive to the rights of employees, and it states that relationships between people in the workplace should be business-like and free of any kind of bias, prejudice and harassment. It establishes the scope, the reporting line and measures in the event of harassment and/or discrimination that should apply in the Company and Siemens Gamesa Group with a view to adopting uniform corporate ethics.

The right to equal opportunities

Non-discrimination and equality of treatment and opportunity in employment are the pillar of a healthy, productive and inclusive corporate culture where everyone feels included and valued. Siemens Gamesa's **Equal Opportunities Procedure** is a formal manifesto that sets out the Company's commitment to fairness and zero tolerance towards direct or indirect discrimination based on any protected characteristic such as to nullify or impair equality of opportunity or treatment in employment or occupation. Siemens Gamesa's aim is that all employment decisions are based on merit and the legitimate business needs of the organization.

Smart Working as the new way of working

Siemens Gamesa's **Smart Working Procedure** sets out an innovative method of organizing and working using information and communication technology that allows employees to perform their duties in an environment other than the official worksite. Smart Working enables employees to work at home, or in a satellite location, for part or all of their working week to better balance professional and personal commitments.

B.3.3 Strategy and Targets

[L11-HR22] Siemens Gamesa's D&I strategy is set for a two-year horizon. Strategic objectives are backed by specific action plans, whose progress is monitored on a regular basis and reviewed annually at a corporate, business unit and local level. The D&I strategy for 2021-22 is built on three pillars: Diversity, Inclusion and Belonging, and Equal Opportunities.

Siemens Gamesa Diversity and Inclusion strategy

Diversity

We draw strength from our differences. By embracing diversity across all spectrums, including, but not limited to, gender and gender identity, ethnicity, religion, age, disability, nationality, family or marital status, and sexual orientation, we are a stronger company and culture.

Planned for FY21/22

- Global Diversity & Inclusion (D&I) Advisory Board with Executive Committee representation
- Resources for understanding and promoting LGBTI diversity
- Access to an e-learning platform with D&I material
- Diversity and inclusion dashboard with quarterly updates

Inclusion and Belonging

We value openness and tolerance and treat each other with respect and dignity. We aim to actively contribute to a society where everyone feels included and valued. Thus, we are dedicated to fostering an inclusive company culture that welcomes different perspectives and allows for every employee to have a full sense of belonging within our organization.

Planned for FY21/22

- Global Parental Policy with equivalent parental benefits providing equal coverage regardless of sexual orientation and gender identity
- Training on unconscious bias to raise awareness of one's own and others' biases
- Resources for welcoming diverse talent through fair candidate attraction and inclusive recruitment processes: D&I statement for all job offers; upskilling process for hiring managers; guidelines for diverse and inclusive recruitment for headhunters and recruiters. New policy for senior management selection.

Equal opportunities

We believe that the future workforce is an equal one that sets bold goals. Siemens Gamesa is committed to equal opportunities for all our employees, regardless of age, gender, nationality, religion, disability, skin color or sexual orientation, because it is the abilities and potential within people themselves that count. Our activities currently focus on a balanced gender ratio, a geographical balance in order to ensure a fair spread of nationalities and smart working opportunities.

Planned for FY21/22

- Gender goals for FY25
- Further development of smart working, digital disconnection and family-friendly policies
- Equal opportunities policy aimed at further increasing the share of women and maintaining a fair spread of nationalities
- Embed D&I into our performance management, development and compensation processes

Figure 13 - Inclusion Strategy

In 2021 we put in place an aspirational target that, by 2025, 25% of our employees and 25% of executives would be women, and a long-term target that female representation in our Company would reach 30% in 2030.

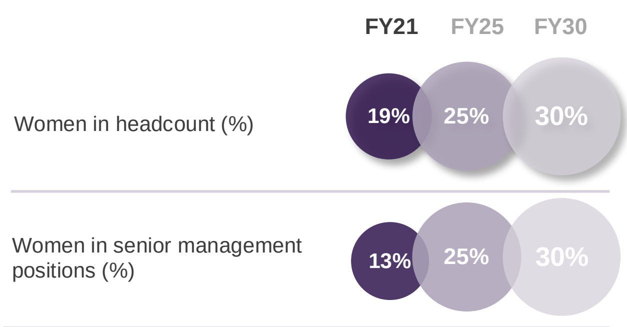


Figure 14 – Diversity & Inclusion targets

B.3.4 Performance in 2021

At Siemens Gamesa, we have always sought to build a culture that is diverse, open and inclusive, where all viewpoints are valued. Diversity enriches our creativity and our culture, and we recognize that we work best when we bring together different viewpoints, backgrounds and experiences.

B.3.4.1 Gender Equality

[405-1] Our commitment to equality extends beyond gender. But, in this specific aspect, our goal is extremely clear: We need to achieve gender equality within our Company.

Regarding gender diversity in the Board of Directors, three members of the Board (i.e. 30%) on September 30, 2021, were women, thereby fulfilling the requirements of the “Director Selection Policy”[27] .

Women accounted for 19.10% of the entire workforce: 21% of the workforce in Europe, the Middle East and Africa, 19% in the Americas and 13% in Asia & Australia. [See Table 11 - Employee breakdown by gender, region, age structure and professional category]

At the end of the reporting period, Siemens Gamesa had 271 employees (248 in FY20) in senior management positions, 12.92% of whom were women (11.69% in FY20). This rate is expected to grow in accordance with the application of best working practices. [See Table 26 - Employees in management positions]

In terms of STEM job families, women account for 25.14% of the Company's information technology (IT) job family workforce and 12.22% of the Company's engineering job family workforce.

With the purpose of advancing the female participation shown in the charts above, Siemens Gamesa aims to attract more female candidates through the following actions:

- All roles are advertised internally to widen the pool of candidates (confidential exceptions approved by Human Resources Director).
- All our job offers contain a D&I statement regarding our diverse, inclusive and flexible culture.
- Gender-balanced shortlists for all internal and external hiring, where possible.
- In 2021, we produced the first edition of our Diversity and Inclusion Communication Toolkit, which contains gender-sensitive language guidelines.
- We are encouraging the next generation of female talent across our business through networks such as Women@SGRE, an employee resource group which focuses on gender issues and is comprised of more than 550 employees.
- Siemens Gamesa is an official partner to the ACORE Accelerate membership program, designed to provide development and networking opportunities to small, minority, and women-owned businesses.

In addition, we are focused on developing and promoting female employees to be current and future leaders with a variety of programs:

- Mentoring programs that foster career and leadership development. There are 3 different types of mentorship programs to cover a variety of needs: Classic mentorship; Reverse mentorship, where a millennial mentor supports senior profiles in digital transformation and social media; and the Buddy program, where a senior employee supports a new employee during their onboarding in Siemens Gamesa.
- The "Purposeful Leadership: Building a Culture of Trust" program, in partnership with INSEAD, provides four leadership programs from early career leaders all the way up to senior

management. In 2021, 342 leaders participated in these programs, 25% of them women.

Figure 15 - Equal opportunity

B.3.4.2 Inclusive culture

Our workforce is comprised of 106 different nationalities. We recognize and value the creative potential that individuals of different backgrounds and abilities can bring to their work. Thus, we are dedicated to fostering an inclusive corporate culture that welcomes different perspectives and allows for every employee to have a full sense of belonging within our organization.

More than 200 senior leaders have participated in the Inclusive Leadership workshops, at which senior leaders gain self-awareness around D&I issues, and understand how unconscious bias impacts career progression, recruitment, people development, collaboration, innovation, and outcomes. They also experience how individual actions and behaviors can help foster a diverse and inclusive organizational culture.

Siemens Gamesa also aims at being a long-time supporter of our growing LGBTI and Allies @SGRE, an employee resource group comprised of more than 200 employees that focuses on LGTBI people issues. The network has permanent representation on the Company's D&I Governance Board as well as active support from top management.

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, along with a broad range of health services, including company health insurance. Some of our local health insurance arrangements also provide partial coverage for fertility and contraception services.

Given the key role of language in shaping cultural and social attitudes, our **Diversity and Inclusion Communications Toolkit** with inclusive language guidelines is a powerful way to fight stereotypes, prejudices and bias. The toolkit enables our employees to communicate across the business with respect for all colleagues and it sets out principles of sensitive language vis-à-vis gender identity, gender expression, ethnicity, people with disabilities and age groups.

B.3.4.3 Equal opportunities

Equal opportunity is for everyone, but it mainly concerns members of underrepresented groups. The equal opportunities action plan that implements the Equal Opportunities Procedure defines actions in the following priority areas:

a. Gender

The Company is committed to creating opportunities under which women can participate on equal terms, and to actions specifically aimed at increasing women's access to management posts. In our recruitment and promotion processes, we require that, whenever possible, shortlists must offer a satisfactory gender balanced choice of the most suitable candidates. In making appointments to management positions, a gender balanced shortlist is always required and, in principle, where two or more candidates are equally matched in merit and skill, priority is given to women.

b. Ethnicity and nationalities

The Company aims to maintain a broad geographical balance in order to ensure a fair spread of ethnicities and nationalities within the workforce and at all levels of the organization, thereby guaranteeing the cultural wealth and cohesion that different mindsets bring to the Company. The Company does not apply quotas in appointments to management positions, and no posts are reserved for nationals of any specific country, except where specifically required by regulation. Furthermore, the nationality of a departing senior manager may not be a factor in the appointment of their successor.

c. Persons with disabilities

[L11-HR09] The principle of non-discrimination is respected throughout the recruitment process to ensure maximal benefit and equitable opportunities for candidates with and without disabilities. The Company encourages our internal and external hiring managers to collaborate with relevant organizations of persons with disabilities. In considering a candidate with a disability for a specific job, the Company will make adjustments, if required, in the workplace, workstation and work conditions to maximize the ability of this candidate to perform the job.

The average number of people employed by the Siemens Gamesa Group during 2021 with a disability greater than or equal to 33% is 188 (127 in FY 2020). Siemens Gamesa employs 47 persons with disabilities in Germany, 47 in United Kingdom, 23 in Spain, 1 in Morocco, 2 in India and 69 in Americas. Danish law prevents persons with disabilities from being counted separately. These countries accounted for 88% of the total workforce in fiscal year 2021.

[L11-HR20] [L11-HR23] The Company complies with all relevant local regulations regarding accessibility for employees with disabilities, and all necessary adjustments are managed on a location basis. In countries with very specific regulations in this connection, such as Canada, the company has established internal access control procedures for people with disabilities.

d. Age discrimination

The Company promotes inclusive recruitment practices and awareness-raising to break down unconscious bias and stereotypes against younger and older job applicants.

e. Employees with family responsibilities

Since 2019, the Company has focused on embedding Smart Working by ensuring that suitable employees are able to work in a way that enables them to balance a successful career with commitments outside of work. This new flexible way of working at Siemens Gamesa enables our staff with family responsibilities to better balance professional and family commitments and, consequently, to engage and advance in employment on equal terms. The Company continues developing family-friendly policies, increasing parental leave and encouraging the use of shared parental leave, therefore reducing structural disadvantages that employees with family responsibilities may face.

f. Equal pay for equal work

The Company is committed to the application of the equal pay principle through pay transparency and improved enforcement mechanisms. The Company conducts regular pay equity reviews to identify differences in pay and discloses statistics on the gender pay gap. Promotions are based on merit, and particular attention is given to ensuring that the salaries of women and under-represented groups are commensurate with their responsibilities, qualifications, and levels of performance and that these salaries are equitably comparable to the salaries of other similarly qualified employees in their organizational units with comparable positions.

B.3.4.4. Gender pay gap and pay equality

[L11-HR05] [L11-HR06] [405-2] Gender pay gap and equal pay are different concepts. Gender pay gap measures the pay gap between women and men regardless of the nature of their work and it reveals if there are barriers to women progressing to more senior or higher paid roles. Equal pay, on the other hand, refers to men and women receiving equal pay for equal work.

At group level, there are no significant differences in average pay between men and women.

The analysis shows that the few cases with large differences are influenced by the different distribution of women and men in professional categories.[See Table 30 – Average remuneration by gender, age groups and professional category]

The Siemens Gamesa gender pay gap is calculated for significant locations. The cases with a significant gap are influenced by the higher concentration of women in a given professional category and their lower representation in the highest level (executive) and the lowest level (operational). In addition to these factors, traditionally there has been a smaller presence of women in the energy sector, which is accentuated in management and technical positions. This is exacerbated by the scarcity of women in STEM careers.

We continue working to address this imbalance:

- Since 2019, we have focused on embedding smart working — allowing employees to work at home or in a satellite location for part or all of their working week — to balance a successful career with commitments outside of work. Digital disconnection practices and family-friendly policies are also key drivers of this new way of working.
- In 2021, we made significant progress in developing inclusive recruitment practices in order to encourage female applications and to increase the number of women eligible for promotion.
- We rely heavily on recruiting skilled people from STEM backgrounds (science, technology, engineering and maths). We continue our efforts to improve our industry's appeal to women through education initiatives, which include programs for inspiring young women.
- Throughout 2021, we put a lot of effort across Siemens Gamesa into building a more inclusive, gender-balanced workplace. We have led a variety of activities to positively impact and inspire female employees. We know there’s still a long way to go, but we’re working hard.

B.3.4.5 Creating the work environment of the future

[L11-HR08] As the impacts of the COVID-19 pandemic evolve, so do the business and economic challenges. There are signs that life can start to return to normal. But that does not mean things will be the same as they were.

The new ‘normal’ taking shape is complex, uncertain, and challenging. It requires navigating rapid shifts in cultural norms, values and behaviors. It brings new challenges in the form of employee protection from a Health & Safety perspective and pushes for flexible/smart working and for greater work/life balance and job satisfaction.

[L11-HR12] The new way of working at Siemens Gamesa — **Smart Working** — is a business philosophy and a commitment to openness, collaboration and trust. It is our starting point for state-of-the art leadership, seeking trust, community, safety, fairness, and sustainability in the workplace and the benefits of work-life balance.

As of September 2021, there are 16,371 employees (63% of the total workforce) potentially eligible for Smart Working, provided they request this program and meet the eligibility criteria.

While there are benefits to be gained from this flexible approach to work, the risk exists of blurring the boundaries between work time and private time. The Company therefore encourages workers to disconnect through the **Siemens Gamesa Right to Disconnect Global Guidelines**. The right to disconnect refers to the right of employees to disconnect from their work and feel that they do not have to answer any work-related emails, calls or messages outside normal working hours. These guidelines set out some best practices in four areas, namely: effective email management, disconnecting intentionally and regularly and being respectful of other people’s time.

The Smart Working framework will be implemented on a country-by-country basis depending on the pandemic situation and on when Health & Safety protocols allow us to return to the office normally.

B.3.4.6 Celebrating Diversity & Inclusion

At Siemens Gamesa we have set aside eight International Days and Weeks in our calendar to promote our diverse and inclusive culture through awareness raising and actions.

- International Day of Women and Girls in Science.
- Zero Discrimination Day.
- International Women's Day.
- International Day for the Elimination of Racial Discrimination.
- International Day against Homophobia.
- LGBTI+ Pride.
- International Day of Persons with Disabilities.
- International Day for Tolerance.

At Siemens Gamesa, we also celebrate a number of cultural holidays during the year: Chinese New Year, Passover, Easter, Eid al-Fitr, Ramadan, Eid al-Adha, and Christmas.

The Company prepares special communication campaigns, holds topic-related events and shares specific resources with employees on those occasions.

B.3.5 Endorsement to International Standards

The global renewable energy industry is growing at a faster rate than ever, creating more and more jobs throughout its supply chain that require a diverse range of skills and experiences. We are aware that we have a long road ahead of us to become the diverse leader we want to be.

Yet, as a global company, we will continue to adhere to international standards to show our commitment to going the extra mile in becoming the diverse and inclusive leader to which we aspire.

- The **Women's Empowerment Principles (WEPs)** [28] were endorsed by the Company in 2010 and the endorsement has been maintained by the merged Company. These principles offer guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community.
- Siemens Gamesa participated in the first round of the **Target Gender Equality (TGE) program** [29], a gender equality accelerator program for signatories of the United Nations Global Compact. Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level, Target Gender Equality supports companies in setting and reaching ambitious corporate targets for women's representation and leadership. By joining, Siemens Gamesa undertakes to set and meet ambitious goals to increase women's leadership in line with goal 5.5 of the United Nations' Sustainable Development Agenda 2030.
- Siemens Gamesa is an official partner of the **ACORE** [30] **Accelerate membership program**, designed to provide development and networking opportunities to small, minority, and women-owned businesses.
- Additionally, Siemens Gamesa renewed its commitment to the **Spanish Diversity Charter** [31] for the period 2020 – 2022. Since 2014, Siemens Gamesa has been an official member of the Spanish Diversity Charter, an initiative by the European Commission to foster diversity and inclusion as well as to develop and implement related policies.
- Siemens Gamesa has signed the **Telework and Flexibility Charter**[32] promoted by Fundación Más Familia in cooperation with the Spanish government's Ministry of Social Rights and 2030 Agenda. This charter is a letter of commitment that companies sign voluntarily to promote a clear commitment to the culture of work flexibility and teleworking, respect for the environment, diversity and inclusion, thereby recognizing and raising awareness about the benefits gained from a flexible culture.
- By joining the **Business Network for LGTBI Diversity and Inclusion (REDI)** [33]**,** Siemens Gamesa is one of the 100 companies committed to promoting an inclusive and respectful atmosphere regarding LGTBI people.

Siemens Gamesa has been recognized for its efforts in the area of diversity, inclusion and equality

- For the second consecutive year, Siemens Gamesa was included in the **Bloomberg Gender-Equality Index (GEI)** 2021[34], scoring 74.57% (up 6 points from 2019). The index brings transparency to gender-related practices and policies at listed companies by increasing the breadth of environmental, social, governance (ESG) data available to investors.
- The **Network of Companies committed to Diversity and Inclusion (ECDI)** [35] promoted by Intrama included Siemens Gamesa in the Variable D21 Report "TOP30 Spanish Companies with best practices in Diversity and Inclusion" and recognized the company's good practices in diversity and inclusion.

B4. Labor Relations

B4.1 Management Approach

[L11-HR15] [L11-S12] The Siemens Gamesa Group fosters relations with labor representatives based on trust, transparency and negotiation in good faith. Labor relations are grounded in three basic areas:

- The laws of each of the countries where the Company is present.
- Membership of SE EWC. A Special Negotiation Body was elected in late 2020 to define and approve the “Siemens Energy European Works Council Agreement" as the basis for the Siemens Energy European Works Council (SE EWC) at group level. At the level of the individual countries, employees and/or their representatives will continue to be informed and consulted in accordance with national practices. Domestic representatives will be included in existing information and consultation structures to discuss operating-group-specific issues. Siemens Gamesa will take part in the annual meeting and take the floor, reporting on all points subject to consultation and information in accordance with that Committee’s regulations.
- Siemens Gamesa internal working group. This working group is comprised of workers’ representatives from the main European countries. The purpose of this group is to share and assess all matters of general interest to Siemens Gamesa as a whole.

B4.2 Operating Framework

[L11-HR16] [102-41] The group promotes and implements workers’ right to freedom of association, union membership and the effective right to collective bargaining. The importance of this fundamental labor right is set out in the Business Conduct Guidelines (BCGs). Accordingly, the Company has fully replaced the Global Framework Agreement[36] (GFA) on social, labor and environmental matters that was reached prior to the merger by legacy Gamesa with IndustriALL Global Union (with the involvement of the main Spanish unions) with a completely renewed and upgraded GFA between Siemens Gamesa and IndustriALL Global Union, still the only global agreement to guarantee labor rights by a company in the renewable energy sector. The new GFA includes some important improvements on the original agreement signed with Gamesa in 2015, including:

- Respect for the new ILO Convention 190 on violence and harassment at work.
- A commitment to favor direct employment on the basis of permanent work contracts.
- Support for the principle of a Just Transition towards environmentally sustainable economies and companies in line with ILO guidelines.
- Ensuring life-long learning and training programs for employees.
- Stronger demands on suppliers and contractors with regard to the rights of workers in their supply chain, particularly concerning health and safety.
- A plan for due diligence based on OECD recommendations.

[L11-HR17] [L11-S14] The Global Framework Agreement strengthens social, labor and environmental rights already contained in the Business Conduct Guidelines; makes health and safety at work, working conditions and equal opportunities key issues for Company action; and guarantees implementation and promotes the conditions for a social dialogue at the international level. As stated in the Business Conduct Guidelines, Siemens Gamesa is a member of the UN Global Compact, whose ten Principles, and the Global Industrial Union Framework Agreement, are binding on the Company.

That means that 100% of Siemens Gamesa employees are actively covered by a legally binding, freely negotiated collective agreement. [102-41]

At an international level and due to its European footprint, Siemens Gamesa forms part of the Siemens Energy European Works Council (SG EWC), set up on September 22, 2021. Siemens Gamesa will play an active role in the SG EWC with 7 SGRE representatives out of the 28 total members. The EWCs have significant rights to information and consultation on all matters affecting community-scale groups of companies or companies with at least two establishments in different Member States. There is an additional internal working group with representatives of all countries where SGRE has over 100 employees that provides a more flexible forum to discuss labor relations of greater proximity.

Locally, labor relations between the group and its employees are regulated by the laws of each country and pacts and agreements are reached with the workers’ representatives.

At a national level, the situation is not fully uniform due to the large number of countries and the practical differences between them. A total of 54% of employees are covered by collective bargaining agreements at a local level. The picture therefore remains diverse and depends on each country’s laws and legal practices. The Company operates in countries where union representation is extensive (Denmark, Spain, Germany, France, Italy, Brazil and the UK), but also in other countries where, even when there is no internal union representation, we are in contact with local and national unions to fulfill and abide by any local or national collective agreements (China).

Regarding collective agreements, there is a wide variety of situations: collective agreements limited to a specific workplace, local agreements with provincial or regional scope, and country agreements that are negotiated either internally and externally. Examples include:

- In Spain, there is an extensive overall collective agreement signed with our internal unions covering all employees working at headquarters and many other specific local agreements signed by regional/national unions depending on where the sites are located.

- In Denmark, all our employees are covered by enterprise agreements with national unions, as we are a member of Confederation of Danish Industry.
- In China, employees at our Lingang plant and, since 2021, also our employees in Shanghai are covered by a collective agreement signed between our Company and the local city government.

[L11-S13] [402-1] Concerning the minimum prior notice period for operational changes, the Group fulfills at least the notice periods set forth in each country's specific legislation, as well as in European Union regulations. However, if there are no regulatory requirements, Siemens Gamesa ensures that its employees are suitably informed of any significant operational changes affecting them in accordance with the Company's standards.

Proof of that can be seen in the ON restructuring process in 2021, in which a global information campaign was put into effect. Since the SE EWC is still being formed, it first involved the Siemens Gamesa working group and then reached every single country concerned. Specific lay-off plans have always been designed and implemented within the framework of any agreements reached with the relevant employees' representatives.

B4.3 Highlights 2021

Siemens Gamesa needs to constantly adapt to the challenging wind industry market, which is characterized by stiff competition and significant pricing pressures that have eroded wind turbine manufacturers' margins. Our financial performance during FY20, when Siemens Gamesa reported a net loss of €918 million[37], made it necessary to take appropriate actions to protect the long-term interests of the company and its thousands of employees around the world.

Actions undertaken include a restructuring in India, the adjustment of the manufacturing footprint to current demand in Europe and the reorganization of the Onshore structure to better match the current strategy of prioritizing profitability over volume and of increasing efficiency.

In India, given structural market challenges, the restructuring involved implementing a new de-risked business model, introducing the new SG 3.4-145 and dimensioning operations to a lower volume scenario.

The Halol plant had already been closed as agreed and SG 2.2 -122 blade production moved to the external supplier LM Wind Power to meet volume commitments and implement a turn-around. According to this restructuring plan, 350 employees left the Company, c. 50% through natural attrition or relocation.

In Europe, adapting the manufacturing footprint to the current demand triggered the closure of our factories at Somozas and Cuenca in Spain. The Somozas plant had no confirmed orders in Spain or the SE&A region, including Spain, for the SG 2.X-114 for which it manufactures blades, and it is not competitive to produce the larger blades the market demands, apart from site and logistical constraints. The Cuenca plant, which focused exclusively on blade repair, was not competitive, and the market is moving gradually towards replacing rather than repairing blades. Besides, the plant was not sustainable in the long term due to site constraints to accommodate large blades.

The Company initiated two collective layoff procedures to cover closure of the two Spanish plants, impacting up to 266 employees. A majority of the Siemens Gamesa Cuenca and Somozas workforce voted in favor of the layoff plans submitted by the Company for the plants' closure, which included measures to limit the closures' impact. The agreements included an early retirement plan for employees aged 55 or over, and a severance payment of 45 days' pay per year worked (above the 20 days' pay required by law). A minimum compensation payment of €30,000 was been agreed. In addition, the Company submitted an internal relocation plan offering up to 157 vacancies to 256 concerned employees for a range of job profiles in Spain and Portugal. Siemens Gamesa also engaged an external outplacement firm that has already located job vacancies at other companies for which the Cuenca and Somozas employees can apply.

As part of the Onshore reorganization, the central CRO (Chief Regions Office) organization was removed and the region heads now report directly to the Onshore CEO; and two new lean global functions — Global Sales and Global Project Management — were established to ensure that Onshore operates and is governed by coherent and aligned processes and practices. As part of the regional reorganization, the LATAM region was integrated into the SE&A region to create the SE&A&L region, enabling synergies and cost savings.

All these measures resulted in a global headcount adjustment of up to 250 across all regions. The Company has worked to minimize the impact of this decision through measures such as natural attrition (34 employees), early retirement (2 employees) and relocation (78 employees). Pending exits (88) are being discussed locally with the same purpose of minimizing the impact.

B5. Talent Management and Learning

Talent Management

B5.1 Management Approach

[L11-S15] [404-2] Siemens Gamesa has developed an Employee Experience based on building blocks that put employees at the heart of their own career development by means of a strong performance cycle (FLOW), a consistent talent development path (LEAD), a meaningful learning experience, and a set of global tools which are available to all employees.

B5.2 Performance Philosophy (FLOW)

Siemens Gamesa's performance appraisal cycle creates an adaptable framework in line with our Culture of Trust to deal with dynamic market conditions. Performance aims to improve both the Company and individual output. This process ensures that all employees are clear about what is expected from them and that they receive constant feedback about how they are performing. Performance management is part of the managerial toolkit needed to lead teams.

Figure 16. Performance management cycle

B5.3 Talent Management (LEAD)

The purpose of Talent Management LEAD is to create a culture focused on personal and professional development. It aims to get managers involved in the growth of their teams and to improve the visibility of Siemens Gamesa's talent pipeline. It also creates a talent management experience that brings us one step closer to becoming a talent-driven organization.

Talent LEAD includes several interconnected talent-related processes which, together with our LEAP Business program, place the right kind of talent in the right positions.

Figure 17. Talent development scheme

B5.4 Leadership Ecosystem

The Leadership Ecosystem interconnects all the initiatives in this connection and offers each manager a personalized path. The Ecosystem is based on a modular approach, in which different elements can be used by leaders depending on their needs. The ecosystem is composed of the following elements:

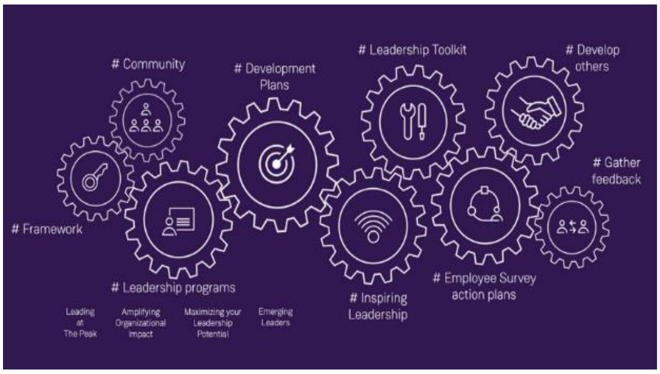


Figure 18. Leadership ecosystem

- **Framework**: A unique place where managers can easily find all the foundational elements, including: i) Mission, Vision and Values, ii) LEAP, iii) Culture of Trust, iv) Leadership Booklet, and v) Leadership Competency Model.
- **Leadership programs**: We have partnered with INSEAD business school to create 4 programs adapted to the different needs of the leaders: i) Leading at the Peak (LatP), ii) Amplifying Organizational Impact (AOI), iii) Maximizing your Leadership Potential (MyLP), and iv) Emerging Leaders (EL).
- **Leadership Community**: Enhancing the spaces where leaders can exchange and learn together at the same level and also interact with senior levels of the organization and experts. The community must be sustainable and, therefore, is owned by the leadership community, with facilitation and support from HR and Communication.
- **Individual Development Plans:** As part of the Talent LEAD experience, managers need to focus their Individual Development Plans for leadership growth. In the Individual Development Program (IDP), the leader creates the map using the elements of the ecosystem, based on strengths and weaknesses, to achieve the required leadership development.
- **Inspiring Leadership:** A library in our Talent & Leadership intranet site that contains a range of topics related to leadership and communication, with biweekly circulation of inspirational materials to all managers.
- **Leadership toolkits:** To provide managers with an adaptable framework to easily create experiences in their teams. It helps us create one identity across the organization, making sure all

leaders understand key strategic initiatives and can cascade down to all the organization (Foundations, Culture, Innovation, Calibration, On-the-job development opportunities, etc.).

- **Employee Engagement Action Plans:** Once leaders receive feedback from their employees through the Engagement Survey, it is time to design the future of the Company and create an even better place to work. Sharing the results of the survey with their teams is a great opportunity to bring Siemens Gamesa values to life. The manager starts a dialogue around the main topics and creates a shared action plan for the team.
- **Develop others:** We expect our leaders to participate in development opportunities for other employees. Leaders are key to making the development framework sustainable and, therefore, the Company encourages them to be available for mentorship relations in the Company, identify shadowing or job rotation opportunities, and make projects available for intra-Company development and talent exchange.
- **Gather feedback:** In addition to the Employee Engagement Survey, we have implemented two other ways of gathering feedback for leaders. Feedback is the cornerstone of our development framework and we want to make sure it is available to leaders. The 360º tool is available at any time of the year and is included in other elements of the ecosystem such as the leadership programs. We have also developed an upward feedback program internally, where teams can have a feedback session with their manager that is facilitated by HR business partners.

B5.5 Global Tools

A set of global tools is available to all employees across the globe. Siemens Gamesa ensures access to these global tools by providing transparent global processes designed at a corporate level and further developed by the Human Resources community.

Mentoring Program

To foster career development and leadership development, the program offers three options: i) Participation in Leadership Programs, ii) Ad hoc mentoring programs, and iii) Mentoring Public Marketplace: any employee in Siemens Gamesa can decide to include a mentoring relationship in their IDP.

360º Feedback

This is a development enabling system that gathers feedback on an individual from several sources, usually managers, colleagues and direct reports. Other groups can be used to include internal or external customers or any other group that is relevant to understanding the employee’s strengths & development areas.

Upward Feedback

Siemens Gamesa wants to create high-performing teams that resolve conflicts easily, are aligned and in full cooperation mode. Upward Feedback seeks to enhance team feedback for managers by creating an action plan for team growth. In Upward Feedback sessions, facilitated by an HR Business Partner, the whole team reflects on the manager's strengths and areas of development and shares feedback in order to create an action plan for the whole team that improves efficiency and performance.

Learning and Training

B5.6 Management Approach

[L11-HR18] Today’s fast-changing competitive business environment and the increasingly complex labor market conditions mean that Siemens Gamesa's ability to develop employees and accelerate the development of new business-critical skills is more crucial than ever. This calls for a paradigm shift in the way it approaches learning. Our mission is to support short-term performance and build up long-term capabilities. Wind University’s[38] learning services underpin the entire organization. Learning is everywhere and forms part of Siemens Gamesa’s values. Wind University provides support through consultancy services, tools and the delivery of a variety of activities across the business.

B5.7 Learning Principles

We have defined a set of principles that apply before commencing any learning activity. These are: i) Ownership culture; ii) Easy access to learning activities and training; iii) Culture of Trust, and iv) Planning and booking of learning activities.

B5.8 Learning Landscape

Nothing beats the new digital technologies for speed. We have invested in new learning platforms to support a OneSGRE experience. With the new learning platform solution, we will be able to grow community-based learning and gain in speed and availability for Siemens Gamesa-specific learning activities that can support our employees' performance.

Siemens Gamesa Product Learning

Product Learning embraces specific learning about processes, tools and products to ensure operational excellence (e.g. training in compliance, Siemens Gamesa turbine-specific training, training in Product-Development-Process, tools used in Siemens Gamesa, and others).

Qualification Management is a specific methodology used when training requirements are not to be defined and tracked on an individual level and it allows management functions to define and track the requirements in a standardized way, complying with ISO standards.

Standard Learning

Standard Learning covers all non-Siemens Gamesa specific learning. Standard Learning addresses cross-functional training needs and personal skills needed for an employee to perform their job. Standard Learning imparts skills and capabilities that are important for performance in the targeted job role and are relevant across Siemens Gamesa.

B5.9 Performance 2021 and Roadmap to 2023. Strategic Learning Initiatives

As a result of the Covid-19 pandemic, we have seen an even greater need for training and learning among our employees. Also, OneSGRE calls for more learning of uniform processes and systems.

Siemens Gamesa Learning 2.0 aspires to make learning a competitive advantage by putting learners in the driver's seat and providing them with a user-centric learning universe, which enables them to acquire new skills with speed and ease. In fact, continuous learning is an integral part of the Company's strategy.

Siemens Gamesa Learning 2.0 is focusing on learning technologies and it has provided positive results over the last year. We have chosen the right path to create continuous, highly engaging learning experiences, which enable learners to build new skills in the workflow and to gain fast and easy access to learning.

Siemens Gamesa already has a strong learning culture embedded in the organization, with more than 600 internal trainers that volunteer to train peers, so the foundation and learning culture are already strongly embedded. To ensure efficient, cost-effective and strategically aligned learning practices across the entire organization, Wind University has established a global network for teaching professionals. Here we communicate, define needs and set clear guidelines for governance and resources.

The Learning model is based on the 70:20:10 model, with a massive internal learning portfolio covering the entire Siemens Gamesa value chain, designed and delivered by internal trainers to their peers. The internal specific learning catalogue (Siemens Gamesa internal process, tool and product knowledge) is delivered mainly by means of conventional face-to-face classroom training, using the Siemens Gamesa SME (Subject Matter Expert) as classroom trainers; however, online delivery has increased by 60% in the past year. The upswing was already visible in FY20, and the trend continued in FY21.

Focus on digitalization

To achieve digitalization in learning, Siemens Gamesa organized several strategic initiatives in FY21 that can be clustered as follows:

- Implementation of a new digital platform for delivery of product learning.
- Creation of digital resources and running digital classroom delivery for our internal trainers.
- Contract signed with global digital standard learning provider.
- 3D scans of nacelles for training and surveillance purposes.

Global Learning Frameworks

Through Global Programs, Siemens Gamesa has been able to strategically deploy global learning framework for groups of employees. The Global Programs support the defined core processes of the Company. This drives the strategic direction for learning within the business area and supports harmonization of processes. Board and business agree on the need for setting learning targets as well as for deployment of new methods and tools.

Among the highlights:

- **Globalization and digitalization** of learning programs, with a significant increase in participation. Strong focus on support for the internal trainers and SME/Key Users to produce impactful digital learning bites.
- **SAP AGORA:** Full digital deployment of a new digital platform, with learning plans, learning bites, navigation notes and distance learning. Key users are trained virtually, and end users have on-demand access to videos explaining processes and functions.
- **Sales Global Learning Program:** Further focus on globalization and digitalization, with a 135% increase in the number of people trained in our sales program.
- **Project Management Global Learning Program.**
- **Technology Global Learning Program:** further globalization and digitalization of TE program, with transformation of courses to a digital format (ensures global availability and the same development opportunities for all TE locations). Trainee numbers increased by 55%. A Technology Digital Learning bites library was produced with more than 35 learning bites available for all TE employees. A global learning path for safety in design was created for all electrical and mechanical design engineers to improve understanding of design responsibilities in SGRE.
- **Training on job trainers**: Training with industry (**TWI) method** is ongoing proving its worth, since we can document the learning impact related to safety or quality.
- **Other areas**: Integration of Senvion: 5 mandatory e-learning packages rolled out to all Senvion employees and language training given to around 400 employees to ensure appropriate onboarding.

Global e-learning campaigns to ensure compliance and global mindset

During FY21, we launched one global e-learning module for all employees, which led to 5 mandatory e-learnings for all employees in Siemens Gamesa.

- Business Conduct Guidelines.
- Export Control & Customs.
- Protecting our Personal Data.
- Global Health, Safety and Environment Awareness.
- Information & Cyber Security.

Global Qualification Management

Qualification Management to track mandatory training requirements both on-site and at production facilities continued to be deployed in 2021. Consequently, the backgrounds of the employees present at any construction or service site anywhere in the world are available for consultation. The Company account stores the required certificates and provides a standardized safety overview of the qualifications held by both internal and external employees. Work is currently being done to upgrade the reports and enhance features to allow for employee development tracking. In 2021, we added some white-collar roles.

Learning in numbers

[L11-HR19] The Company logged 554,870 training hours in FY21 (839,950 hours in FY20). The reason for the decrease is that In FY21, only the data registered in our two global learning tools have been considered, dismissing the external training data that lacked from adequate traceability and that were included in previous years.

Virtual training delivery increased the participation rate in fiscal year 2021 and the number of training sessions also increased with respect to FY20. [See Table 20 - Employee training hours by professional category]; [See Table 21 - Training hours based on learning category]

In FY21 there was an increase in the number of training sessions delivered both virtually and face-to-face. A large amount of delivered sessions come from the SAP Agora project, where key users are trained in new processes. [See Table 22 - Training hours based on delivery type in fiscal year 2021]; [See Table 23 - Number of virtual/face to face sessions];

B6. Compensation & Benefits

Benefit Programs

B6.1 Management Approach

[401-2] [401-3] The Siemens Gamesa Global Benefits Policy is aimed at supporting Siemens Gamesa's purpose of empowering people to lead the future. It is aligned with the Company's values: Results Orientation, Customer Focus and Inventiveness, Impactful Leadership, Attitude of Ownership, and Valuing People.

Siemens Gamesa ensures that all countries have an individual benefit offering which is in line with local market conditions. The benefits include insurance policies, pensions and fringe benefits. Insurable benefits are managed through a global external vendor to ensure we are aligned with the market median and achieve proper governance and competitive rates. To attract and retain talent, benefits are reviewed regularly to adapt to market trends.

B6.2 Policy Framework

[201-3] Benefits round out an individuals' compensation to offer an attractive and competitive compensation and benefits package:

- Offer global consistency with local relevance and local implementation responsibility: Benefits are local and are dependent on country regulations and general market practice.
- Benefits ensure our appeal as an employer.
- Employee benefits can increase the level of dedication and enthusiasm.
- Benefits comply with the 'Duty of Protection': Protecting employees against the consequences of an adverse event that might cause economic impairment to them or their dependents.
- Benefits are aligned with the corporate culture.

Benefits are indirect non-cash compensation offered to employees. All benefits are set according to mandatory local market regulations or median market practices. The scope of the benefits we offer varies across countries and depends strongly on local social security and tax regulations. They may include: i) Post-employment benefits; ii) Life and disability insurance; iii) Accident insurance; iv) Health insurance; and v) Business travel assistance insurance. Other benefits include transport allowances, time off/vacation, work/life balance measures, awards, perquisites and social security.

B6.3 Strategy and Targets

The benefits policy ensures Siemens Gamesa employees are protected against the risks associated with health, death in service and retirement planning. The benefits package is a part of the Total Remuneration (TR) package. All benefits are defined according to mandatory local market regulations or median market practice.

B6.4 Highlights 2021

Defined Contribution (DC) schemes are becoming increasingly prevalent at Siemens Gamesa. DC pension schemes enable employees to manage risks appropriately and provide them with a capital sum that can be converted into a relatively stable income flow during retirement. The amount recognized as expense for defined contribution plans amounted to €57 million in FY21 (€55 million in FY20): €34.4 million in Denmark, €8.5 million in United States of America, €0.5 million in Canada, and €1.7 million in Germany. Contributions to state plans amounted to €123 million in FY21 (€120 million in FY20).

We are currently offering 22 defined benefit plans for approximately 6,100 participants in the following countries: Austria, Belgium, Croatia, Czech Republic, Egypt, France, Germany, Greece, Hungary, India, Iran, Italy, Philippines, Poland, Thailand, Turkey, and USA.

B6.5 Employee Share Plans

At Siemens Gamesa we believe in the Company's long-term prospects and recognize that our employees are a key driver of its success. In order to allow every employee to feel part and take ownership of OneSGRE, Siemens Gamesa offers shares under special conditions to reward long-term commitment and create a sense of ownership, both of which are vital to ensuring the Company's sustainable future.

The voluntary share plans include:

- "Your recognition shares" Shared-based Recognition Program, an instrument to reward outstanding performance by giving stock awards to 100 selected employees all around the world. The final list of participants is approved by the CEO.
- "3-2-1, Let's share!" Employee Share Program (ESP Plan), where participants' investment is rewarded with free shares ("for every 3 shares, after 2 years, you get 1 free"). It is being implemented gradually on a country-by-country basis with the aim of covering most of the Siemens Gamesa population. The Plan was successfully launched in January 2021 in Brazil, Denmark, Egypt, France, Germany, India, Ireland, Spain, Taiwan and UK. More than 4,000 employees participated in the program, with a high participation rate (21%). The Shared-based Recognition Program and the Employee Share Program will be repeated in 2022 and rolled out to more countries.

Compensation

B6.6 Management Approach

A fair, competitive compensation and benefits package is offered to attract and retain the Siemens Gamesa workforce so that it can shape the renewable energy industry, based on a commitment to diversity, inclusion and employee well-being. Employees are our most valuable asset. We operate under the principle of equal opportunities by avoiding any kind of discrimination and ensuring fulfillment of the applicable labor legislation in every country where the Company has a presence.

B6.7 Policy Framework

Cash compensation is one of the four central elements of the Siemens Gamesa Total Rewards Framework. The cash component consists of base salary and variable pay. Base salary and variable pay together make up the Total Target Cash. The Total Target Cash may be increased on a yearly basis subject to the compensation review process. This procedure is intended to address:

- Regular salary increases for performance in line with expectations.
- Extraordinary merit salary increases for outstanding performance.
- Market and equity adjustments.

Salary bands per grade profile are set for each country. These bands include base salary and country target percentages per grade profile. The variable target percentages are mandatorily applied to all new hires. Those percentages must also be harmonized over time for existing employees based on the yearly merit increases or when they change positions.

- **Base salary** is defined according to local market practices. We target a base salary around the market median. Base pay is considered to cover family spending and normal living standards. Additional allowances can be paid based on market practice.
- **Variable Pay** is defined as a target percentage of base salary. This percentage of the base salary is paid as an annual incentive if the Company and individual targets are reached. The targets are set in a yearly guideline that is mandatorily applicable to all eligible employees.

B6.8 Strategy & Targets

At Siemens Gamesa we pay for performance. The compensation package is aligned with the market median. Our salaries are benchmarked against relevant market data from leading market data providers. Salary bands are defined centrally for 16 levels below senior management positions. The salary bands offer enough flexibility to account for candidates' different levels of expertise and effectiveness.

B6.9 Performance 2021

Variable Pay: SGMBO

Siemens Gamesa Management by Objectives (SGMBO) is the procedure to set targets for employees. It is designed to reward Company and individual performance based on the variable portion of the compensation package and is paid as an annual incentive. Eligibility depends on local market practice. About 47% of the workforce (43% in FY20) has a short-term incentive program.

The SGMBO target structure includes Company targets as well as Individual targets; consequently, the payout depends on the respective achievements. In general, the final target achievements apply to the individually agreed SGMBO target percentage, which is paid according to local rules.

To support the merger process, the globally applicable target structure for the short-term incentive is composed of 70% overall Siemens Gamesa key performance indicators and 30% individual evaluation.

Long-term Incentive

Siemens Gamesa Long-term Incentive (LTI) plans aim at boosting the motivation of its management, attracting and retaining talent and fostering an ownership culture aligned with the Compensation and Benefits Value Proposition, while enhancing long-term business performance. The plans are addressed to persons who, due to their level of responsibility or their position in the Group, contribute decisively to achieving the Company's objectives. In particular in addition to the CEO, who is a Beneficiary, the Board, at the proposal of the A&R Committee for the Top management, and of the CEO for the rest of the Beneficiaries designate individuals as Plan Beneficiaries. LTI is in line with the market and its main objective is to enhance business outcomes. Therefore, it reflects external market developments and strategic Company priorities by considering specific performance indicators.

The Plan is a long-term incentive under which the beneficiaries have the opportunity of receiving a certain number of ordinary shares of the Company after a three-year period, provided specific performance criteria are met. The full text of the long-term incentive scheme is contained in Resolution 7 approved at the 2021 Annual General Meeting of Shareholders of Siemens Gamesa Renewable Energy, S.A.[39].

C. Environmental Matters

C1. Environmental Management System

C1.1 Management Approach

[L11-M01] Climate change and resource scarcity are some of the greatest global challenges facing society today. As a leading supplier of wind power solutions, Siemens Gamesa's business model is based on the development of sustainable products and services that address these global challenges. The Company also considers these global challenges in its operations as we continuously strive to improve energy efficiency and reduce CO_2 emissions associated with our production technologies and services. Waste reduction, promoting a circular economy and conserving biodiversity are also important. Given that any industrial activity has potential environmental impacts, the Company adheres to the precautionary principle and manages its environmental risks in an integrated manner.

Moreover, environmental excellence is essential to contributing to achieve the UN's 17 Sustainable Development Goals (SDGs) and meeting the requirements set out in the Paris Agreement for climate change. We are committed to fostering the sustainable use of resources, a culture of respect for the natural environment and to leading the fight against climate change by reducing the environmental impact of our activities.

As envisaged in our Sustainability Strategy[40] that is approved by the Board of Directors, the main environmental topics that have been identified are climate change and resource efficiency. A prioritized set of actions is implemented on this basis to ensure we focus our efforts and drive performance improvements in the areas that are material to our business.

The Company has qualified personnel in relevant functional and geographical areas, which enables us to not only comply with the strictest environmental standards, but also to drive environmental improvements at our factories and across our project sites. However, we recognize that our internal efforts to reduce our environmental impacts are enhanced if combined with other collaborative initiatives with our business partners, such as customers, suppliers, authorities and political parties, industry associations, research institutes and similar. We therefore seek, lead and support environmental improvements throughout our product value chain to ensure appropriate improvements are implemented in all stages of our product and service lifecycles.

[L11-M05] Siemens Gamesa does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, the Company does not make any specific disclosures relating to environmental matters in the Consolidated Financial Statements.

C1.2 Environmental Policies

Siemens Gamesa has several policies that cover both broad and specific principles in relation to environmental protection. For example, the Sustainability Policy[41] outlines broader ambitions related to decarbonization, circularity and biodiversity protection the planet and climate change. The Business Conduct Guidelines state environmental principles that employees and managers are expected to apply in their daily work, while those explicitly stated in our Code of Conduct are targeted at our suppliers and third-party intermediaries.

The Siemens Gamesa Policy[42] also provides clear direction and specific objectives with regard to Health, Safety and the Environment. It applies globally and is mandatory for all employees working for Siemens Gamesa, or on its behalf or under its authority. The policy is the underlying framework for how we aim to achieve our Company DNA. The following quote from our policy clearly articulates our core philosophy:

"*United we will shape the renewables sector and its entire value chain, leveraging our industrial, technological and innovative capabilities to contribute to a cleaner and more sustainable environment for generations to come.****"***

C1.3 Environmental Management System

[L11-M04] [102-11] Siemens Gamesa applies the precautionary principle regarding 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.

[L11-M02] The global Head of Quality Management and Health, Safety and Environment (QM&HSE) is responsible for the governance of Siemens Gamesa's Integrated Management System (IMS), including all environmental certifications, policies and procedures. Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard that currently covers 115 locations. The scope of certification covers all functional areas and core processes related to the sale, design, development, procurement and manufacture of wind turbines and other mechanical and electrical components for both wind and non-wind applications. Project development, such as construction, installation and service of wind turbines, is also covered by the scope of this certification. The certificate is valid until July 2024.

[L11-M03] Siemens Gamesa's Siemens Gamesa's Integrated Management System (IMS) provides a framework of procedures and tools around a range of environmental topics to monitor, control and improve the Company's performance. The Company can thereby demonstrate compliance with our stakeholders' requirements, identify potential issues and implement controls to avoid or reduce potential environmental impacts as well as engage employees and motivate suppliers to improve their environmental performance when planning and carrying out activities related to its operations, products and services. However, the management system, which is composed of a series of documents and tools, is ineffective without competent employees and a supportive leadership team bringing it to life.

We have various global environmental procedures that are governed by the corporate HSE functional area. They are implemented and continuously improved in cooperation with specialists across Siemens Gamesa to effectively reflect the different parts of the business.

C1.4 Environmental Targets

The Company has established a new Sustainability Strategy towards 2040 that contains a broad range of targets to fulfil its commitment to fighting climate change and protecting the environment. These targets also encompass our commitment to the Science Based Targets Initiative, which has verified our Science Based Targets until 2025 (page 50).

Table 1 - Key environmental targets to 2040

	FY17/18	FY20	FY21	FY40
CO_2 emissions (Scope 1+2) *tCO_2/MW installed*	12.3	3.2	2.8	0
Suppliers signatories of SBTi *% Purch. Vol.*	Not tracked	Not tracked	3%	100%
Product recyclability *% Turbine recyclability*	85%	85%	94%	100%

Monitoring and analyzing the environmental performance of our production facilities and project sites is essential to attaining these goals. In 2019, Siemens Gamesa implemented Sphera, our internal HSE software tool that allows for data collection and analysis. Sphera is also instrumental for:

- Reporting figures such as energy use and sources, waste amounts and disposal destinations, water use, environmental incidents, etc.
- Monitoring environmental data and trends, and visualizing them to better support analysis.
- Providing transparency and opportunities for sharing best practices.

C1.5 Environmental Successes

At Siemens Gamesa, we pride ourselves on our consistent efforts to improve our environmental performance. Below are some examples of the successes we celebrated in FY21.

Employee engagement:

Combined with our health and wellbeing activities, we encourage our employees to engage in good environmental practices in and out of the office. We have run voluntary employee initiatives such as the “Going Green Challenge” to help Siemens Gamesa employees carry out environmentally friendly habits using the Shine mobile app, which has since been replaced by the "Sustainable Employee" initiative using the DoGood mobile app. Other initiatives include "The Forests of Siemens Gamesa", a tree planting initiative, the "Coastal Clean-ups" to improve biodiversity, and the "Digital Clean-up Days".

Action Plans across Siemens Gamesa:

We foster a culture where all employees have the chance to identify problems and submit innovative solutions to reduce the environmental impact and improve the Company’s processes. The Siemens Gamesa Action Plan Tool is a centralized tool to capture “greener” opportunities across the business and nurture cross-site learning by sharing environmental improvement ideas and experiences. Employees are invited to submit innovative project initiatives to achieve environmental savings and also inspire others. For implemented projects, we track our environmental improvements and categorize them in relation to the six areas of our HSE Policy[43] and our HSE processes. HSE improvements can be categorized as actual environmental savings (e.g. absolute reduction, substitution or efficiency measures) or other initiatives such as campaigns, research, mappings, trainings, etc. In FY21, 31 energy saving, and 41 waste saving actions were deployed.

Green hydrogen innovations:

Following our commitment to decarbonize the economy and protect the environment, Siemens Gamesa and Siemens Energy announced in early 2021 that they are joining forces to develop an innovative, fully integrated offshore wind-to-hydrogen solution[44]. Siemens Gamesa will adapt its SG 14-222 DD offshore wind turbine to integrate an electrolysis system at the base of the turbine tower. The solution will lower the cost of hydrogen by being able to run off-grid, opening more and better wind sites.

This marks the first major step towards developing an industrial-scale system capable of harvesting green hydrogen from offshore wind and will enable decarbonization of hard-to-abate sectors such as transport and heavy industry.

Figure 19 - Why we need green hydrogen

Figure 20 - Brande Brint 3 hydrogen plant integrated with a wind turbine

Greener service logistics:

‘Groenewind’, a new vessel that is the first of its kind in the offshore service arena, was deployed to service 100 turbines in Belgium. The vessel is smaller and lighter than typical Service Operation Vessels (SOVs) and, consequently, more sustainable: it reduces fuel consumption by 50% compared to a monohulled SOV and requires less material for its construction[45].

Figure 21 - Groenewind SOV

Decarbonizing the Supply Chain:

- Siemens Gamesa is engaging its supply chain towards complete decarbonization in line with the 1.5-degree Celsius global warming trajectory. In 2019, Siemens Gamesa deployed a “Supply Chain Decarbonization Program” for its tower suppliers, with promising initial results: a reduction of 20,000 tons of CO_2 emissions per year, i.e. approximately 20% of the emissions generated by its main tower suppliers[46].
- In FY21, the program was implemented on the outskirts of Vietnam’s largest city, where one of our tower suppliers installed a total of 16,282 solar panels, providing 7 MW of peak capacity, which will soon cover around 40% of the Company’s electricity requirements[47].

C1.6 Product Portfolio and Environmental Benefits

[305-5] Siemens Gamesa’s product portfolio directly contributes to a reduction in greenhouse gas (GHG) emissions and climate protection. It also addresses other global challenges such as natural resource scarcity and environmental pollution. As a result, our product portfolio is our biggest contribution to society.

In 2021, 10.2 GW of additional wind energy capacity was installed, helping our customers to further reduce their emissions by 29 million tons of CO_2. On a cumulative basis, more than 117 GW of Siemens Gamesa wind turbines have been installed since 1998. This allows our customers to mitigate their carbon footprint by more than 329 million tons of CO_2 per year. [See Table 43 - Environmental benefits-savings (cumulative at fiscal year-end)]

Siemens Gamesa is also driving the global green energy revolution in innovative areas such as hybrid power (hydrogen) and energy storage [48].

C1.7 Product Stewardship

Product stewardship at Siemens Gamesa is an approach to managing the environmental and social impacts of our products and services, and the embedded materials and safety measures. It means life-cycle thinking is central to the design of our product components and operational processes. It also means that we expect everyone involved throughout our product’s lifespan to adopt a shared responsibility to ensure that those products or materials are managed in a way that reduces their impact on the environment and on human health and safety throughout their lifecycle.

As an original equipment manufacturer (OEM), we recognize we are the ones best placed to minimize any potential adverse impacts. However, we also require our suppliers, contractors and customers to support us in our efforts where possible.

Despite the green profile of our products, we continue striving to reduce their associated potential environmental and social impacts, such as improving resource efficiency in our design and manufacturing processes, optimizing energy production during operation and the mean time between service visits, improving component recyclability, etc. We also work closely with our suppliers and customers to achieve this. [See C1.4 Environmental Targets, C1.9 Environmental Criteria in Product Design and C3.10 Product Recycling]

C1.8 Life Cycle Assessments

Siemens Gamesa quantifies and documents the significant life cycle impacts of our products and operations (manufacturing, installations, services) by performing Life Cycle Assessments (LCAs) in accordance with the ISO 14040 series of standards and applicable Product Category Rules (PCRs). This methodology analyzes the environmental impacts across the life cycle of the product and the processes associated with each life cycle stage. We use LCA findings as a basis for:

- Communicating our environmental performance to our internal and external stakeholders in the form of Type II and III Environmental Product Declarations (EPDs).
- Identifying opportunities to improve our environmental performance in future designs in line with product stewardship.

By continuously increasing the number of LCAs and EPDs, we are developing a comprehensive knowledge base about the environmental footprint of our products and operations.

At the same time, we use the insight gained from the LCAs to improve not only product-related but also operation-related aspects. One example is our offshore platform upgrade strategy, where current turbine models are outperforming previous models in terms not only of the levelized cost of energy LCoE but also of the environmental impacts, such as energy payback time and $CO_{2\text{-eq}}$ emissions per kWh to grid.

In the reporting period, 100% of products were covered by LCAs (screening and full-scale) and EPDs (both Type II & III), and our business achieved a 100% revenue-based coverage ratio.

In FY21, Siemens Gamesa published the following Environmental Declarations in the International EPD® System: Type III EPD for SG 3.4-145.

C1.9 Environmental Criteria in Product Design

Apart from the clear environmental benefits associated with renewable energy production, Siemens Gamesa designs, manufactures and services its products in ways that enhance their environmental performance. Our product development process incorporates many principles based on ISO 14006:2011.

Explicit processes and procedures have been established for assessing and improving environmental aspects associated with the in-house design of components. For example, setting improvement targets in relation to reducing material amounts or component weights, substituting material or substance types or increasing capacity factors. We also define specifications for, and maintain close dialogue with, suppliers for the supply of environmentally improved materials, articles and components.

Operational procedures and controls are also set to assess and improve environmental aspects linked to manufacturing, assembly and construction, such as implementing action plans and improvement measures for the materials and substances used, the waste generated, the energy consumed, and the volatile organic compounds (VOCs) emitted.

Packaging from material and component deliveries from suppliers as well as from Siemens Gamesa's component shipments is an aspect with potentially high environmental impacts for our products' distribution, storage and transport. This area will be addressed in the future to gain a better understanding of current and upcoming legislation on packaging and its potential impacts on Siemens Gamesa, as well as to raise awareness about the importance of packaging and to introduce more recyclable packaging materials.

Efforts are being made to improve our component upgrades and lifetime extension (LTE) service offerings, as well as spare parts and parts refurbishment offerings for service and maintenance operations on our customers' turbines. Other aspects for environmental improvement include SCADA control functions for optimal wildlife protection, increased mean times between service visits (resulting in lower fuel use), along with reduced exposure and safety risks for technicians, and remote diagnostics to keep availability and capacity factors as high as possible.

Our products are designed to embody energy efficiency at a global scale and incorporate greater energy efficiency throughout most stages of a wind turbine's life cycle, including procurement of raw materials and components, manufacture and assembly of components, and their delivery, installation, operation and maintenance.

Our wind turbines also record better efficiency figures compared to preceding models for many environmental indicators, including size, weight, visual impact, material reduction and selection of those with low environmental impact, production optimization, reusable packaging, less civil and installation works, noise reduction, waste optimization during maintenance and a modular design to facilitate dismantling.

C1.10 Environmental Requirements for Suppliers

We require our suppliers and contractors to share our common goal of behaving in an ethical, law-abiding manner at all times. Our global Code of Conduct for Suppliers and Third-Party Intermediaries establishes standards to ensure that working conditions in our 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 of Conduct applies globally to all of Siemens Gamesa's suppliers and third-party intermediaries.

We engage our suppliers to join our journey towards more sustainable operations and thereby reducing our carbon footprint. In FY21, we established a formal Supply Chain Sustainability team within Procurement in order to strengthen decarbonization efforts within our value chain. [See E3.6 Sustainability Integration in the Supply Chain].

A new sustainability and greenhouse gas emissions category has been incorporated into our annual supplier evaluation process. Suppliers are now able to report on their environmental improvements in terms of CO_2 reduction. Looking to the future, Siemens Gamesa plans to incentivize suppliers to deliver on their sustainability commitments, with a 2025 objective to have at least 30% of suppliers with approved decarbonization targets that are aligned with the Science Based Target initiative (SBTi) and a 2040 objective of 50%. [See section E3. Responsible Supply Chain]

C2. Climate Change

C2.1 Management Approach

[L11-M14] Siemens Gamesa recognizes that climate change is a global issue requiring urgent collective action by governments, businesses and citizens alike. As a provider of clean affordable energy, we contribute to the global economy's decarbonization through the products and services we develop and the ways in which we operate. The Company announced that it became carbon neutral in late 2019 and sourced 100% renewable electricity in late 2020, which are both major milestones on the path towards the long-term target of net-zero CO_2 emissions by 2040.

Siemens Gamesa also contributes to the global economy's decarbonization through partnerships with policymakers, industry associations and business partners to address climate change collectively. We are a member of many global communities who share our commitment to climate protection and decarbonization, such as the **Science Based Targets Initiative** [49], **American Business Act on Climate Pledge** [50] and the **Paris Pledge for Action** [51], in which Siemens Gamesa has voluntarily committed to climate protection and decarbonization initiatives.

However, we also recognize that our business is not immune to the risks associated with climate change. With warmer weather and more extreme weather conditions due to climate change, medium- and long-term impacts to our business are possible. Longer and warmer seasons or extreme cold could materially affect our customers' operations and limit the attractiveness of our products. Severe events, such as fires, hurricanes, high winds and seas, blizzards and extreme temperatures, may cause evacuation of personnel, curtailment of services and suspension of operations, inability to deliver materials to sites in accordance with contract schedules, loss or damage to equipment and facilities, supply chain disruption and reduced productivity.

The Company has made undertakings to several business initiatives aimed at assessing its climate related risks and opportunities, and mapping and reducing the impacts associated with its emission sources. Siemens Gamesa plans to adapt the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) for voluntary reporting of the financial impact of climate risks in order to publicly disclose this information in a transparent manner. The Company also takes account of best practices on reporting climate-related topics and the "Guidelines on reporting climate-related information".

The TCFD recommendations are voluntary principles. This framework allows for a better understanding of business risks and opportunities that are derived from climate change impacts and greater transparency in companies' climate governance, strategy and performance in mainstream financial reporting.

Siemens Gamesa is addressing the climate emergency holistically by integrating climate change into its governance, business strategy and risk management procedures.

C2.2 Governance: Governance and Risk Management Process to Tackle Climate Change

Climate Change

Our Sustainability Policy[52], approved in September 2021, applies Company-wide and covers Siemens Gamesa's commitment with the protection of our planet. Climate change is the most important environmental aspect to Siemens Gamesa. The company is committed to combatting climate change by minimizing the emissions deriving from its value chain and through its product and service offerings, making real what matters – clean energy for generations to come

i. Take urgent action to combat climate change and its impacts (SDG 13) while providing affordable and clean energy for generations to come (SDG 7).
ii. Subscribe to the global greenhouse gas emission reduction goals established in the Paris Climate Agreement.
iii. Pursue innovative advances in our product that help to mitigate climate change impacts and reduce greenhouse gas emission.
iv. Advocate for a global emissions market and ESG oriented finance sector to finance clean energy projects.
v. Responsible use of energy and natural resources.
vi. Develop training and awareness-raising activities concerning pro-environmental behavior and climate action.
vii. Report transparently and in a timely manner with respect to our fight against climate change.
viii. Promote industry alliances and partnerships to jointly address climate change.

Board Oversight and Management's Role

The Governance structure for all sustainability and climate change in Siemens Gamesa is addressed in section A.7.8 Responsibilities

C2.3 Risk Management: Risks and Opportunities- Task Force on Climate-Related Financial Disclosures

Risk Management process

Siemens Gamesa assesses risks and opportunities based on their impact and likelihood over a time horizon of three years. The potential impact of a risk or opportunity can be assessed from a quantitative or qualitative perspective. Regular risk review takes place at the end of the quarterly update and review process. Each organizational unit reports its updated risk register to the next higher organizational level for further evaluation and analysis. Climate change is integrated into this process to the extent that it influences our business in relation to either strategy or operations.

In addition, and alongside the corporate enterprise risk management (ERM) process, in 2020 Siemens Gamesa initiated a climate change scenario analysis study to better understand climate risks in the short, medium and long-term. The scenario analysis covered our three activities, Onshore, Offshore, and Service; both our direct operations and our wider supply chain, and focused on 10 key countries: UK, Germany, Spain, US, India, Denmark, Brazil, Morocco, France and China.

Siemens Gamesa re-assessed its climate-related risks and opportunities in 2020 and 2021. The process seeks to identify, assess, and better understand all possible types/sources of climate risks and opportunities in the short, medium and long-term.

Identified Risks & Opportunities

The **'rapid low carbon transition' below 2°C scenario** offers significant opportunities to Siemens Gamesa in relation to the expansion of onshore and offshore wind markets globally, as well as the development and expansion of clean technologies such as green hydrogen and floating offshore wind. In addition, this scenario suggests various policy and social benefits to encourage policymakers and other public authorities to adopt more ambitious targets and regulatory frameworks in support of the expansion of renewable capacity and employment opportunities globally. However, the below 2°C scenario also suggests that there are some key risks for Siemens Gamesa regarding the demand for raw materials, such as concrete, steel and rare earth elements, and its suppliers' ability to keep pace with technological developments in a sustainable way. Furthermore, carbon pricing of key raw materials, an increased risk of 'NIMBYism' (Not In My Back Yard) with larger turbines and greenfield expansion, and competition with the maritime industries (fisheries and O&G sectors) are other identified risks.

The **'high physical impact' 4°C scenario** mainly suggest risks such as acute and chronic weather conditions – particularly changes in wind speeds and patterns, extreme temperatures, large seasonal differences and variations in precipitation that cause floods or droughts. The physical risks thus identified tend to be high impact but low likelihood events which result in comparatively low annualized risk levels affecting specific factories or wind farm assets. Country-specific risks are shown in Figure 23. Climate change risks and opportunities in a "Best Case" scenario and Figure 24. Climate change risks per country in a "Worst Case" scenario.

The identified risks and opportunities were assessed in accordance with TCFD[53] guidelines. Siemens Gamesa is on the path towards integrating the identified risks and opportunities into its business strategies and risk management processes. By fully adopting the TCFD framework, the Company will enhance its governance over existing commitments such as SBTi and also mitigate climate-related risks and exploit climate-related opportunities, which will consequently strengthen confidence among its shareholders and customers.

Figure 22. Methodology to identify and assess climate change risks and opportunities

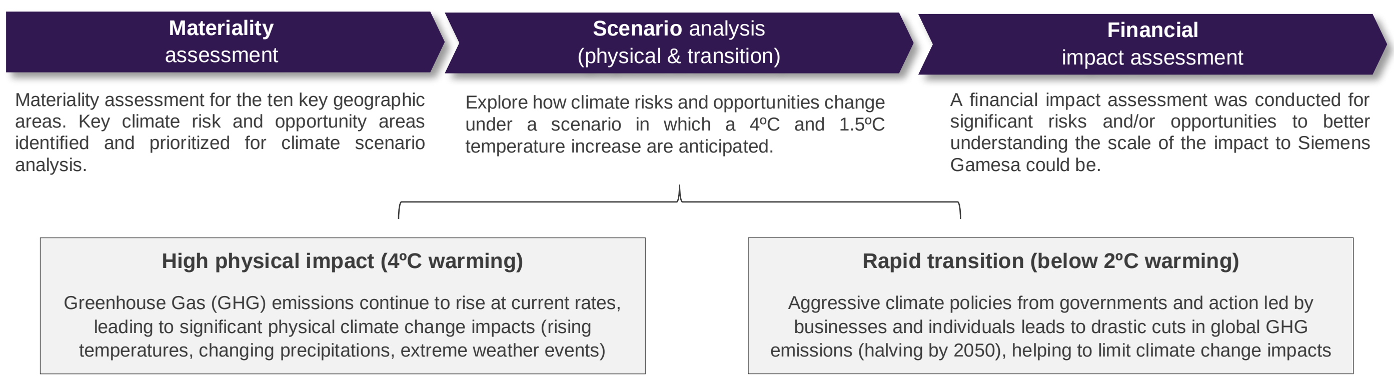


Figure 23. Climate change risks and opportunities in a “Best Case” scenario

< 2ºC

Opportunities	85% low-carbon energy target for 2050 drives offshore growth (40 GW by 2030) and floating foundations growth (20 GW by 2050)	Technological development in 1) floating foundations expands offshore market (20 GW by 2050) and 2) Green hydrogen, is central to Germany’s low-carbon transition and will increases wind demand	Wind enjoys good reputation - government to encourage wind jobs (107,000 - 135,000 jobs/year) and make wind and hybrid technologies central to Spain’s low-carbon transition	Repowering of up to 15 GW/year by 2040 as asset lifetimes expire. Further opportunities as onshore capacity grows to 213 GW by 2030	Rising energy needs and ambitious renewable energy procurement plans (500 GW by 2030 target) lead to strong market growth.	**Global ON installed capacity increases to 1787 GW** by 2030 up to 5044 GW by 2050 **OFF capacity increases to 228 GW** by 2030 up to 1000 GW by 2050
Risks	Green finance principles will lead to enhanced climate disclosure obligations	Public appeal increases as onshore greenfield development (up to 71 GW by 2030) leads to NIMBYism and concern over proximity to conservation areas	Criticisms on government favoritism for wind could move policy focus to solar	‘Stop-and-go’ climate policies lead to mixed market signals which deters investment	Leveraging strong policy signals depends on how India plans to overcome grid bottlenecks and high LCoE for offshore	**Carbon pricing** at 63-85 €/tCO2 in 2030, which increases to 106-118€/tCO2 in 2050, inflates raw material costs Increased demand due to strong renewables growth leads to increased cost for **rare earth elements** (neodymium, dysprosium) and copper

Figure 24. Climate change risks per country in a "Worst Case" scenario

4ºC

Heavy precipitation & floods, ~2030s: A considerable increase in the frequency of heavy precipitation and floods is expected	**Sea-level rise, ~2050s:** Extreme sea level events are likely to occur much more frequently	**Heat waves, ~2030s:** Significant increases in extreme high temperature events are projected, in particular for the south of Spain	**Shifting seasonality, ~2030s**: Considerable increase in frequency of anomalously early spring onsets in the following decades **Heat waves, ~2040s**: Almost all US regions projected to see 20 - 30 more days a year exceeding 90°F (32°C)	**Heavy precipitation & floods, ~2040s**: Extreme precipitation events will become much more frequent (up to three-fold increase). Substantial increases in flooding events are also expected	**Changes to wet seasons** hamper harvesting and transportation of balsa wood. **Disruption to supply chains** lead to increased costs
Heatwaves ~2036s: Significant increase in heat wavelength, frequency and temperatures projected	**Heavy precipitation & floods ~2035s**: increase precipitation intensity and river flooding **Heat waves, ~2040s:** Significant increases in heat wavelength, frequency and temperatures projected	**Heavy precipitation & floods ~2035s**: 10 to 20% increase in precipitation intensity **Sea level rise, ~2100s:** +0.5 to +1 m increase in the height of extreme sea level events	**Heatwaves ~2035s**: Significant increase in heat wavelength and temperatures projected	**Rising temperatures ~2035s**: Mean annual temperature is projected to increase by +3.3ºC	**Temperature & air density ~2090s**: The climate science community is uncertain how climate change affects air density

C2.4 Strategy: Strategy to Tackle Climate Change

The scenario analysis highlighted more tangible linkages between climate risks and business operations for Siemens Gamesa. This also helped to inform the Company on how to respond with appropriate mitigation actions in a variety of ways, as depicted and described below.

Figure 25. Impact of the identified risks and opportunities on Business Strategy & Financial Planning

Operations: Siemens Gamesa became carbon-neutral in 2019 and, in 2021, it reaffirmed its commitment to becoming a net-zero CO2 emissions company by 2040 – 10 years earlier than its original target. This is a strategic target linked to the overall business strategy with three verified Science-Based targets to cover the short-term actions until 2025. Six emission reduction levers have also been defined to support this goal and they have been reinforced as a result of the physical and transitional risks identified.

Processes and procedures: In 2019 Siemens Gamesa's climate change policy was revised and in 2021 Siemens Gamesa carried out a global analysis of potential climate change risks and opportunities. From this, an integration plan is under development to embed climate change into its risk management and financial processes.

Supply chain: As part of its decarbonization strategy, Siemens Gamesa has one verified Science-Based target related to its suppliers, in which 30% of Siemens Gamesa's suppliers by spend covering purchased goods and services and transportation and distribution will have Science-Based targets by 2025. In 2021, a sustainability department was established in the procurement function to support this in addition to manage the carbon pricing risk identified for our procured goods.

Investment in R&D: Siemens Gamesa continues to capitalize on the transitional opportunities presented by climate change through its various pilot projects and R&D investments within green technologies such as floating wind, energy storage and green hydrogen. Furthermore, Siemens Gamesa's technology function has a department specifically focusing on future renewable technologies. [☞See C1.5 Environmental Successes and C3.3 Energy Use.

Products and services: Siemens Gamesa's product development strategy is directly influenced by the transitional opportunity to constantly expand its portfolio of products and services. With increasing rotor sizes, its wind turbines deliver high annual energy production at lower levelized energy costs, specifically with the recently launched SG 14-222 DD, SG 11-200 DD and SG 5.X-170 in our offshore and onshore wind markets. The company also continues to open new factories and/or adapt its product and services portfolio to new markets to meet the growing needs for clean energy in its expanding customer base, most recently in France, Taiwan, USA and Russia.

(i) Net-zero carbon emissions strategy

(ii) Science-Based Targets

(iii) Roadmap to integrate climate change into the Risk Management Process

(i) Net-zero carbon emissions strategy

[L11-M15] In 2019, five years ahead of schedule, Siemens Gamesa became carbon neutral[54], which represents a major milestone towards the Company's long-term ambition of reaching net-zero CO_2 emissions by 2040.

This is a Company-wide target that is linked to the overall business strategy, where the initial ambition was accelerated by ten years (formerly a 2050 target). The global roadmap for meeting net-zero emissions by 2040 involves six emission reduction levers as depicted in Figure 27 – Siemens Gamesa net-zero carbon emissions strategy.

(ii) Science Based Targets

The Science Based Targets Initiative (SBTi) 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 was the first renewable energy manufacturer to commit to SBTi in September 2018 and, by 2020, the SBT verified that Siemens Gamesa's emission reduction strategy was aligned with what climate science estimates necessary to meet the 1.5°C trajectory.

Siemens Gamesa has set the following targets through 2025 to meet its net-zero goal by 2040 The first two targets have been achieved and the Company is working closely with its supply chain to deliver the third target.

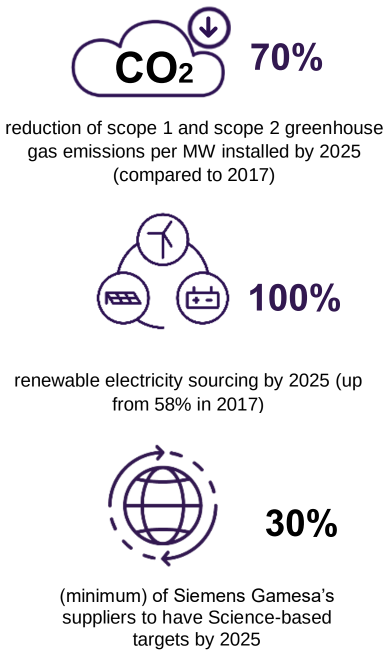


Figure 26 - Siemens Gamesa science-based targets

(iii) Climate change integration into risk management processes

Drawing on the quantified risks identified in the scenario analysis conducted in 2020, a two-year roadmap was developed in 2021 to determine how climate change risks and opportunities could be better integrated into business processes to support strategic decisions.

The purpose of this roadmap was to integrate climate change risks and opportunities more systematically into the ERM (Enterprise Risk Management) and ICFR (Internal Controls and Financial Reporting) processes; provide more clarity on governance structures across the various levels of the organization in relation to climate change topics; strive towards full alignment with TCFD recommended disclosures; and assess and disclose the potential impact of climate risks and opportunities on the financial performance of Siemens Gamesa.

The two-year roadmap contains activities to better integrate climate change into the Company's governance, strategy and risk management processes. These activities will ensure an embedded process to run periodic scenario analysis to identify climate change risks and opportunities in longer time horizons, the use of a risks radar that integrates medium- to long-term (+3 years) risks, and clearly defines processes of annual review, prioritization, management, internal audit and escalation.

Figure 27 – Siemens Gamesa net-zero carbon emissions strategy

Energy reduction and efficiency measures. Implement energy efficiency measures related to our operations across production facilities and project sites to reduce our Scope 1 emissions. [See Table 37- GHG emissions (tCO2-eq)]

Electricity supply from renewable energy-based sources. Since 2020, Siemens Gamesa is powered 100% by electricity from renewable sources, impacting our Scope 2 emissions.

Green mobility plan to reduce fleet emissions. Siemens Gamesa has implemented various projects on this lever: i) The global roll out for the exchange of the material handling vehicles to low-carbon alternatives to support the company's Scope 1 (Direct) GHG emissions, and ii) the Siemens Gamesa Employee Mobility & Transport Benefits Policy, in combination with the policy to support the reduction of the Company's Scope 3 (Indirect) GHG emissions.

Offset of non-avoided emissions through compensation projects. Siemens Gamesa is currently investing in Clean Development Mechanism (CDM) projects such as the Bii Nee Stipa project in Oaxaca, Mexico, and sink projects involving reforestation actions that could contribute to offsetting our greenhouse gas emissions. In fiscal year 2021, Siemens Gamesa voluntarily cancelled 28.805 Certified Emission reductions (CER) to offset not yet eliminated emissions.

Additionally, we performed various reforestation campaigns during the fiscal year, where already planted trees in countries like Mexico, China, Spain and India. We are joining forces with the 'Saving the Amazon' organization to support their efforts to conserve the Amazon by planting trees with local indigenous communities.

Awareness campaigns and employee ideas. Siemens Gamesa has launched several campaigns to encourage employees to make additional environmental improvements in both their private and work lives and share best practices. For example, the Do-Good application was launched in 2021 and in the same year various Cleanup Days were hosted.

Engagement across the value chain. Since over 95% of the carbon footprint of Siemens Gamesa's wind turbines is generated in our supply chain, the company is working on engage the supply chain into the decarbonization strategy. Siemens Gamesa has a verified science-based target related to its suppliers, in which 30% of Siemens Gamesa's suppliers by spend, covering purchased goods and services and transportation and distribution will have science-based targets by 2025. In 2021, a sustainability department was established in the procurement function to support this.

C2.5 Metrics and Targets: Metrics and Targets Related to Climate Change

Targets

[L11-M16] As indicated in Section C.2.4, Siemens Gamesa has set targets for the next five years until 2025 to meet its net-zero goal by 2040:

- Reducing scope 1 and scope 2 greenhouse gas emissions by 70% per MW installed (compared to 2017).
- Increasing the annual sourcing of renewable electricity to 100% (up from 58% in 2017).
- 30% of Siemens Gamesa's suppliers in terms of expenditure, covering purchased goods and services and transportation and distribution, will have Science-Based targets by 2025.

The first two targets have been achieved and the Company is working closely with its supply chain to deliver the third target.

Additionally, Siemens Gamesa was rated "A" within the climate change module of CDP (formerly Carbon Disclosure Project).

Greenhouse gas emissions metrics

[L11-M06] Siemens Gamesa measures its direct and indirect emissions on an annual basis in accordance with the requirements of ISO 14064-1. The greenhouse gas (GHG) emissions inventory is then published in our GHG emissions report, which is verified by a third party and made public. The Company's total emissions of CO_2-eq under Scope 1 and Scope 2 amounted to 28,805 tons CO_2-eq in FY21 (27,910 in FY20).

[305-4] The GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other specific internal metric. In the case of Siemens Gamesa, the most representative metric is the number of megawatts installed. For the reporting period, the combined intensity ratio for direct (Scope 1) and indirect (Scope 2) GHG emissions was 2.8 $tCO_{2\text{-eq}}$ /MW (3.2 $tCO_{2\text{-eq}}$ /MW in 2020) [See Table 37- GHG emissions (tCO2-eq)]

Scope 1 (direct) emissions

[305-1] Direct GHG emissions (Scope 1) arise from sources owned by the Company or under its control. It includes emissions generated by the combustion of materials to generate heat. In addition, chlorofluorocarbon substances (CFCs) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the atmosphere. The presence of these substances at Siemens Gamesa is marginal and found mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is performed in accordance with prevailing legislation. Scope 1 emissions amounted to 26,788 tCO_{2eq} in FY21 (26,053 tCO_{2eq} in FY20), i.e. a 3% increase year on year. [See Table 37- GHG emissions (tCO2-eq)]

Scope 2 (indirect) emissions

[305-2] Indirect GHG emissions (Scope 2) refer to the consumption of purchased electricity and district heating. Siemens Gamesa uses a market-based approach to calculate the indirect emissions produced by consuming electricity. Scope 2 emissions amounted to 2,017 tCO_{2eq} in FY21 (1,857 tCO_{2eq} in FY20), i.e. an 8.5% increase. Siemens Gamesa's renewable electricity ratio has been steadily rising from 58% in FY17, 61% in FY18 and 62% in FY19 to reach 100% in FY20 and FY21. Our annual electricity consumption amounted to almost 650 GJ, all of which was generated by renewable sources. [See Table 35 - Energy use (Gigajoules-GJ)]

Scope 3 (other) emissions

Scope 3 emissions are all indirect emissions (not included in scope 2) that arise in the Company's value chain, including both upstream and downstream emissions. This calculation includes transportation and distribution (marine diesel oil for vessels), disposal of waste generated in operations, use of sold products, business travel (air and rail) and employee commuting. Scope 3 emission amounted to 856,082 t CO_2-eq in FY21 (516,853 t CO_2-eq in FY20). The increase is due to the inclusion of jet and marine fuel data for construction and service activities that were not considered in fiscal year 2020. [See Table 37- GHG emissions (tCO2-eq)]

C3. Sustainable Use of Resources

C3.1 Management Approach

Siemens Gamesa's Environmental Management System is the central framework that helps us achieve our environmental targets and it is based on the principle of continuous improvement. [See Section C1.3 Environmental Management System]

Our HSE Aspects [55] (PRO-31731) are pivotal to helping us determine our environmental aspects, in terms of both risks and opportunities, and informing us on how to manage them. Our annual evaluation is one source of input to our sustainability strategy and improvement KPIs [See Section C1.4 Environmental Targets]. Our global aspects evaluation is a compilation of the local aspects evaluations that are performed at each of the factories and project sites.

The Company's environmental management systems identify, assess and minimize any possible negative impacts of the Company's carbon and other atmospheric emissions, in addition to their noise and light impact, raw material consumption, waste, water usage and spillage, and chemical product management, while at the same time maximizing their positive impacts.

[L11-M09] With regard to the legal requirement concerning the sections on food waste and light pollution, Siemens Gamesa states that these are not material aspects of its activity. This is due to the nature of Siemens Gamesa's business and based on the materiality assessment.

Siemens Gamesa's environmental management systems are verified and certified by independent entities accredited according to the international ISO 14001 standard.

C3.2 Use of Materials

[L11M11] [301-1] The Company’s use of raw materials in 2021 stood at 2,362 thousand tons (1,424 thousand tons in FY20), mostly steel, structural concrete and low-alloy steel. Other significant materials include glass fiber, epoxy and cast iron. The difference between years is given by (i) The difference in production between years and (ii) The different calculation method used, as it is explained in table 34. [See Table 34 - Top key commodities & materials used by weight]

C3.3 Energy Use

[L11M12] [302-1] Energy consumption within Siemens Gamesa is monitored systematically for all significant Group locations (production facilities, buildings, project sites and offices belonging to Siemens Gamesa, which account for 95% of the energy consumption, excluding energy consumption by subcontractors). The energy consumption is calculated by adding i) Primary energy consumption of fuels and ii) Secondary energy consumption of electricity and district heating purchased from third parties.

Energy consumption monitoring is set out in our internal procedure on Environmental Monitoring and applies to all of Siemens Gamesa. The procedure defines the criteria to ensure monitoring of all significant locations and units, as well as the established cut-off criteria. Hence, the scope includes at least 95% of total energy consumption. There is clear visibility of the locations in the scope of monitoring and each data type is defined in detail to ensure the data is recorded consistently across all countries and locations. Energy consumption data is recorded in the Sphera tool on a monthly basis after it is checked by several input units. All records are reviewed and converted to GJ, which is the Company’s standard unit.

One hundred percent of our products provide benefits to our customers and consumers in terms of resource efficiency, decreased GHG emissions reduction, and pollution reduction during their use phase. Additionally, Siemens Gamesa owns wind and solar assets that generated more than 390,000 MWh of electricity in FY21, which is more than our in-house consumption, with the result that Siemens Gamesa is a net producer of renewable electricity. The clean energy production from our wind farms helps us and our customers advance towards the target of Net Zero by 2040. Siemens Gamesa also utilizes Energy Attribute Certificate (EACs) for self-generated electricity, where possible. The assets are in Spain, Denmark, India and United States.

Total internal energy consumption amounted to 1,153,471 GJ in FY21 (4% lower than in 2020). Accordingly, annual energy consumption per employee is estimated at 44 GJ in FY21. Natural gas is the main primary energy source, representing 49% of the total primary energy demand.

[L11M13] Total electricity consumption amounted to 618,385 GJ in FY21 (655,497 GJ in FY20), 100% of which was from renewable sources. Siemens Gamesa’s electricity consumption is now covered by minimum EACs or onsite generation, which ensures that the origin of the electricity is from renewable sources; this has drastically reduced Siemens Gamesa’s scope 2 emissions. [See Table 35 - Energy use (Gigajoules-GJ)]

C3.4 Other Atmospheric Emissions

[305-6] Other industrial emissions into the atmosphere are also relevant in terms of environmental protection.

Volatile organic compounds (VOC) contribute to the formation of ozone close to the earth’s surface and are responsible for what is known as summer smog. These organic compounds are used by Siemens Gamesa as solvents in paints and adhesives, in impregnation processes and for surface cleaning. Monitoring of VOC emissions is defined by local authorities and can be done either via measures in the exhaust systems or via mass balances by calculating atmospheric emission based on the actual consumption and the amounts disposed of as waste. Both methods are accepted in our internal procedure for air emissions management because they comply with local legislation. Quantitative measurements are conducted at each air emission source by an authorized third party where required by the authorities.

We also monitor the use of ozone-depleting substances (ODS) and comply with the Montreal Protocol, the international convention on the protection of the ozone layer, as well as with country-specific legislation. [See Table 38. Other atmospheric emissions (t)]

C3.5 Noise Management and Control

[L11-M08] The Company has implemented operating procedures to control the release of air pollutants and ensure legal obligations are met. Documentation is recorded and filed properly for verification and auditing. The operating procedures also set minimum requirements for the management and control of noise emissions.

In order to ensure that a production facility complies with the local noise limit as set forth in the environmental permit, the noise level of the specific processes and equipment is measured. Maintenance or technical departments must be aware of local legal requirements on noise and react if any equipment or vehicles exceed permitted noise levels. This also applies to external suppliers. When purchasing new equipment (ventilation systems, forklift trucks, production equipment, etc.), noise level specifications are considered along with other technical specifications. The HSE functional areas assess noise by measuring the overall noise level in order to ensure compliance with the legal requirements as set forth in the environmental permit. When designing new processes or changing existing processes, noise level specifications are considered and the local HSE functional area makes consultations to ensure the change is allowed under the environmental permit.

C3.6 Waste management

Environmental impacts from Siemens Gamesa's waste depend on the type of waste and the chosen waste treatment method. Our waste performance indicators address absolute improvements in waste and waste treatment according to the waste hierarchy.

Waste generation and management are governed by our internal waste management procedure, which applies globally across Siemens Gamesa. The procedure distinguishes between hazardous and non-hazardous waste, provided it is generated by our production facilities and project sites. Waste generation at all significant locations is logged on a monthly basis.

Waste records are divided into recyclable waste (which, in turn, is divided into waste for reuse, waste for recycling and waste for recovery, including energy recovery) and waste for disposal or landfill. In addition to stating the proper procedure for recording all kinds of waste, the procedure also sets requirements for local waste management plans and for waste segregation, labelling and storage to ensure there is no contamination from spills, while ensuring proper disposal.

The total volume of waste amounted to 63,127 t in FY21 (68,311 in FY20). The ratio of hazardous waste to non-hazardous waste produced was 1:7, and the waste overall recycling rate was 79% [See Table 39 - Waste production (t)]

C3.7 Water Management

[L11M10] [303-1] Siemens Gamesa consumes water mainly at manufacturing facilities, where best practices available are used to reduce water withdrawal and consumption and to include reused water in production processes. Work is also being done to lower the environment impact by avoiding water withdrawal in water-stressed areas. The Company is also focusing on making efficient and responsible use of sanitary water at offices and buildings.

Water usage is governed by an internal procedure for water and soil protection that sets out the requirements for monthly recording of the usage of different water types and of wastewater production and disposal. The procedure also has detailed recommendations for using spill kits to mitigate the potential effects a spill may have on local watercourses.

Total water consumption amounted to 553,270 m^3 in FY21 (522,530 m^3 in FY20). A total of 2,248 m3 of recycled water was used in FY21; this includes a total of 2,155 m^3 (16,945 in FY20) of recycled water treated internally. [See Table 40. Water consumption (m3)]

There are no records of any water sources being significantly affected by water withdrawals made by Siemens Gamesa in the reporting period. In other words, no water sources were recorded to have been significantly affected by:

- Withdrawals which amounted to more than 5% of the total annual average of any water mass.
- Withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or otherwise, a threatened or endangered system that shelters protected plants or animals.
- Withdrawals 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 occur.

The volume of discharged effluents at the end of the reporting period amounted to 491,862 m^3 (342,227 m^3 in FY20) Most discharges are linked to manufacturing processes. [See Table 41-Wastewater produced (m3)]

C3.8 Substances

Siemens Gamesa's global substance management process ensures that chemical products involved in our activities are used in a safe and environmentally sustainable way. The process is set out in our internal substance management procedure. The procedure applies to wind turbine design and development, procurement, materials handling, transport and component imports/exports. It also applies when a chemical product or component waste is handled during wind turbine manufacturing, assembly, installation and servicing. Furthermore, the procedure establishes requirements for chemical products used in work performed by third parties under Siemens Gamesa's responsibility.

The Procedure on Substance Management sets forth an assessment process which covers all requests to use new chemical products at Siemens Gamesa. The assessment process is conducted by internally trained employees who assess the request against Siemens Gamesa's official List of Prohibited Products and its official List of Restricted Products. Prohibition or restriction criteria are defined based on the chemical products' hazard classification. Existing products are assessed on an annual basis and phase-out plans are implemented for existing products when they meet prohibition criteria.

In FY21 we completed awareness training on substance management for our supplier qualification employees. More than 200 colleagues completed those sessions related both to product related environmental laws, including substance regulations at our suppliers, and to protection against exposure to chemical products and processes.

C3.9 Environmental Incidents

Spills

Operational controls are implemented at all Siemens Gamesa production facilities and project sites to protect water and soil from spills e.g. through the establishment of prevention and response plans and the use of control measures such as spill trays, loading and unloading areas, proper storage of substances, routine inspections, etc. Should a spill occur, Siemens Gamesa is equipped with detection, reporting and correction methods to prevent a recurrence. A total of 861 spills were recorded in FY 2021, of which 471 were contained and another 390 affected either water or soil to some degree. None of these spills required any exceptional corrective measures.

Other environmental incidents

In addition to spills, we registered 636 other minor environment-related incidents in relation to:

- Biodiversity impact (125).
- Environmental non-conformity (403).
- Fire, smoke, explosion (14).
- Stakeholder complaint (noise, smell, dust) (30).
- Weather or natural disaster (flood, winds...) (64).

[See Table 42 - Environmental incidents]

There were no significant nonconformities or stakeholder complaints in 2021 involving reports made to the authorities which were related to the environment. Siemens Gamesa did not pay any significant fines or penalties for environmental or ecological issues in FY21. Significant fines or penalties are defined as those exceeding $10,000 USD (or its equivalent in a local currency).

C3.10 Product Recycling

[L11-M07] Although wind turbines already have a recyclability rate of 85%, it has been inherently difficult to recycle the rotor blades in a cost-efficient way. Furthermore, as the number of installations and turbine sizes continue to increase, it is becoming even more important to reduce the amount of waste. Siemens Gamesa is committed to offering 100% recyclable turbines by 2040 at the latest.

In September 2021, the Company launched RecyclableBlade[56], the world's first recyclable rotor blade for commercial use offshore. The concept reuses the proven design of Siemens Gamesa blades but utilizes a resin that is recyclable; thus, it is possible to separate the materials used to manufacture the blades, at the end of their service life, and recycle them into new applications. The first blades have already been cast and are ready for installation in FY22.

Figure 28 - RecyclableBlade

Another clear example of Siemens Gamesa's commitment to full product recyclability is its endorsement of WindEurope's call for a European ban on landfilling rotor blades by 2025[57]. This call was presented by Wind Europe's Sustainability Working Group at the June 2021 annual meeting of the Spanish Wind Energy Association, of which Siemens Gamesa is an active member.

To sustainably manage the blades already installed, Siemens Gamesa participates in the DecomBlades consortium[58], which is a cross-sector wind turbine blade recycling project. Consisting of ten project partners, the three-year project aims to lay the foundation for the commercialization of sustainable recycling techniques for the rotor blades. Together, these partners represent the value chain required to establish a recycling industry for composite materials – from supply, to processing, to implementation.

Siemens Gamesa is also participating in the development of an international standard (IEC 61400-28-2), with the scope to provide guidance on optimized recycling at the end of wind turbines' service life. Harmonizing national standards that apply to the decommissioning of wind turbines will be key to ensuring cost- and resource-efficient processes.

Siemens Gamesa continuously assesses its participation in similar projects, research consortia and networks because they directly support our HSE strategy, particularly in relation to waste and resource efficiency. Increasing the recyclability of turbine components is high on our agenda and we participate continually in projects to support the development of a circular economy. Siemens Gamesa advocates for industry-wide international standards on product decommissioning and recycling instead of specific national regulations.

Siemens Gamesa works continuously on improving the end-of-life phase. For example, we offer extended lifetimes in both design and lifetime extension programs. Some of our 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.

C3.11 Biodiversity

[L11-M17] [L11-M18] Siemens Gamesa 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.
- Potential species mortality due to collisions with our customers' wind turbines.

Despite these potential impacts on biodiversity, Siemens Gamesa 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. This respect for biodiversity and ecosystems plays a leading role in the Company's business strategy. There are a number of regulatory and voluntary instruments to achieve a positive net balance in relation to biodiversity and the environment, including:

- Full compliance with permits granted by environmental and conservation authorities in each region, which establish requirements to ensure local environmental protection.
- Company policies and procedures under the integrated management system which establish environmental control plans.
- Support for conducting environmental impact studies, which include analysis and prevention mechanisms that consider various alternatives and lay down corrective measures to avoid, mitigate or offset any possible damage.
- Technology development related to our control functions (SCADA) and compatibility with other third-party applications for the detection of bird and bat species.

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. If they cannot be completely mitigated, offsetting measures are taken. Siemens Gamesa has activities in some areas where threatened species included in the IUCN Red List and in other national conservation lists live or may be present. This, however, does not mean that they are affected or threatened by such activities. The identification of species on the IUCN Red List and other species included in national conservation lists which could be affected by Siemens Gamesa's activities is monitored to take the necessary measures to avoid endangering them.

In November 2020, Siemens Gamesa was one of the initial members of The Offshore Coalition for Energy and Nature (OCEaN)[59], a coalition of NGOs, wind industry and transmission system operators who cooperate on the sustainable deployment of offshore wind, while ensuring alignment with nature protection and healthy marine ecosystems.

D. Fight against Corruption and Bribery. Respect for Human Rights

D1. Ethics, Integrity and Anti-Corruption

D1.1 Management Approach

[103-1] [102-17] Compliance provides the foundation for all our decisions and activities and is the key component of our business integrity. Compliance is not a program; it is the way we conduct business. Our main principle is: “Clean business at the core of clean energy”. This means complying strictly with all laws and internal regulations and adhering to the principles of ethical business conduct, as described in the Business Conduct Guidelines.

Our Business Conduct Guidelines lay the foundation for our internal regulations and give expression to the Company's values and compliance-related responsibilities, and serve as a behavioral framework for all managers, employees, and Board members worldwide.

Compliance at Siemens Gamesa starts at the very top. Management of the Siemens Gamesa units hold overall responsibility for compliance and are expected to act as role models in matters of compliance and integrity, emphasizing their importance and promoting them through personal leadership and training.

Given the importance of compliance matters, the Chief Compliance Officer reports regularly to the Audit, Compliance and Related-Party Transactions Committee, as well as to the Executive Committee. The Executive Committee and the CCO review and evaluate the effectiveness of the compliance system and adapt it in accordance with the changing requirements in regulatory environment and business needs. The ACRPTC is overseeing the process.

D1.2 Compliance System

The Company has a robust compliance system that underpins all our decisions and activities, in strict compliance with all laws, business ethics principles and internal regulations. Systematic processes and tools are used to support the effective mitigation of compliance risks. The pillars on which our compliance system is built are as follows:

- **Prevention:** Effective preventive measures, such as risk management, policies and procedures, training and communication, enable misconduct to be avoided systematically.
- **Detection:** Effective compliance work requires complete clarification: whistle-blowing channels as well as fair, professional investigations.
- **Response:** Explicit consequences and clear reactions support the prevention of misconduct, for example punishment of wrongdoing and elimination of deficiencies.

D1.3 Applicable Policies & Operating Procedures

Business Conduct Guidelines

The Business Conduct Guidelines (BCGs) define Siemens Gamesa's attitude to responsible business conduct, what we stand for as a Company and our responsibilities in our markets, in society and towards the environment. The BCGs must be fully implemented within Siemens Gamesa Group and our employees must comply with them in their entirety.

Compliance Handbook

Siemens Gamesa’s Compliance department has worked on harmonizing all compliance processes, guidance and policies by drawing up a single policy known as the Compliance Handbook. This document applies to the entire Siemens Gamesa Group.

Figure 29 - Compliance system

D1.4 Compliance Organization

The Compliance Organization is responsible for the overall governance and implementation of the Company’s Compliance system in all areas within (1) compliance, which covers anti-corruption, antitrust, anti-money laundering and human rights; (2) data protection; and (3) export control and customs.

1a) The **Compliance Advisory** team defines and implements the framework of compliance rules, policies, and procedures based on laws and regulations.

1b) The **Compliance Investigations & Regulatory** team is responsible for handling, managing and reporting all compliance allegations and any cases involving Siemens Gamesa units and third parties.

2) The **Data Protection** department is responsible for Siemens Gamesa's data protection strategy, worldwide implementation of the Binding Corporate Rules ("BCR"), and advising, clarifying, and handling data protection incidents and requests. The policies and processes needed to comply with the EU General Data Protection Regulation ("GDPR")[60] and other local data protection laws have already been implemented.

3) The **Export Control and Customs (ECC)** department is responsible for the overall governance of all ECC activities, which include applicable regulatory guidance, regional governance and coordination, and external relations and reviews. The overall mission of the ECC department is to ensure and facilitate legitimate trade, materialize local revenues and protect our business activities, defined as ensuring export control and customs compliance. This mission is being achieved through a Global Corporate ECC Functional Area and by introducing lean best-in-class policies, principles and IT solutions.

D1.5 Anti-Corruption

[L11-C01] Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights and undermining of the rule of law. Siemens Gamesa has established regulations on many aspects related to corrupt practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, as well as the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust.

- **Gifts and hospitality:** All benefits given to third parties must be in accordance with local law, the Business Conduct Guidelines and the Compliance Handbook.
- **Sponsorships, donations, charitable contributions, and memberships:** Each planned sponsorship, donation, charitable contribution or membership must comply with certain rules and strategic guidelines which are set out in the Corporate Affairs principles.
- **Business Partners:** Siemens Gamesa enters business relationships with many third parties every day and, in certain circumstances, it may be held liable for the actions of certain third parties, which Compliance refers to as "Business Partners". Before establishing a relationship with Business Partners, Siemens Gamesa must take steps to create transparency and ensure that the relationship is evaluated and monitored, by performing Compliance Due Diligence (CDDs) and including certain mandatory contract provisions in the contracts.
- **Facilitation payments and payments under duress:** Facilitation payments are prohibited by the Business Conduct Guidelines.
- **High risk payments:** The high-risk payment process aims to prevent and mitigate compliance-related risks, particularly corruption risks, related to certain types of payments and payees.
- **Customer projects:** During all stages of a project or bid preparation, compliance-related risks may arise and need to be mitigated. The Siemens Gamesa Sales organization has overall responsibility for ensuring appropriate identification of compliance risks and adequate mitigation in combination with automated risk triggers included in the project tool. A Compliance, Security and ECC (CoSECC) check, including anti-corruption, anti-money laundering and human rights questionnaires, is part of the Siemens Gamesa Sales Business Approval (SBA) process, which is applicable to all projects.
- **Compliance in Procurement:** Identifying and mitigating compliance risks in procurement at an early stage is one of the goals of the Siemens Gamesa supplier selection, qualification and auditing processes. The Company also expects its suppliers and business partners to share Siemens Gamesa' values and comply with applicable laws as laid down in the Code of Conduct for Siemens Gamesa Suppliers and Third-Party Intermediaries.

D1.6 Anti-Trust

[206-1] Violations of antitrust law represent an enormous risk for the Company and its employees, particularly in fines, damages, exclusion from public tenders and reputational harm. Therefore, Siemens Gamesa has defined and implemented an Antitrust Compliance concept based on the following principles:

- Identification of antitrust-related risks.
- Clear communication and training regarding the necessity of antitrust compliance.
- Investigation of infringements of antitrust law and the application of disciplinary sanctions.

D1.7 Anti-Money Laundering and Prohibition of Terrorism Financing

[L11-C02] Siemens Gamesa does not tolerate money laundering and terrorism financing. All employees are obliged to abide to all laws and regulations aimed at preventing, detecting and reporting money laundering, terrorism financing and related criminal activities.

The Siemens Gamesa Anti-Money Laundering (AML) module aims to create a high level of transparency in business conducted with third parties (Counterparts) and includes:

- Performance of specific due diligence, including a "Know Your Counterpart" (KYC) process.
- Monitoring procedures for potentially suspicious business relationships and forms of payment.
- Reporting of suspicious transactions or suspicious behavior of any business counterpart to the local authorities.

D1.8 Channels for Reporting Misconduct

Siemens Gamesa offers all employees and third parties protected reporting channels to report specific information about suspected compliance violations. In so doing, they help the Company to identify and eliminate misconduct and grievances and protect it against risks or harm that may result.

Compliance violations may be reported to the following:

- Manager.
- Chief Compliance Officer.
- Regional/Division Compliance Officer.
- Human Resources personnel.
- Integrity Hotline (Whistleblowing Channel, with possibility of remaining anonymous).
- Employee representatives.

Information on possible violations can be provided confidentially and anonymously, as needed, if legally permissible under local law. In addition, the Company does not tolerate retaliations of any kind against individuals who have reported compliance violations. The Compliance department examines all reports and takes appropriate measures.

D1.9 Performance in 2021

Compliance training and communication

To make sure that all Siemens Gamesa employees are aware of the compliance rules and know how to put them into practice, training is one of the key elements of our compliance system.

Due to the very nature of their functions, some employees are exposed to specific compliance risks and must be provided with regular compliance training, which may consist of classroom/online training and e-learning courses. To maintain the awareness of compliance issues, the following compliance training is available [See Table 46– Compliance training

- **Compliance Basic Training**, covering anti-corruption, anti-trust, anti-money laundering, human rights, conflict of interest, and compliance as part of other business processes. The target group covers all Siemens Gamesa employees.
- **Business Conduct Guidelines e-Learning** targeting all Siemens Gamesa employees with a valid e-mail address.
- **Compliance introduction** is part of the global Human Resources on-boarding concept.
- Global Compliance awareness and refresher course for **Managing Directors** on a yearly basis.
- Training on request to mitigate local or business-specific risks (e.g. compliance in procurement, business partners, compliance in customer projects).

In addition, management at Siemens Gamesa must ensure that all our employees are informed about relevant internal compliance rules, processes and tools and that this information is kept up to date. Hence, the Compliance Organization designs an annual compliance communication plan in order to maintain the global awareness, including activities to cover the essential aspect of tone from the top. The plan is approved by the Audit, Compliance and Related-Party Transactions Committee and the Executive Committee.

Compliance Risk Management

In order to regularly identify, mitigate and avoid compliance risks, Siemens Gamesa has established the Compliance Risk Assessment (CRA). The CRA ensures bottom-up identification of risks in individual Siemens Gamesa units worldwide and its goal is to evaluate these risks and to define mitigation measures accordingly. The CRA creates awareness of compliance risks and strengthens cooperation between the Compliance Organization and the operational units.

The CRA is conducted every 2 years; however, effective from 2021, an additional high-risk CRA is conducted in odd years focusing on internal and external risk triggers to assess the countries with the highest compliance risk. The high-risk CRA 2021 was completed in July 2021 for China, India, Mexico and the USA. Measures to manage these risks identified in this CRA started immediately and will be finalized before the execution of the next CRA in FY22.

In addition to the CRA, compliance risks that are material in accordance with the Enterprise Risk Management (ERM) methodology are managed by ERM on a quarterly basis.

Compliance cases

[L11-H02] A compliance case is any violation of criminal and/or administrative law or Siemens Gamesa's internal regulations, such as the Business Conduct Guidelines, in the course of the business activity by at least one employee and/or a third party working on behalf of Siemens Gamesa.

All compliance allegations are first put through a plausibility check by the Compliance Officers. If the plausibility check suggests that the allegations are plausible, a mandate is issued to start an investigation on the case. When conducting the investigation, the main principles of a compliance Investigation must be adhered to.

All compliance cases reported to the Compliance Organization will either be handled by Compliance or forwarded to the relevant specialist department within Siemens Gamesa, and in certain cases mandated to an external group. All compliance cases are managed by Compliance in the internal compliance case management tool [See Table 47- Compliance cases]

[L11-SO10] **Compliance cases** may involve breaches of the law, of a Siemens Gamesa internal regulation, of accounting regulations, of fiduciary duties, or of stock market laws, as well as active corruption, antitrust violations, conflict of interest violations, money laundering or terrorist financing activities, human rights violations and retaliation on a whistle-blower.

Siemens Gamesa Group has investigated a number of allegations and indications of potential violations of internal policies and procedures, as well as of statutory laws. The investigations did mainly concern the Indian subsidiary, and a limited number of other jurisdictions. The respective internal investigations have been completed and revealed violations that have an immaterial impact in the consolidated financial statements as of September 30, 2021. In the course of these investigations a few isolated new allegations emerged which are currently investigated as new cases, but at the current stage are assessed to not be material. Should new relevant facts with regard to allegations of compliance violations emerge relating to either the finalized, or any current or future investigations, this could result in Siemens Gamesa or its respective subsidiaries being subject to payment of damages, equitable remedies, fines, penalties, profit disgorgements, disqualifications from engaging in certain types of business as well as additional liabilities.

The **nature of disciplinary consequences** varies according to the compliance misconduct in question, and appropriate penalties are determined after considering all the material circumstances. The Compliance Organization has introduced basic principles and evaluation criteria to ensure the consistency of central and local disciplinary processes. However, not all compliance cases result in disciplinary penalties. Some compliance cases may result in, for example, the improvement of the processes in question or other similar remediation measures.

The **remediation process** ensures that weaknesses, deficiencies and compliance violations detected during compliance investigations, clarifications and other fact-finding activities are addressed. All Siemens Gamesa departments affected by a compliance case must implement the recommendations of the relevant investigation report. The Compliance Organization (at a central or local level) is responsible for the implementation, follow-up and monitoring of remediation measures resulting from compliance investigations.

Compliance Control Framework

The Compliance Control Framework (CCF) aims at ensuring the adoption and implementation of the globally applied Compliance rules. It is an integral part of the Policy & Control Master Book (PCMB), which covers all compliance-related areas, such as business partners, customer projects, gifts and hospitality, etc. These areas are assessed through the Risk and Internal Control System (R/IC), which supports the Board of Directors, Audit, Compliance and Related Party Transactions Committee [61] and Executive Committee in their responsibility to manage risks effectively and provide reasonable assurance that the organization's assets are safeguarded, financial reporting is reliable, and laws and regulations are fulfilled.

All compliance-related deficiencies that are detected must be remediated before fiscal year-end, where possible. All units therefore have an obligation to organize, track and close measures, regardless of which Siemens Gamesa department has established them.

D2. Human Rights

D2.1 Management Approach

[L11-H01] [103-1] Siemens Gamesa considers respect for human rights to be an integral part of our responsibility as a global business.

Human rights are universal and every person around the world deserves to be treated with dignity and equality. Basic rights include freedom of speech, privacy, health, life, liberty and security, as well as an adequate standard of living.

To meet our responsibilities, Siemens Gamesa is a member of the United Nations Global Compact (UNGC). Its ten Principles, and the Industry All Union Global Framework Agreement[62], are binding on the entire Company. Siemens Gamesa is committed to embracing and supporting, within its sphere of influence, the set of core values in the areas of human rights, labor standards, the environment, and anti-corruption contained in the UNGC. This applies to our employees, business partners, customers and suppliers worldwide.

Siemens Gamesa acknowledges that potential human rights issues may arise in our own operations or the value chain. We are therefore publicly committed to ensuring fair and socially responsible behavior through formal policies and processes. Respect for human rights is covered by Siemens Gamesa as follows:

- Human rights are a module of the Compliance Risk Evaluation (CRE) within the Sales Business Approval (SBA) process.
- Human rights risk is a mandatory element of the Compliance Risk Assessment (CRA).
- Human rights are part of the Code of Conduct for Suppliers and Third-Party Intermediaries, which all suppliers must adopt and comply with.
- Human rights are encompassed in our employee relations worldwide.
- Human rights form part of compliance training.
- Human rights are part of compliance reporting by the Chief Compliance Officer.

Accordingly, Company must not be involved in any human rights infringements or other adverse human rights impacts. Siemens Gamesa employees are expected to avoid infringing the human rights of others and to address the adverse human rights impacts of activities and circumstances in which the Company is involved.

D2.2 Applicable Policies & Operating Principles

[L11-H03] Siemens Gamesa's commitments in this area are firmly rooted in the **Human Rights Policy** [63] and in the **Business Conduct Guidelines**, which set out the fundamental principles and rules governing the way we act within the Company and in relation to our partners and society.

D2.3 Performance in 2021

[L11-H04] There is no record of any sanctions or fines related to human rights infringements in FY21.

Identification of material human rights topics

Siemens Gamesa material human rights topics represent the main human rights topics emerging from our own business operations and supply chain and are the ones that we focus on mitigating. For the reporting period, the topics were identified through an internal assessment with subject experts from supply chain, human resources and compliance.

1) Human rights in the supply chain:

- Protection of human rights, non-discrimination, respect for cultures and communities.
- Fair operating practices, anti-corruption and bribery.
- Prohibition of forced labor and child labor.
- Recognition of employees' right of free association and collective bargaining.
- Occupational health and safety standards.

2) Human rights in the workplace:

- Prohibition of discrimination.
- Fair working conditions (fair wages and decent work hours).
- Occupational health and safety standards.
- Recognition of employees' right of free association and collective bargaining.

3) Human rights in customer projects:

- Occupational health and safety standards.
- Prohibition of forced labor and child labor.
- Protection of land, property and housing rights.
- Fair working conditions.
- Protection of indigenous and local communities' rights.

Respect for human rights in the supply chain

Siemens Gamesa's suppliers must share the common goal of behaving in an ethical, law-abiding manner, as set out in the Code of Conduct for Suppliers and Third-Party Intermediaries and in the Siemens Gamesa Supplier Relationship Policy. With regard to human rights, the Code contains binding requirements for the protection of internationally recognized human rights, in particular respect for the basic human rights of employees, including fair remuneration, freedom of assembly, health and safety standards, and prohibition of discrimination, forced labor and child labor. [See Section E3. Responsible Supply Chain for more details]

Respect for human rights in the workplace

Respecting human rights in employee relations is a core aspect of our commitment. [Section B4. Labor Relations for more details]

Human rights due diligence in customer projects

The Sales Business Approval (SBA) process is the Siemens Gamesa internal approval process for customer projects, including the development of wind farm opportunities.

In this process, compliance is evaluated as a mandatory step through the Compliance Risk Evaluation (CRE), using pre-defined questionnaires in order to identify, mitigate and/or approve risks related to the project. If the defined risk criteria are met, a Human Rights Project Due Diligence is performed, where the project is assessed for potential human rights risks regarding its location, labor rights, local community rights, livelihoods, security details and partners. All potential risks that are identified must have a mitigation plan in place; otherwise, the project will not be approved by the CRE process.

In addition, human rights are a mandatory element of the Compliance Risk Assessment (CRA). Any human rights risks detected during the bottom-up risk assessment conducted on each Siemens Gamesa unit must have a mitigation plan, which must be implemented in the following financial year.

Grievance mechanisms and human rights-related channels

The same reporting channels as described in section D1.8 can be used to disclose human rights-related issues and queries on an anonymous basis. Siemens Gamesa is not aware of any human rights-related issues submitted via these channels in the reporting period. During FY21, Siemens Gamesa Compliance department has received one Human Rights allegation for which an internal investigation was initiated. The investigation has been finalized. No Human Rights violation could be substantiated.

E. Information about Society

E1. Social Commitment

E1.1 Management Approach

[L11-SO02] Siemens Gamesa is deeply anchored in the communities in which we operate. We see it as our duty to support them in their sustainable development. That is our business model. Long-term acceptance by local communities is our main priority, and our goal is to be an active part of their activities and their community. By contributing to the achievement of the United Nations' Sustainable Development Goals (SDG), we also meet the concerns of employees by engaging with communities through volunteer activities [64].

E1.2 Commitment to Sustainable Development

During FY21, we launched a digital platform[65] to manage all the Social Commitment projects. This platform makes a big difference and allows us to obtain important advantages from our activity.

The digital platform (our virtual office) enables us to be much more efficient, to reach more beneficiaries, to better measure our results and, additionally, to have better visibility of our strategy and commitment. Since the launch of our digital platform, we have received more than 5,400 visits.

In summary, we are prepared to get better results by helping the communities where Siemens Gamesa is present.

E1.3 Policy Framework

[L11-SO03] The Social Commitment Policy [66] caters to the Community pillar and provides the framework for any community engagement or charitable giving initiative. It defines the following primary objectives:

- Promotion of Social Commitment, including social assistance and social inclusion.
- Social aims related to sustainability, especially to climate change.
- Foster and support educational initiatives.
- Foster and support social enterprises and start-ups pursuing social aims, with the possibility of having an equity interest in such entities, subject to prior authorization of the Board of Directors.

Hence, the UN Sustainable Development Goals (SDGs) play a crucial role in Siemens Gamesa's community approach: any charitable giving 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 any social action initiative or community engagement must be the group of beneficiaries. However, the value of an activity is based not only on the mere number of beneficiaries, but also on the qualitative impact the project has on vulnerable individuals or groups.

The purpose of Siemens Gamesa's Donations and Charitable Contribution Policy is to regulate donations and charitable contributions at a group level to comply with the Business Conduct Guidelines on donations and charitable contributions and with the Social Commitment Policy. This policy defines the guidelines and framework on how to proceed (initiate, assess and approve) with regard to donations and charitable contributions by Siemens Gamesa.

E1.4 Strategy & targets towards 2023. Priorities & KPIs

[L11-SO03] Our Social Commitment strategy[67] focuses on helping society through actions which are linked to the UN's SDGs, particularly SDG1 No poverty, SDG 4 Quality Education, SDG 13 Climate Action, SDG 14 Life Below Water, and SDG 15 Life on Land.

WHAT

- **Combating Poverty**: because we need to be part of the communities.
- **Technological Education**: push the talent we'll need in the future.
- **Protecting the environment**: to contribute to saving the planet.

WHY

- Long-term stability & trust in our social commitment.
- Employees' sense of belonging and motivation, strongly focused on volunteer work.
- Alignment with analysts & investors demand for improving Environmental, Social, and Governance (ESG) performance.
- Separate all social activities from the business and unify, coordinate and enhance them.

HOW

The Social Commitment department is digital, making us a pioneer in our industry. Our digital platform enables us to attain greater efficiency, reach more beneficiaries, measure and enhance our impact and connect with volunteers, partners, students and the general public (e-learning, volunteer portal, collaborator portal, events, etc.)

Figure 30. Social Commitment strategy towards 2023

These activities are independent from the business. In order to attain our goals, the Company has set out three lines in its strategy:

- Help fight poverty in the communities where we are present.
- Combat the effects of climate change.
- Promote and encourage education in technological matters, especially in STEM[68].

E1.5 Performance in 2021

Transversal Projects

Sustainable Employee and Sustainable Family

With this project we want to raise awareness of sustainability among our employees and introduce sustainable habits in daily life:

- In September 2021, we launched the DoGood app for our employees. Using this app, over a one-month period, employees received a number of challenges that address the Sustainable Development Goals related to our strategy. The aim was to enable employees to adopt sustainable habits in their daily lives. During the first round, more than 700 employees registered in the project; a new round is launched every 2 weeks.
- Another project during FY21 involved replacing plastic in our main locations. We placed glass water jugs and drinking glasses in the meeting rooms for use by employees with our main stakeholders. The goal is to avoid any use of plastic in the future.

Combating Poverty

Following our goals to fight against inequality and poverty and to meet the UN 2030 Agenda, we launched a Winter Campaign with more than twelve initiatives around the globe. Siemens Gamesa employees helped to bring some joy to neighbors, children and people in need by donating toys and clothes last winter, sending the clear message that caring for others is important not only at Christmastime/Winter but also, especially, during the pandemic. More than 17 initiatives (24,000 beneficiaries of meals, toys, sanitary products and clothing…) were implemented in Denmark, Germany, Spain, Mexico, Chile, Brazil, France, the UK and US.

During FY21, we provided relief for COVID-19 through donations of food and sanitary kits to more than 1,000 beneficiaries in Brazil and India. Through these actions we sought to relieve the burden on the healthcare system and help the communities where we are present.

Figure 31. COVID-related donations

Protecting the environment

The fight against climate change is in our business DNA, not only by reducing emissions with our turbines, but also through environmental projects and charitable giving initiatives that contribute to reducing the CO_2 footprint. At Siemens Gamesa, we believe that reforestation and cleaning up our coasts are some of the best ways to fight climate change and contribute to environmental protection.

- A mature tree absorbs 22 kg. of CO_2 per year.
- River, beach, coastal pollution endangers biodiversity.
- Over 3 billion people depend on the ocean for sustenance.

Forests of Siemens Gamesa

In FY 2021 we launched “Forests of Siemens Gamesa”, which aimed to restore degraded forests around the globe. With the support of more than 600 employee volunteers, we have planted 20 forests in 10 countries (Mexico, Spain, Brazil, Germany, Denmark, France, US, UK, Morocco, China) with more than 80,000 trees in total. The aim is to raise awareness about the importance of reforestation in the fight against climate change and of protecting our forests through this opportunity to do volunteer work.

In line with the “Forests of Siemens Gamesa” project, we have created a special forest in the Amazon with 28,000 trees that were planted in the name of Siemens Gamesa employees by indigenous people from the Brazilian Amazonian rainforest. This project is employing more than 170 people from the indigenous community for three years.

Coastal Clean-ups

With the support of more than 200 employee volunteers, we have already removed a total of 11 tons of waste from lakes and coastlines in 6 countries (Spain, UK, Germany, Morocco, US and Taiwan), relieving the impact on wildlife and the damaging effects of pollution in our seas, oceans and rivers.

The purpose of the clean-ups is to engage people to remove garbage from beaches and waterways. The goal is to protect the environment, reduce CO_2 and protect biodiversity, while producing a behavioral change by making people aware and changing habits.

We have also given all our employees the opportunity to organize their own clean-ups and to join the corporate volunteer events by using the Clean Swell app. With this app, each employee can register their activity and join Siemens Gamesa groups.

Digital Clean-up Day

Twice per year, we hold a Digital Cleanup day with the NGO Let’s Do It World. The first edition was launched on World Clean-up Day on September 19, 2020; because of the great response, a second edition was held on March 27, 2021, and a third on September 18, 2021. Overall, 392 tons of CO_2 were eliminated. This event will take place twice per year to maximize the results and have a better environmental impact.

More than 200 employees have participated to date.

On average, worldwide streaming online video is responsible for more than 300 million tons of CO_2 emissions per year and a single email with an attachment emits 50 grams of CO_2 [69].

There are many documents, videos, emails and other elements that we store unnecessarily. The carbon footprint of the Internet right now is 3.7% of the world’s total CO_2 emissions and that will increase to 20% in 10 years if we don’t act.

4th Siemens Gamesa Impact COVID-19 Special Edition

In line with our goal of meeting the 2030 Agenda, we launched the 4th Edition Impact Project focused on social and humanitarian aid to combat poverty due to COVID-19. However, we also considered projects related to our main areas: fighting against climate change, promoting quality education, and combating poverty.

Siemens Gamesa Impact is a Company-wide initiative to bring positive change to the communities in which we operate while heightening employee engagement. Each year, employees can propose a community engagement project related to our Social Commitment strategy. The projects are evaluated by a panel, which chooses the final projects.

The FY21 edition received 75 proposals for projects in 36 countries from 67 employees in fifteen countries. Ultimately, nine projects in eight countries were chosen. The value of these projects totaled €312,590 and they will improve the lives of an estimated 450,000 people. The winning projects were the following:

- Refood — stop waste & feed people in Telheiras, Lisbon, Portugal.
- Bokatas — fighting homelessness in Spain.
- Plan sumamos salud + economía in Spain.
- Reforestation and sustainable livelihoods response for refugees in Kenya.
- Climate action through schools! in the UK.
- Orlando science center in the US.
- Reading for social change in Brazil.
- Seguridad alimentaria in Mexico.
- Empowerment of 37 slum communities in Surat, India.

Siemens Gamesa's impact and local charitable giving initiatives around the world strengthen our link to the land and the local community, including the entities and institutions that contribute to local social development. The Company seeks to maintain stable relationships with local entities and institutions that also strive to broaden people's horizons.

Technological Education projects

"Planet Rescuers" in Minecraft: Education Edition

Siemens Gamesa wants to encourage STEM vocations by awakening the curiosity of children aged 8 to 12 with one of the tools they know best: Minecraft.

Planet Rescuers is an educational videogame in a Minecraft Education Edition in which STEM concepts are needed to overcome challenges and complete missions. Users embark on a journey about energy and sustainability through the popular Minecraft universe in which there is only one destination: a sustainable world.

"Planet Rescuers" is also available worldwide in the in-game library of Minecraft: Education Edition as part of the Siemens Gamesa agreement signed with Microsoft for the promotion of innovative tools for STEM Education.

More than 52,000 children (260 schools) are using the videogame in schools.

Robotics with First Lego League

In September 2020, Siemens Gamesa launched a program on robotics for students aged 7 to 16+ with FIRST Lego League.

This initiative gives students the chance to develop early engineering skills with real-world applications. Participants also learn how to cooperate and be proactive in their robot's performance.

This in-school program is linked to the curriculum to ensure that every student can benefit.

Launched in 2020/2021 in Germany, Spain and the United Kingdom with more than 2,300 children, Robotics with First Lego League will be implemented in Morocco and Mexico in 2021/2022.

Universities4Sustainability

Universities for Sustainability involves a number of initiatives aiming to improve students' employability by empowering them to learn by doing with engaging real challenges set by Siemens Gamesa.

Aligned with SDG 4 in the UN 2030 Agenda, addressing the technological transformation of economies while ensuring an energy transition to a low-carbon generation model will require all available talent in science, technology, engineering and mathematics.

In September 2021, Siemens Gamesa launched an annual award for undergraduate and graduate students with the United Nations **Sustainable Development Solutions Network** (SDSN)**.** The initiative aims to mobilize university talent in a team competition to create practical solutions to achieve environmental sustainability (SDG 13) from a range of disciplinary perspectives.

In FY21, Siemens Gamesa launched **"Students for Sustainable Regions"**, a project-based learning program in collaboration with the University of Aalborg and 4GUNE (Basque Country) with a single challenge "How to Achieve an Energy Transition with Sustainable Solutions". Six projects were submitted this year on challenges related to "Material and Energy Flows in a Circular Region", involving more than 200 students.

This program will also take place in four universities in Mexico during the 2021-2022 academic year.

STEM4Women

Women are still a clear minority in technical careers, despite the fact that today there are more women than men enrolled in universities.

According to the OECD, the lower presence of girls in technical careers is due to a set of factors such as less confidence in their own abilities, preference for socially oriented careers, social stereotypes and expectations, and the lack of role models.

At Siemens Gamesa, we have set ourselves the goal of changing girls' perceptions of those disciplines by demonstrating the appeal of a STEM career through mentoring programs with Siemens Gamesa professionals.

- TECHMI-Siemens Gamesa Competition: A competition to promote STEM education among girls aged 8-12 with "Planet Rescuers" in collaboration with Real Academia de Ingeniería (Royal Academy of Engineering of Spain).
- In 2021, five Siemens Gamesa employees volunteered in a series of mentoring sessions with young women in the final years of their bachelor's or master's programs at Spanish universities to improve their confidence and skills and facilitate their incorporation into the workforce.

Teens4STEM

#Teens4STEM brings teenagers closer to the reality of experimentation by addressing real-life challenges with their own solutions, building their talent and organizational capabilities for today and the future.

Our goal is to help them discover, with the help of our employees, the opportunities that a STEM career can offer.

2021 projects:

- **FS Ingenium.** A young scientific team based in Sarriguren (Navarra, Spain) won the Global Innovation Award in San Jose, California (U.S.), an international competition for technical projects developed by children. It was the first time a non-American team won.

  In 2021, Siemens Gamesa supported them in pursuing their passions with an industry-level project for real-world application in the renewable energy sector.

- **IES Plaza de la Cruz:** A proposal to participate in the implementation of a research baccalaureate in a secondary school in Pamplona (Navarra, Spain). Students will solve a real-world challenge proposed by Siemens Gamesa to promote scientific thinking and research work as if it were their first job.
- **Schule am Dobrock (Germany):** A comparative study on the water quality of local streams as part of an EU project with students from Sweden (Kattegattgymnasiet in Halmstad).

#HackSTEM

Siemens Gamesa launched a hackathon in October 2020 to promote STEM education in a sprint-like event where university students were invited to design a videogame for younger students in which STEM concepts are key to progressing and on the subject that concerns them most, namely sustainability. There were more than 250 participants in this edition.

In 2021, we launched the second edition, #HackSTEM21, an online event that went live in Germany, Denmark, Mexico, Egypt and Spain simultaneously from September 21 to 26, 2021. The challenge is to create a user-friendly app to improve students' learning experience in STEM.

The competition was preceded by a series of webinars with universities from each country on topics related to the role of innovation in STEM education to promote STEM careers. More than 800 people participated in this edition.

#Teaching Future

An initiative launched during the COVID-19 pandemic to help students aged 6 to 18+ acquire STEM knowledge while learning about renewable energy, wind power and digitalization through videos recorded by employees who volunteered their time during the pandemic. Social Commitment has decided to keep the initiative live until further notice so as to create a library of videos for students and teachers.

Local Projects

At Siemens Gamesa, we are committed to the communities in which we operate. That is why we also engage in local projects to meet their specific needs and promote sustainable social and economic development. The Social Commitment Area unifies and coordinates these activities to maximize their efficiency and visibility.

Measuring the social return on investment

Siemens Gamesa partnered with the University of Deusto in Bilbao, Spain to assess the Social Return on Investment (SROI) of the projects funded by Siemens Gamesa Impact, the Company's global charitable giving initiative. SROI measures the effectiveness 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 duplication) of the value distributed to economic players (workers, suppliers, etc.), and the value to beneficiaries (usually through non-market mechanisms). The SROI for the projects implemented in 2018-19 was calculated at €5.54, which means that the amount spent on the projects by Siemens Gamesa yielded a 5.54-fold social return.

Investments

[L11-C03] [102-13] The Company has protocols in place for the oversight of donations and charitable contributions for actions of a social nature. By means of these protocols, all contributions of social content, donations and fund allocations are assessed to mitigate compliance risks. In FY21, Siemens Gamesa's total donations and charitable contributions amounted to €0.79 million (€2.90 million in FY20). Most of these investments were made in Europe, Middle East and Africa (60%), followed by Asia, Australia (39%) and Americas (1%).

That overall amount includes all local donations and charitable contributions. However, the bulk of funds are managed directly by the Social Commitment Area, which centralizes and directly manages social projects and the allocation of funds, not only through donations and charitable contributions but also through service agreements and partnerships.

In FY21, Social Commitment investments, i.e. all community investments through agreements and partnerships, amounted to € 0.97 million, including related projects in all the areas: Protecting the environment (29%), Technological Education (29%), General Projects (5%) and Combating Poverty (37%).

E2. Memberships and associations

E2.1 Management Approach

[L11-SO04] [102-13] As a global leader in the renewable energy industry, Siemens Gamesa fosters policies and frameworks for a more sustainable future by sharing its experience with key stakeholders globally. This capacity building activity is conducted through the associations and initiatives of which Siemens Gamesa is a member. Some of the actions that it performs include:

- Sharing information about positive case studies in developing local value chains globally, engaging with communities while helping countries to achieve climate targets.
- Contributing with our global experience to building the skeleton of legal frameworks that may pave the way to achieving national climate goals while providing private investors with long-term visibility and market attractiveness.
- Setting ambitious targets for renewable energies' share of the energy mix; the elimination of technical, bureaucratic and market constraints that limit the growth of wind power.
- Promotion of R&D and innovation.
- Capacity building through engagement with universities and training centers.

All these actions establish Siemens Gamesa as an industry champion in the renewable value chain.

E2.2 Policy Framework for Memberships & Associations

The purpose of the Group's Membership of Associations Policy ("POL-51819 Membership of Associations") is to set out the requirements for the registration and approval of Company and individual memberships in associations (such as chambers, clubs, institutions, trade bodies, standards organizations and other professional organizations) in accordance with Siemens Gamesa Business Conduct Guidelines; in particular:

- To ensure proper coordination and dissemination of the strategy and key messages of Siemens Gamesa ("Strategy"), established by the Company's governing bodies in all relevant associations (sector-specific or otherwise), and entities in which Siemens Gamesa is represented (referred to as "associations").
- Concerning Associations, to establish a common global policy for ensuring alignment and governance of the following issues:
  - Definition of the responsibilities for validation of the proposals of each association and designation of the person to represent Siemens Gamesa in any specific entity.
  - Knowledge of the reasons, objectives and the economic cost of the association proposal.
  - Legal validation: for compatibility with the pertinent laws and with regard to Siemens Gamesa's representation in the association and in its governing bodies.

The policy for associations and memberships regulates all the requests for Siemens Gamesa to become a member of any association worldwide.

E2.3 Global Action

The Company participates actively in both industry-specific and business associations and organizations in every significant location where it operates.

Siemens Gamesa is member of the main industry associations worldwide: GWEC – Global Wind Energy Council-, Windeurope, American Clean Power Association, Indian Wind Turbine Manufacturers Association, ABEEOLICA (Brazil), AMDEE (Mexico), CANWEA (Canada), VDMA (Germany), Confederation of Danish Industry (Denmark), Wind Denmark (Denmark), SAWEA (South Africa), AEE (Spain), Renewables UK (UK), RES4AFRICA FOUNDATION and RenewAfrica initiative (Africa), IRENA Coalition for Action (global), Offshore Wind Coalition (offshore wind global), French Wind Energy Association (France), Syndicat des Energies Renouvelables (France), EU Chamber of Commerce in China, Japan Wind Energy Association, Korean Wind Energy Association, Clean Energy Council (Australia), etc.

Additionally, in FY21 we played an active role in the following initiatives:

- Africa Europe Foundation[70].
- US Climate Action Week: "International Strategies for Unlocking Green Hydrogen in the US"[71].
- An open letter from the wind energy industry to G20 and world leaders: It's time to get serious about renewables[72].
- Global Wind Coalition for COP26 is officially launched on Global Wind Day[73].
- WE MEAN BUSINESS COALITION: Letter by 600+ companies calling on G20 leaders to halve emissions by 2030 and to end support for coal power[74].
- GWEC: Global Wind Energy Manifesto for @COP26[75].
- B20 Energy & Resource Efficiency Task Force[76].
- GWEC Led Offshore wind podcast series, which looks at the issues facing the offshore wind industry today, and opportunities for tomorrow[77].
- Offshore coalition[78].
- Renewable Hydrogen Coalition[79].
- European Clean Hydrogen Alliance[80].
- European Raw Materials Alliance (ERMA)[81].
- We Mean Business letter to the Biden Administration[82].

E2.4 Performance 2021

The initiatives set out below exemplify those undertaken in FY21:

- Siemens Gamesa is also leading the green hydrogen revolution, which will decarbonize hard-to-abate sectors and unlock further potential for wind power. With a pioneering project in Brande (Denmark), Siemens Gamesa joined the two main renewable hydrogen initiatives to advocate for the creation of a green hydrogen market in Europe: the European Clean Hydrogen Alliance and the Renewable Hydrogen Coalition.
- The **European Clean Hydrogen Alliance** aims at an ambitious deployment of hydrogen technologies by 2030, bringing together renewable and low-carbon hydrogen production, demand in industry, mobility and other sectors, and hydrogen transportation and distribution. With the alliance, the EU wants to build its global leadership in this domain to support the EU's commitment to reach carbon neutrality by 2050. The Alliance brings together industry, national and local public authorities, civil society and other stakeholders.
- The **Renewable Hydrogen Coalition** promotes the critical role of renewable hydrogen to deliver the EU's long-term decarbonization goals. The Coalition is the voice of a high-level interdisciplinary network of start-ups, investors, entrepreneurs, innovative companies and industrial off-takers, all dedicated to making Europe the global leader in renewable hydrogen solutions.
- Ahead of COP26, Siemens Gamesa joined the **Global Wind Energy Coalition for COP26**, an initiative led by the Global Wind Energy Council (GWEC); this is a multi-stakeholder group of leading wind power companies and associations from across the globe committed to ramping up wind power capacity to limit the dangerous impacts of climate change. The world is not installing wind power at the pace needed to achieve net zero, and much more needs to be done to unleash its potential. The Coalition was launched officially on Global Wind Day, June 15; since then, it has engaged in continuous advocacy work. Two tangible examples are the letter addressed to G20 leaders in July ahead of the G20 Ministerial Sessions on Environment, Climate and Energy, held in Naples on July 22-23, 2021, and the Wind Energy Manifesto launched on October 18. The Coalition will be present with the Wind Pavilion at COP26 in the Blue zone.

E2.5 Membership Fees

Siemens Gamesa was an active member of about 200 organizations and associations around the world in FY21, which amounted to a total expenditure of €3.0 million (€3.6 million in FY20) in membership fees. The relationships of Siemens Gamesa and the companies which belong to the Group with public authorities are guided by institutional respect and compliance with the law. [See Table 48 - Expenses in memberships and associations (€million)]

E2.6 Lobbying Activities

Siemens Gamesa does not make direct financial contributions to lobbying activities. We present our position in the public discourse mainly through contributions to trade and business associations. Siemens Gamesa is unable to ascertain what percentage of our contribution to the many trade associations with which are involved is allocated to lobbying, nor can we provide an estimate. As an alternative, we report our expenditure on actions directly performed by Siemens Gamesa which may indirectly influence public policy on the specific topics that these actions address.

E2.7 Political Contributions

Siemens Gamesa does not make direct political contributions. Our Business Conduct Guidelines specifically forbid companies belonging to the group from directly or indirectly making donations to political parties, including federations, coalitions and voter groups, even by way of loans or advances.

E3. Responsible Supply Chain

E3.1 Management approach

[102-9] [103-1] Our sustainable supply chain management approach integrates environmental, social and governance aspects. We closely monitor sustainability risks in order to avoid negative impacts resulting from our supply chain. We also view sustainability performance as an important aspect since we encourage and incentivize our suppliers to not only comply with legal requirements but to create additional value by embedding sustainability in their operations.

This approach is grounded in Siemens Gamesa's Supplier Relationship Policy[83], the Code of Conduct for suppliers and Third-Party Intermediaries[84], the General Purchasing Conditions[85] and our internal rules and procedures, as they all set minimum expectations for suppliers, integrate the Principles of the UN Global Compact on Human Rights, Environment and Anti-Corruption and provide fundamental guidance for our business activities.

E3.2 Risks and Opportunities in the Supply Chain

As part of our due diligence process, we have identified the following risks in our supply chain:

- Human rights abuse.
- Unfair operating practices, such as corruption and bribery.
- Forced and compulsory labor and child labor.
- Occupational hazards for health and safety.
- Environmental impacts.
- Conflict minerals.

In order to mitigate these risks, we have developed principles, a sustainability supply chain strategy and related targets. The following chapters outline each step in more detail, focusing particularly on conflict minerals, rare earth elements and balsa wood.

In the course of this integration, we also see opportunities for our supply chain, our stakeholders, society and ourselves:

- We promote sustainability across all suppliers as we see a positive link between sustainability, resilience and economic performance. Accordingly, we contribute our accumulated knowledge for the purposes of a common understanding and awareness of the inherent cause-effect relationships.
- We work with sustainability best-in-class suppliers to learn from each other.
- To accelerate our impact, we also work with current sustainability laggards to help them find the right focus and improvements on their journey.

E3.3 Supply Chain Strategy and Targets

Our sustainable supply chain strategy focuses on two levels: suppliers and products. At the supplier level, we are continuously promoting the implementation of standards and processes to promote sustainability as a core parameter of suppliers' business activities. Here, we anticipate utilizing risk and performance assessments to identify critical areas and incentivize achievements as well as continuous improvements. The assessments range from a broad set of criteria covering social (e.g. human rights), environmental (e.g. decarbonization, recyclability) and governance aspects. At the product level, we aim to foster transparency on raw materials in complex supply chains and to assess the related impacts of our sourced goods and services on society and environment. Jointly, we aim to continuously improve sustainability on both levels.

Sharing the commitment to society alongside the supply chain, we aspire to the following:

- By 2023, 100% of our suppliers — in terms of purchasing volume (PVO) — accept the Supplier Code of Conduct.
- By 2023, 90% of high sustainability risk suppliers assessed and/or audited based on total purchasing volume (PVO) from high sustainability risk suppliers.
- By 2025, 30% of suppliers, covering the categories of purchased goods and services as well as transportation and distribution, commit to targets that reduce greenhouse gas (GHG) emissions and are considered "science-based" in line with the Science Based Target initiative (SBTi).

E3.4 Sustainability Governance

[L11-SO05] Our message to suppliers is that they need to share our common goal of operating in an ethical, law-abiding manner. The Group has therefore established a specific policy governing supplier relation and contracting which provides a group-wide framework for the management and oversight of procurement activities: the **Siemens Gamesa Supplier Relationship Policy.**

The **Code of Conduct for Suppliers and Third-Party Intermediaries**[86] (also commonly referred to as "the Code of Conduct") is the key vehicle that sets out the Group's binding requirements and translates our requirements into contractual obligations.

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 reinforce the fundamental principles of sustainability and apply company wide.

The Code establishes standards to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that transactions with suppliers are ethical and socially and environmentally responsible. The Code remains independent and is updated on a regular basis to reflect the standards of Siemens Gamesa in its dealings with suppliers.

Siemens Gamesa promotes the Code to all suppliers and requests that all our suppliers and third-party intermediaries adopt it and comply with it and all applicable laws and regulations. The Code of Conduct is incorporated into our General Purchasing Conditions, framework contracts and purchase agreements with each supplier, and into our procurement tools.

Siemens Gamesa also released the **Booklet for the Code of Conduct for Suppliers and Third-Party Intermediaries** [87] (commonly referred to as "the Code of Conduct Booklet"). This comprehensive material documents in detail our expectations towards our suppliers in each requirement presented in the Code of Conduct and provides important support for our sustainability detection modules. The Code of Conduct and the Code of Conduct Booklet are the result of work performed by the Supplier Lifecycle Management and Sustainability community, which Siemens Gamesa established in 2017. The group has representatives in external communities, such as the WindEurope® Sustainability Task Force, and is engaged in material sustainability topics.

Our sustainability performance is monitored continuously and has been recognized by leading sustainability indexes and ESG rating agencies. Information on Siemens Gamesa's inclusion in ESG indexes and the latest ESG ratings is available on our corporate website and in Section A.7 of this report.

E3.5 Mapping the Siemens Gamesa Supply Chain

[102-10] In FY21[98], Siemens Gamesa purchased almost €6.9 billion (€7.3 billion in FY20) from approximately 19,000 Tier-1 suppliers (*Suppliers that deal directly with and directly invoice to Siemens Gamesa*). These suppliers were screened impartially and assessed for high-level compliance with our excellence value requirements [See Table 50 - Purchasing volume] and [See Table 51 - Tier-1 suppliers]

The number of suppliers whose annual invoicing exceeded €10 thousand at the end of the reporting cycle (FY21) amounted to 9,962 (9,449 in FY20), i.e. 51% of total Tier-1 suppliers, which is an indication of the balance between large and small suppliers. Additionally, we identified other categories of procurement spend and categories that are critical to our business operations in terms of little or no availability of alternative options and the impact of supply chain disruption.

Critical suppliers: Siemens Gamesa also monitors **critical suppliers**, identified as those meeting the following conditions: i) the purchasing volume (PVO) exceeds €50,000; ii) they operate or are based in a high-risk country (from a corporate responsibility perspective); iii) there is high or medium-high financial risk with the supplier; or iv) no natural replacement is available for the supplier.

In FY21, critical suppliers classified under these conditions accounted for 34% (31% in FY20) of total purchasing volume to approximately €2.3 billion (€2.3 billion in FY20). [See Table 52 - Purchasing volume (PVO) under sustainability focus]

High sustainability risk suppliers: Additionally, Siemens Gamesa keeps track of high risk suppliers from a sustainability point of view, identified because they: i) operate or are based in a high-risk country; ii) have incidents of non-compliance; or iii) do not participate or have a "low" score in the Code of Conduct compliance detection modules (sustainability self-assessments, external sustainability audits and Supplier Quality audits with sustainability scope). Suppliers with proven incidents of non-compliance with any sustainability aspect are considered "high sustainability risk" suppliers regardless of their location.

Suppliers identified as having high sustainability risk to Siemens Gamesa in FY21 accounted for 22% (16% in FY20) of total purchasing volume to approximately €1.5 billion (€1.2 billion in FY20). [See Table 52 - Purchasing volume (PVO) under sustainability focus]

E3.6 Sustainability Integration in the Supply Chain

The processes and tools available at Siemens Gamesa provide buyers with levers, risk indicators and transparency to support the best sourcing decisions. Risk screening is based on financial analyses and commodity reports provided by external consulting companies, which feed indicators into our internal supplier comparison tool.

Processes and tools put into place by the Supplier Lifecycle Management team are also used to gather supplier information for other functions and allow for direct communication. The information collected from the supplier can trigger additional activities in terms of hazardous materials declarations, contractor safety assessments and other health, safety and environment (HSE) related aspects.

Any suppliers that fail to meet our sustainability requirements may be approved conditionally (if the issues are not critical) upon implementation of improvement measures or blocked immediately from doing any further business with Siemens Gamesa.

[308-1] Since our suppliers play a critical role in our sustainability-oriented value chain, Siemens Gamesa expects them to also demonstrate their commitment to the standards and principles which are summarized in the Code of Conduct.

Figure 32 - Sustainability in the supply chain

E3.7 Commitment to the Code of Conduct

[L11-SO06] An integrated supplier management process is embedded company-wide in unified, mandatory procurement processes and a key part of this is ensuring that our suppliers agree contractually to adhere to the Code of Conduct. We developed a system of contractual obligations to ensure that all our suppliers commit to its requirements:

- Qualifying suppliers: Within our Supplier Qualification process, all suppliers need to overcome several preliminary requirements, one being the commitment to our Code of Conduct.
- Negotiating contracts: all new and extended procurement contracts need to include the Corporate Responsibility contract clause, which commits the supplier to our Code of Conduct and also defines self-assessment and audit rights.
- Purchase orders: to complete the system and to address small procurement volumes which might not be covered by explicit procurement contracts, all purchase orders include the Code of Conduct commitment in the General Purchasing Conditions.

Siemens Gamesa requires its suppliers to commit to the Code of Conduct for Suppliers and Third-Party Intermediaries. In FY21, the total purchasing volume (PVO) from suppliers that have accepted the Code of Conduct was 89% of the total (85% in FY20), an indication of the degree to which these oversight measures are in place. [See Table 54 - Purchasing volume (PVO) covered by Supplier Code of Conduct]

E3.8 Detection Modules

[L11-SO07] In response to the supply chain risks identified in chapter E3.2, Siemens Gamesa implemented a risk-based due diligence process to identify any areas of non-compliance with our Code of Conduct and highlight opportunities to promote improved performance. This includes systematic screening of new and existing suppliers through background checks and risk assessments associated with the sector and the countries where we operate. For example, external reports provide us with information on geopolitical, commodity and financial risks. If relevant, suppliers are selected to go through one or more detection modules, e.g. the case of high sustainability risk suppliers.

- **Corporate Responsibility Self Assessments (CRSA):** the supplier receives a Code of Conduct questionnaire and provides its own assessment of fulfilment of the Code of Conduct requirements. The questionnaire is available on Siemens Gamesa's own platform or submitted by a third party on behalf of Siemens Gamesa.
- **Supplier Evaluations**: to ensure that suppliers continuously comply with our performance requirements in the course of the supplier relationship, performance of existing Siemens Gamesa suppliers is evaluated regularly based on standardized criteria as stipulated by ISO standards. The supplier evaluation is performed at least once a year, the scope being our principal suppliers. The evaluation is carried out by collaborative cross-functional teams and results in a standardized classification which ranges from "Excellent" to "Phase out" status.
- **External Sustainability Audits:** Siemens Gamesa engages internationally recognized audit firms to conduct on-site audits based on the principles of the Code of Conduct. The outcome is an in-depth assessment and report that enables Siemens Gamesa and its suppliers to identify and manage potential sustainability risks. External Sustainability Audits also play an important role in the supplier development scheme by improving the supplier's sustainability performance.
- **Supplier Quality Audits with Sustainability Scope**: as part of our internal Supplier Qualification and Audits processes, audit questionnaires have been devised to include the scope of the Code of Conduct and are applied to suppliers that are critical from a quality perspective.

In FY21, Siemens Gamesa ensured that 85% (77% in FY20) of its purchasing volume (PVO) from high sustainability risk suppliers was covered by at least one of the detection modules mentioned above.

E3.9 Consequences of Deviations

If areas of non-conformity are identified, the supplier and Siemens Gamesa will collaborate and agree on an action plan consisting of appropriate improvement measures. These will mitigate and eliminate the adverse impacts caused by the breaches and enable the supplier to identify and prevent similar occurrences in the future. We require our suppliers to engage actively in these activities without reservation.

All measures put in place after inspections are incorporated into the company-wide supplier management process at Siemens Gamesa and are systematically selected and pursued. The implementation of the measures impacts the supplier's annual performance rating and the assessment of the supplier's future potential, as well as the approval of the supplier within the regular supplier qualification process.

Any breaches may be reported at any time by using the Group Compliance Whistleblowing Hotline. If any breaches are confirmed, systems are in place to communicate with the Procurement community as well as with any cross-functions and stakeholders that are affected. If necessary, the offending suppliers are blocked globally.

E3.10 Conflict minerals

We are committed to ultimately avoiding the use of minerals from conflict and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance[88].

Conflict Minerals are defined as cassiterite, columbite-tantalite, gold, wolframite, and their derivatives, or any other minerals or their derivatives (3TG i.e., tantalum, tin, tungsten, the ores from which they originate, and gold) that may be used to finance the conflict in the DRC (Democratic Republic of Congo) region.

We are committed to responsible sourcing of minerals, especially from conflict or high-risk areas according to the OECD Due Diligence Guidance, Edition 3, Annex II.

Accordingly, we have detailed our commitment in Responsible Minerals Sourcing at Siemens Gamesa[89].

Together with our main shareholder, Siemens Energy, we aim to avoid the use of these minerals within our supply chain.

Together, we are conducting a uniform enterprise-wide process to determine the use, source and origin of the relevant minerals in our supply chain (Supply Chain Due Diligence), including the

Responsible Minerals Assurance Process (RMAP) as part of the Responsible Minerals Initiative (RMI).

The advantageous position of Siemens Energy as an active member of the Responsible Mineral Initiative (RMI) gives Siemens Gamesa access to Reasonable Country of Origin Information (RCOI) on a smelter level. We purchase 3TG from conformant smelters when these minerals are necessary to manufacture our products. In order to mitigate the risk of working with suppliers whose smelters have not been audited by RMI so far, Siemens Gamesa actively engages with RMI's Responsible Minerals Assurance Process.

E3.11 Rare Earth Elements

Rare earth elements (REEs) are a group of 17 metals that are moderately abundant in the earth's crust — some even more abundant than copper, lead, gold, and platinum — and share certain unique properties, including heat resistance and high electrical conductivity. These characteristics make REEs essential to many products, ranging from smartphones to more advanced technologies, particularly green technologies. The manufacture of magnets represents the single largest and most important end use of REEs for Siemens Gamesa. While REE reserves can be found worldwide, China supplies most of global REE demand.

The wind industry needs REEs for permanent-magnet synchronous generators (PMSGs) employed in some wind turbine models. In this connection, Siemens Gamesa purchases magnets that contain REEs, but does not directly purchase any rare earth elements. Our suppliers of magnets that contain rare earth elements are relatively small and represent a marginal amount. These suppliers are in the high sustainability risk category and are subject to all related actions to enforce adherence to the Code of Conduct.

Siemens Gamesa works continuously to improve the design of its direct drive generators in order to optimize the use of all materials, including rare earth permanent magnets. Siemens Gamesa aims to reduce and eliminate the use of heavy rare earth elements (Dysprosium and Terbium) in permanent magnets in order to strengthen the products' economic, environmental, and social sustainability.

E3.12 Balsa Wood

Balsa wood is a quick-growing resource that is easy to grow without fertilizers or other added resources. Consequently, it can be grown sustainably. Balsa is a weed tree where it is native and has a relatively short life span. Sometimes, it self-sows in inconvenient spots. Therefore, it can be plantation-grown, harvested, and grown again without negative environmental impacts. Balsa reproduces easily and reaches a circumference of approx. 90 cm. (diameter 30 cm.) and a height of about 18-25 meters in 5-6 years. Therefore, it is a source which renews itself constantly. The wood is grown almost exclusively in Ecuador, Indonesia and Papua New Guinea (PNG).

Balsa wood is classified as a hardwood and is soft, light and adaptable. These properties make balsa wood ideal for many applications that require a high stiffness-to-weight-ratio, including structural cores of wind turbine blades, but also marine and other mobility applications.

In general, we can confirm that it is not an endangered resource, nor does it give rise to situations of systemic violation of human rights.

Our goal is to purchase balsa wood that has been responsibly sourced in order to fight illegal logging, which is one of the largest causes of deforestation.

Therefore, the suppliers used are certified by Forest Stewardship Council (FSC), or DNV-GL or similarly certified, have signed our Code of Conduct and are monitored regularly.

E4. Responsible Tax

E4.1 Management Approach

[L11-SO11] The responsible tax practices of all Siemens Gamesa Group companies form part of the global Corporate Social Responsibility Policy, which contains the basic principles of action that must be observed. The taxes paid by the group in the countries and territories where it operates constitute the main contribution made by group companies to supporting public obligations and are, therefore, one of the group's contributions to society.

The aim of Siemens Gamesa's tax strategy is to ensure compliance with the tax provisions applicable in all the territories where it operates, on the basis of its activities. This fundamental objective to respect and to comply with tax rules is properly combined with pursuing the corporate interest and generating shareholder value sustainably over time whilst avoiding tax risks and inefficiencies in the implementation of business decisions.

E4.2 Policy Framework

Siemens Gamesa aims to fulfill its tax obligation in all territories in which it does business, and to maintain an appropriate relationship with the relevant tax authorities. In order to include that commitment to fulfill, develop and implement good tax practices within the Corporate Governance Rules of Siemens Gamesa, the Company's Corporate Tax Policy [90] postulates the following practices:

a) Prevention of tax risk. In carrying out its business, Siemens Gamesa follows an orderly, diligent tax policy that is materialized in the commitment to:

- Encourage practices that lead to the prevention and reduction of significant tax risks through internal information and control systems.
- Avoid the use of artificial and/or opaque structures for tax purposes, the latter being understood as those used to keep the competent tax authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
- Not to set-up or acquire companies residing in tax havens for the purpose of evading tax obligations.
- Minimize conflicts arising from the interpretation of applicable legislation using instruments established for this purpose by tax regulations.
- Properly evaluate, in advance, investments and transactions that, *a priori*, present a particular tax risk.

b) Relations with the tax authorities. The Company's relations with the competent tax authorities are governed by the principles of transparency, mutual trust, good faith and fidelity, with Siemens Gamesa adopting the following good tax practices:

- Cooperate with the competent tax authorities in detecting and seeking solutions regarding fraudulent tax practices that may occur in the markets in which the Siemens Gamesa group has a presence, to eradicate those already existing and prevent their expansion.
- Provide tax-related information and documentation requested by the competent tax authorities as quickly and completely as possible.
- As far as possible, use all facilities afforded, given the adversarial nature of the audit procedure, and strengthen agreements with, and approvals by, the competent tax authorities.

c) Reporting to the Board of Directors. The Company's Audit, Compliance and Related Party Transactions Committee has the following reporting duties regarding tax issues:

- Prior to the formulation of the annual accounts and the submission of the corporate income tax return, inform the Board of Directors of the tax standards applied by Siemens Gamesa during the financial year, particularly the level of compliance with this policy.
- Based on the information received from the tax director, inform the Board of Directors of the tax policies applied by the Company and, in the case of transactions or issues that must be submitted to the Board of Directors for approval, of their tax consequences if they constitute a significant risk factor.

d) Reporting to the market on compliance with the good tax practices endorsed by this policy. The Company's annual corporate governance report reports on actual fulfilment of good tax practices by Siemens Gamesa.

e) Update of good tax practices. Good tax practices may be updated by the Board of Directors of Siemens Gamesa within the context of its commitment to continuous improvement of its Corporate Governance Rules.

In March 2017, Siemens Gamesa voluntarily adopted the Code of Good Tax Practices of July 20, 2010, which creates a framework for a cooperative relationship between the Spanish Tax Agency *(Agencia Estatal de Administración Tributaria)* and the companies that have adopted it, based on mutual trust and transparency.

Furthermore, in compliance with the provisions of the Annex to the Code of Good Tax Practices and with the aim of reinforcing its commitment to tax transparency, Siemens Gamesa submits an “Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code” to the Spanish Tax Agency.

E4.3 Tax Strategy

The tax strategy focuses on compliance and efficiency. Siemens Gamesa conducts tax planning to the extent required to secure efficient handling of taxes within the constraints of tax law. The Company does not conduct any aggressive tax planning activities and aims for an open and transparent relationship with the tax authorities and to be transparent towards other external stakeholders.

The presence of Siemens Gamesa in countries considered as “non-cooperative jurisdictions for tax purposes” is solely and exclusively due to ordinary business activities. In FY21, the only two subsidiaries established in "non-cooperative jurisdictions for tax purposes” in accordance with the Spanish regulations were

Siemens Gamesa Renewable Energy, Ltd. (Mauritius), which is 100% owned and was incorporated on May 2, 2015, and the branch of Siemens Gamesa Eólica S.L. in Jordan, established on January 1, 2016. Both entities are involved in wind turbine maintenance activities for customers who own wind farms located in those jurisdictions. The turnover of these entities is not material compared to the total turnover of Siemens Gamesa group (€0.2 million in Mauritius and €2.6 million in Jordan).

The income obtained by such entities is subject to corporate income tax at a nominal tax rate of 15% (Mauritius) and 20% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a "non-cooperative jurisdiction for tax purposes", the profits each year are also reported as part of the tax base in Spain. Therefore, ownership of these entities does not provide any tax advantage.

E4.4 Performance in 2021

[L11-SO11] [L11-SO12] In FY21, 80% of the group's taxes (84% in 2020 and 73% in 2019) were paid by entities located in the top nine countries: Denmark, Spain, China, Great Britain, Brazil, Germany, Mexico, India and the United States.

In FY21, in compliance with the provisions of the Code of Good Tax Practices of the Spanish Tax Agency and of the Proposal for reinforcing good fiscal transparency practices among companies adhering to such Code, on September 24, 2021, Siemens Gamesa voluntarily submitted the "Annual Tax Transparency Report" for FY20 (October 1, 2019 - September 30, 2020). In that report, the Company disclosed that, in February 2020, Siemens Gamesa was certified in accordance with the UNE 19602 Spanish standard on tax compliance by AENOR.

AENOR certified Siemens Gamesa's tax management system, policies and risk management framework in accordance with the requirements of the UNE 19602 standard[91]. That standard is intended to help organizations implement policies and procedures that minimize the risk of tax non-compliance. In the event of a disagreement, it also serves as proof to the Spanish Tax Agency and the courts of the absence of an intention to defraud. We were the first company in the renewable energy sector to obtain this certificate. The standard is an ideal mechanism for listed companies to comply with the tax management obligations contained in the tax regulations and the Code of Good Tax Practices.

From an ESG perspective, there is growing concern among certain stakeholders (customers, employees, suppliers, communities and shareholders) about tax contributions. Listed companies must prove to investors that they are properly contributing to society by paying taxes. This certification important to prove to these stakeholders that Siemens Gamesa continues to fulfill its tax obligations properly.

Additionally, in FY21, the Company met with Spanish Tax Agency representatives on February 25, 2021, to analyze the content of the "Annual Tax Transparency report" related to FY19 (filed on July 9, 2020) and, in March 2021, the Company received a letter from the Spanish tax authorities confirming the suitability of all the information submitted and thanking it for its cooperation, collaboration and transparency. [See Table 6 - Breakdown by country of profit (loss) and taxes paid (million euro)]

E4.5 Public Subsidies Received

[L11-SO13] [201-4] Siemens Gamesa was granted publicly funded aid for its R&D activity in FY21 totaling €9.5 million (€15.24 million in FY20). This public funding includes both non-refundable grants and refundable loans.

The Company's main R&D funding programs and bodies in FY21 included: H2020 (European Commission), Innovation Fund (Denmark), Centre for the Development of Industrial Technology (Spain), Federal Ministry of Education and Research (Germany), Danish Energy Agency (Denmark), Government of Navarra (Spain) and Government of the Basque Country (Spain).

Siemens Gamesa also received publicly funded aid for its industrial activities in FY21 totaling €23.59 million in the UK, Portugal and France. [See Table 5 - Financial subsidies granted]

F. About this Report

F1. Statement

[L11-G05] [102-50] Siemens Gamesa releases the **Consolidated Non-Financial Statement 2021 - CNFS** (formerly the Sustainability Report), which is formulated by the Board of Directors, after consultation with the Audit, Compliance and Related Party Transactions Committee.

F2. Perimeter

The scope of the companies considered in the **Consolidated Non-Financial Statement 2021 - CNFS** report is consistent with the definition of the Group for the purpose of preparing the consolidated financial statements. Associates and joint ventures are excluded from the scope.

F3. Reporting Scene

Law 11/2018 of 28 December on non-financial and diversity reporting was enacted in Spain in 2018. The law transposes into Spanish law Directive 2014/95/EU of the Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

F4. Reporting Period

The information contained in this Consolidated Non-Financial Statement (CNFS) reflects the situation in the period between October 1, 2020, and September 30, 2021 ("the reporting period"). This period is also referred to as "fiscal year 2021" (FY21).

F5. Reporting Framework

[102-54] The report is referenced to the reporting framework and reporting elements set out in Spain's Law 11/2018 of 28 December on non-financial information and diversity. That law stems from Royal Decree-Law 18/2017 of November 24, with important new additions, and transposes into Spanish law Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information.

The report contains all the material indicators for the Siemens Gamesa group required by Law 11/2018, relating to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as information relating to Group employees. Where any indicator is not material for the Group, this is indicated in the Law content index (Section I).

Siemens Gamesa also followed the recommendations of the Global Reporting Initiative (GRI reporting standards). Siemens Gamesa referred to selected GRI Reporting criteria to define report content, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. Those standards also guide the quality of information, enabling stakeholders to make sound and reasonable assessments of our organization. Additionally, the report takes into consideration the non-binding European Commission's Guidelines on non-financial reporting (2017/C 215/01).

This report is subject to external independent review by EY and approval by Siemens Gamesa's Board of Directors.

Note that the EY verification report cannot be an integral part of this Consolidated Non-Financial Statement (CNFS) and cannot be attached to it. That verification document is independent and is generated after the audit close. The rationale is the same as in the case of the financial audit, where the audit report is not part of the financial statements.

F6. Basis for Preparation

The reportable aspects relating to environmental, employee and social matters, human rights protection, and anti-corruption and bribery matters represent cornerstones of the Siemens Gamesa Group's policies and programs, including the new comprehensive Sustainability Program and actions set forth in section A.7. This reporting process includes close coordination with our main shareholder, Siemens Energy, A.G. Whereas the approach to the reportable aspects is aligned throughout the Siemens Energy Group as a whole, the basis for preparation of this document reflects only Company-specific characteristics of Siemens Gamesa.

F7. Compilation of Information

Non-financial information systems: Siemens Gamesa has adequate information systems. Therefore, the compilation of financial and non-financial information guarantees the comprehensiveness and accuracy of the indicators detailed in this report.

Rounding: Certain figures in this statement have been rounded up or down to the nearest decimal. As a result, the figures reported throughout this document may not add up precisely to the totals provided and the percentages may not accurately reflect the absolute figures.

F8. Observations

[102-46] The scope of companies considered by Siemens Gamesa while preparing the Consolidated Non-Financial Statement coincides with the definition of the Group for the purposes of preparing the consolidated financial statements. [102-45]

Year-on-year comparative information is provided throughout the report. The scope and comparable period for the matter of sustainability in 2017 are not the same as in 2018, 2019 and 2020. Siemens Gamesa excluded the data from 2017 in order to conduct a reliable year-on-year analysis. For analyzing trends and data to compare the organization's sustainability performance over time, FY18 is considered to be the baseline.

F9. Reference

For the purposes of this report, the Spanish Company Siemens Gamesa Renewable Energy S.A., hereinafter referred to as "SGRE", "Siemens Gamesa" or the "Company", is the parent Company of the Group.

Siemens Gamesa Renewable Energy S.A. and all the subsidiaries over which it has the capacity to exercise control, or which it jointly controls, are referred to as the "Siemens Gamesa Renewable Energy Group", "Siemens Gamesa Group" or "the Group".

The companies in which Siemens Gamesa holds a percentage of ownership but over which it does not have the capacity to exercise control are referred to as "investee companies" or "associated companies".

F10. Calculations

This document refers to CO_2 emission savings that Siemens Gamesa products provide to customers.

It is properly interpreted as total CO_2 emissions that would be generated annually with conventional fossil fuels to produce the equivalent amount of electricity (kWh) produced by Siemens Gamesa turbines on an annual basis.

Calculation of these annual CO_2 emission savings is based on the wind turbines' total installed capacity, both on Onshore and Offshore. The following conversion factors are applied:

- World fossil fuel emission factor (grCO_2/KWh): 849.
- Offshore wind turbine average capacity factor: 42%.
- Onshore wind turbine average capacity factor: 35%.
- Average equivalent hours per year (h)= [Average Wind Turbine Generator (WTG) Capacity factor] * 365*24.

G. Materiality Analysis

[102-44] Siemens Gamesa's Materiality Analysis is a continuation of the comprehensive analysis carried out in the first half of fiscal year 2018. From our perspective, the evolution of material issues does not require an annual update; rather, we propose a review based on 3 to 5-year cycles, depending on the specific features of the business and on trends in stakeholder needs.

G1. Identification of Material Aspects

The information sources which enable us to identify additional material issues for the Company's stakeholders include: i) Environment, Social and Governance (ESG) criteria used by Institutional investors and asset managers to select their investment portfolios; ii) ESG requirements used by specialized indexes and rating agencies to analyze the Company; iii) Reference publications issued by international organizations that are influential in the scope covered by the ESG topic; and iv) ESG requirements expressed by clients in the framework of the Company's day-to-day business relations.

At a global level, we also consider four international standards that currently shape the broader international agreement on responsible behavior by multinational companies: i) The Principles of the United Nations Global Compact; ii) The United Nations Guiding Principles on Business and Human Rights; iii) The OECD Guidelines for Multinational Enterprises and iv) The Global Reporting Initiative Guidelines (GRI), together with feedback from the business environment, trade unions, civil society, financial markets, auditors and specialists in several disciplines in the business area, regulators and governing bodies in several countries.

All these sources enable us to identify details and specific features and obtain lists of issues that affect the group. A single list of issues linked to the corresponding chapter of this report is set out below.

G2. Prioritization of Material Aspects

The importance of each specific aspect for Siemens Gamesa's top management and regional managers (internal diagnosis) was analyzed and opinion makers' demands in these areas were also identified, as were the best practices implemented by Siemens Gamesa's peers (external diagnosis). The results of the internal and external diagnoses were deployed in the aggregated materiality analysis as:

- Internal relevance of the sustainability aspect (importance for Siemens Gamesa – X axis of the materiality matrix), including an in-depth analysis of the sustainability policies applicable to the group's companies, together with consultations with the business' senior executives, including the Chief Executive Officer and members of the executive committee, who provided their views on the relevance of the issues identified.
- External relevance of the sustainability aspect (importance for stakeholders – Y axis of the materiality matrix), weighted as follows: i) benchmark with industry peers: 60%; ii) sector prescribers: 5% including AEE, WindEurope, IEA, …etc. iii) sustainability opinion makers: 30%; including DJSI, CDP, FTSE4Good, OECD, ILO, GRI, etc.; iv) media: 5%.

G3. Validation of Material Aspects

The assessment and validation of the material aspects was included in the sustainability strategy and actions for the period 2018-2020, which was submitted for consideration and subsequent validation by the Audit, Compliance and Related Party Transactions Committee at a meeting on 16 May 2018.

However, each year a reflection is carried out on whether the issues in this analysis are still valid. The conclusion for the year 2021 is that the trends remain the same. In addition, a megatrend analysis was carried out and is reflected in this document.

As was done last year, the impact of the COVID 19 pandemic is reflected in several references in this report, as it is considered to be of a contingent nature. Those references explain how this impact has been managed from a business and management systems perspective.

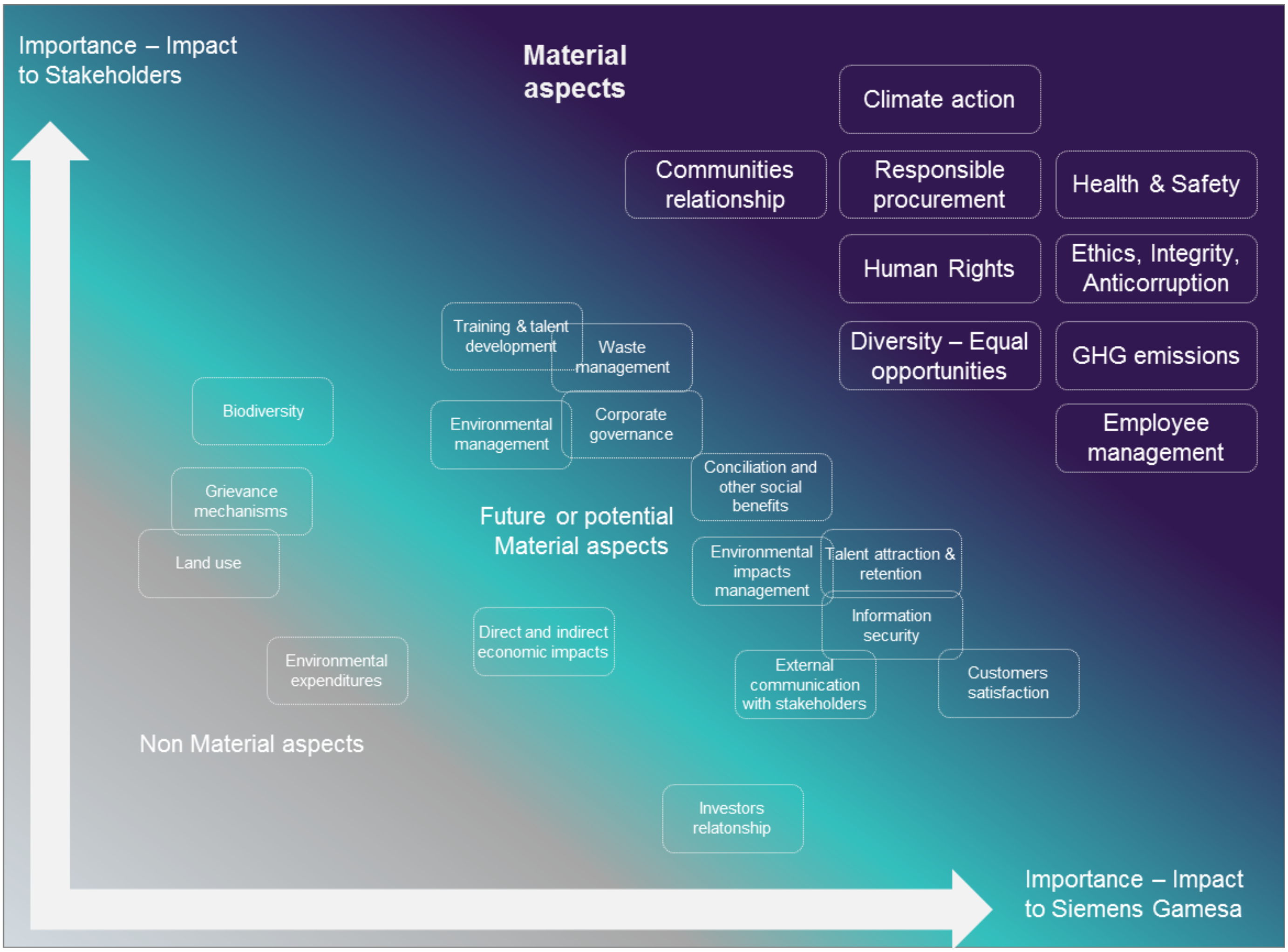


Figure 33 – Materiality matrix

G4. Understanding Material Aspects

Material aspect: **Ethics, Integrity, anti-corruption**

As part of a Company's governance, it is considered necessary to establish an anti-corruption policy and guidelines for ethical conduct, in addition to promoting legal compliance and integrity in tenders and bids. A high degree of transparency, efficiency and accuracy in the functioning of the governing bodies is critical to the generation of trust and long-term commitment to stakeholders. Large listed companies are also tending to provide more and more information regarding transparency and their tax contribution. [Section in this report: D1. Ethics, Integrity and Anti-Corruption]

Material aspect: **Health & safety**

Managing the safety, health and well-being of workers requires a process of awareness and training, along with risk identification and mitigation measures. In addition to achieving a reduction in accidents at work, it is important to convey the importance of occupational safety and health management to the supply chain. [Section in this report: B2. Health & Safety]

Material aspect: **Climate change action**

Measures taken by the Company to contribute to climate change mitigation: establish a climate change policy, invest in renewable energy, promote energy efficiency, reduce greenhouse gas emissions, offset carbon or emissions; adapt projects or assets to extreme weather events; and manage risks and opportunities from climate change. The impact of the energy transition and its regulatory mechanisms on companies is significant. [Section in this report: C2. Climate]

Material aspect: **Responsible procurement**

Environmental, social and ethical criteria must also be applied in supplier management. This includes the establishment of supplier policies and codes of conduct, as well as the implementation of due diligence mechanisms to ensure compliance. Work must also be done to identify suppliers' carbon footprint. [Section in this report E3. Responsible Supply Chain]

Material aspect: **Diversity and equal opportunities**

Measures taken to guarantee diversity and equal opportunities in the workplace must be disclosed, including training of people at risk of social exclusion and the promotion of multiculturalism. In addition, policies and actions aimed at promoting work-life balance and reducing the salary gap should be adopted. [Section in this report: B3. Diversity and Equal Opportunity]

Material aspect: **Human Rights**

Measures in place to respect the human rights of stakeholders and mechanisms to address possible violations. In addition to the definition of a policy in this respect, it is considered important to establish due diligence mechanisms as well as training and awareness on the subject of assessing the human rights risks in projects and investments, as well as in the supply chain. [Section in this report D2. Human Rights]

Material aspect: Greenhouse **Gas emissions (GHG)**

Global warming and climate change have come to the fore as a key sustainable development issue. Many governments are taking steps to reduce GHG emissions through national policies that include the introduction of emissions trading programs, voluntary programs, carbon or energy taxes, and regulations and standards on energy efficiency and emissions. As a result, we must be able to understand and manage our GHG risks if we are to ensure long-term success in a competitive business environment and be prepared for future national or regional climate policies. [Section in this report: C2. Climate]

Material aspect: **Employee management**

Strategy and plans to attract and retain talent, as well as to reduce employee turnover: performance evaluation processes, employee satisfaction surveys and investment in training and other instruments to motivate commitment, such as grants, or incentives linked to objectives. In addition, measures to promote training on key sustainability issues and to link employee remuneration to the Company's sustainability performance are also assessed. [Section in this report B5. Talent Management and Learning]

Material aspect: **Community relations**

Any negative impact of the Company's activity on local communities should be managed, starting with appropriate engagement with them. Consideration should be given to effects such as population displacement, noise and dust generated and visual impact. The Company's operations also have a positive impact, such as the generation of wealth and the creation of local employment and the hiring of local suppliers. There is also the positive impact of social actions of a local and global nature outside regular business channels. [Section in this report: E1. Social Commitment]

H. Tables, Facts and Figures

H1. Our Company

Table 2 - Revenues by segment

(€million)	FY18	FY19	FY20	FY21
Wind Turbines	7,847	8,733	7,715	8,272
Service	1,275	1,493	1,768	1,926
Siemens Gamesa total revenue	**9,122**	**10,227**	**9,483**	**10,198**

Table 3 - Revenues by geographical area

(€million)	FY18	FY19	FY20	FY21
Europe, Middle East and Africa	5,175	6,653	5,197	4,910
Americas	2,235	2,031	2,659	2,678
Asia, Australia	1,712	1,543	1,627	2,610
Siemens Gamesa total revenue	**9,122**	**10,227**	**9,483**	**10,198**

Table 4 - Revenues by country

(€million)	FY18	FY19	FY20	FY21
Spain	666	1,000	617	489
Germany	1,173	1,038	745	454
Denmark	639	1,116	712	447
United Kingdom	1,062	1,497	391	1,383
United States	998	1,514	1,907	1,757
China P.R.	329	203	299	252
India	888	774	425	457
Brazil	262	198	293	377
Mexico	474	167	176	152
Rest of countries	2,896	2,720	3,918	4,430
Siemens Gamesa total revenue	**9,122**	**10,227**	**9,483**	**10,198**

Table 5 - Financial subsidies granted

(€million)	FY18	FY19	FY20	FY21
European Commission	6.08	1.37	2.02	2.50
Grants	6.08	1.37	2.02	2.50
Loans	0	0	0	0
Spain	2.36	5.29	10.15	3.67
Grants	0.53	1.07	2.48	1.15
Loans	1.82	4.22	7.67	2.52
Germany	0.12	0	2.89	0.74
Grants	0.12	0	2.89	0.74
Loans	0	0	0	0
Denmark	0.29	0.99	0.18	2.59
Grants	0.29	0.99	0.18	2.59
Loans	0	0	0	0
UK	0	0	0	17.55
Grants	0	0	0	17.55
Loans	0	0	0	0
Portugal	0	0	0	5.24
Grants	0	0	0	5.24
Loans	0	0	0	0
France	0	0.69	0	0.8
Grants	0	0.69	0	0.8
Loans	0	0	0	0
Rest of countries	0	0	0	0
Grants	0	0	0	0
Loans	0	0	0	0
Siemens Gamesa Group	**8.86**	**8.36**	**15.24**	**33.09**
Grants	**7.03**	**4.14**	**7.57**	**30.57**
Loans	**1.82**	**4.22**	**7.67**	**2.52**

Table 6 - Breakdown by country of profit (loss) and taxes paid (million euro)

	FY18 (*)	FY18 Tax	FY19 (*)	FY19 Tax	FY20 (*)	FY20 Tax	FY21 (*)	FY21 Tax
Argentina	-3	0	0	0	-4	0	4	-1
Australia	15	-6	0	-6	-11	-1	29	-5
Austria	0	0	1	0	0	0	0	0
Belgium	16	-5	18	-4	1	-3	9	-2
Brazil	-24	-8	-11	-6	-81	-3	-321	-3
Bulgaria			1	0	1	0	1	0
Canada	27	-7	16	-4	6	-1	-29	-1
Chile	4	5	-1	-3	-4	0	-23	0
China P.R.	30	-13	14	-18	18	-5	97	-29
Colombia					0	0	0	0
Costa Rica	2	-1	3	0	-4	-1	-1	0
Croatia	5	-2	1	-1	2	0	5	0
Cyprus			0		0	0	0	0
Denmark	302	-17	388	-81	-172	-29	62	2
Djibouti					0	0	-5	0
Dom.Rep	2	0	-5	0	-2	-2	2	0
Egypt	5	0	3	-1	-3	-2	0	-1
Ethiopia							-1	0
Finland			0		-1	0	0	0
France	-16	-2	-11	-2	-15	-1	-15	9
Germany	-3	-17	51	-13	272	-26	85	-42
Greece	0	0	0	0	-1	0	5	0
Guatemala	-4		4	0	0	0	-2	0
Honduras			-5	0	-5	0	1	0
Hungary	0	-1	1	0	1	0	1	0
India	-46	-14	-111	-3	-531	-12	-175	-5
Indonesia	3	0	0	0	1	0	0	0
Iran	2		4	-1	2	0	0	0
Ireland	7	0	6	-1	12	-1	2	-1
Italy	1	0	-2	0	-6	0	1	0
Jamaica	0				0	0	0	0
Japan							0	0
Jordan	2	-1	3	-1	0	0	1	0
Kenya			0		0	0	0	0
Korea	1	0	0	0	3	0	0	-1
Mauritania			-1		0	0	-4	0
Mauritius			0	0	0	0	0	0
Mexico	-34	-7	-25	-5	-54	-2	-7	-5
Morocco	-3	-3	-3	-3	-9	-2	-4	-3
Netherlands	7	-3	7	-2	5	-3	21	-2
N.Caledonia			-1		0	0	1	0
N. Zealand				0				
Nicaragua		-1	-5	0	-1	0	-2	0
Norway	1	-1	0		-2	0	0	0
Pakistan			0	0	1	0	-1	0
Peru	2	0	2	-1	0	0	-3	1
Philippines	2	-1	4	-1	2	-1	1	-1
Poland	3	1	5	0	3	0	4	-4
Portugal	0	0	1	0	-7	1	-20	0
Romania	1	0	2	0	1	0	1	0
Russia	-1		-3		-13	0	-8	0
Serbia					0	0	0	0
Singapore				0				
S. Africa	8	-6	4	-5	4	-3	5	-4
Spain	-174	-2	-288	-6	-407	-5	-384	-2
Sri Lanka			0	0	0	0	0	0
Sweden	7	-2	5	-3	-8	-2	-6	0
Taiwan			4		-14	0	35	-5
Thailand	2	0	3	0	3	-1	-5	-1
Tunisia	6	0	-2	0	1	0	0	0
Turkey	-4	-2	1	-3	-20	-1	-7	-1
Ukraine			0					
United Kingdom	74	-4	108	-8	100	-55	110	-30
United States	-75	21	7	2	-61	-1	-9	6
Uruguay	14	-1	4	-5	-3	2	-3	0
Venezuela			0					
Vietnam	0		0	0	-4	0	5	0
Other IFRS	4		-9		-12	0	-7	0
Siemens Gamesa	**168**	**-103**	**190**	**-191**	**-1,019**	**-165**	**-553**	**-134**

(*) Note: Profit /(loss) before tax

Table 7 - Siemens Gamesa wind turbine platforms

ONSHORE	SG 2.1-114	SG 2.2-122	SG 2.6-114	SG 2.9-129	SG 3.4-132	SG 3.4-145	SG 5.0-132	SG 5.0-145	SG 5.8-155	SG 5.8-170
Platform	2.X	2.X	2.X	2.X	3.X	3.X	4.X	4.X	5.X	5.X
Nominal power (MW)	**2.1**	**2.2**	**2.625**	**2.9**	**3.465**	**3.465**	**5.0**	**5.0**	**5.8**	**5.8**
Technology	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared	Geared
Rotor diameter (m)	114	122	114	129	132	145	132	145	155	170
Swept area (m2)	10,207	11,690	10,207	13,070	13,685	16,513	13,685	16,513	18,868	22,697
Blade length (m)	56	60	56	63.5	64.5	71	64.5	71	-	-
Class IEC	II/IIIA/S	III/S	IA/IIA/S	S	IA/IIA	III/S	IA	IIB	-	-

OFFSHORE	SWT 6.0-154	SWT 7.0-154	SG 8.0-167 DD	(1) SG 11-200 DD	(2) SG 14-222 DD
Nominal power (MW)	**6.0**	**7.0**	**8.0**	**11.0**	**14.0**
Technology	Direct Drive	Direct Drive	Direct Drive	Direct Drive	Direct Drive
Rotor diameter (m)	154	154	167	200	222
Swept area (m2)	18,600	18,600	21,900	31,400	39,000
Blade length (m)	75	75	81.4	97	108
Class IEC	I, S	I, S	I, S	I, S	I, S

(1) The serial production is planned for 2022 || (2) The serial production is planned for 2024

Note: Full detail of Siemens Gamesa's products and services can be found at the Company's website.

Table 8 - Wind turbine installation track record by country / market (cumulative MW)

	FY18	FY19	FY20	FY21	ON	OF
Algeria	10	10	10	10	10	-
Argentina	82	113	113	113	113	-
Australia	699	932	932	932	932	-
Austria	43	43	43	43	43	-
Azerbaijan	8	8	8	8	8	-
Belgium	163	195	520	680	216	464
Bosnia-Herz.	41	87	87	135	135	-
Brazil	3,156	3,316	3,552	4,311	4,311	-
Bulgaria	90	90	90	90	90	-
Canada	2,804	3,021	3,021	3,234	3,234	-
Cape Verde	0.05	0.05	0.05	0.05	0.05	-
Chile	452	452	580	1,272	1,272	-
China P.R.	5,099	5,513	5,557	6,374	6,326	48
Costa Rica	143	143	143	143	143	-
Croatia	162	162	162	162	162	-
Cuba	5	5	5	5	5	-
Cyprus	20	20	20	20	20	-
Czech Rep.	14	14	14	14	14	-
Denmark	2,199	2,199	2,234	2,815	1,152	1,663
Djibouti	-	-	-	55	55	-
Dom. Rep.	52	191	191	191	191	-
Ecuador	2	2	2	2	2	-
Egypt	986	1,253	1,249	1,501	1,501	-
Finland	308	309	308	309	266	42
France	1,545	1,636	1,865	1,926	1,926	-
Germany	6,785	7,510	7,393	7,502	2,478	5,023
Greece	563	665	730	842	842	-
Guadalupe	-	-	-	16	16	-
Guatemala	32	32	32	32	32	-
Honduras	176	176	176	176	176	-
Hungary	182	182	182	182	182	-
India	5,613	6,358	6,931	7,529	7,529	-
Indonesia	122	151	151	151	151	-
Ireland	796	870	935	1,019	1,019	-
Iran	61	61	61	61	61	-
Israel	21	21	21	21	21	-
Italy	2,199	2,375	2,390	2,415	2,415	-
Jamaica	24	24	24	24	24	-
Japan	386	495	495	567	567	-

ON: Onshore
OF: Offshore

	FY18	FY19	FY20	FY21	ON	OF
Jordan	166	166	166	166	166	-
Kenya	14	14	14	14	14	-
Kuwait	10	10	10	10	10	-
Latvia	21	21	21	21	21	-
Lithuania	14	14	14	14	14	-
Luxemburg	24	24	24	24	24	-
Macedonia	37	37	37	37	37	-
Mauritania	30	35	132	132	132	-
Mauritius	9	9	9	9	9	-
Mexico	2,380	2,639	3,059	3,080	3,080	-
Morocco	856	856	1,062	1,073	1,073	-
Netherlands	858	858	1,973	2,454	281	2,173
N.Caledonia	-	-	-	1	1	-
N. Zealand	281	281	316	415	415	-
Nicaragua	44	44	44	44	44	-
Norway	662	858	1,670	1,705	1,702	2
Pakistan	50	50	52	184	184	-
Peru	124	124	124	161	161	-
Poland	1,045	1,053	1,159	1,297	1,297	-
Portugal	569	569	569	601	601	-
Puerto Rico	103	103	103	103	103	-
Romania	590	590	590	590	590	-
Russian Fed.	-	-	45	152	152	-
Somalia	0.22	0.22	0.22	0.22	0.22	-
South Africa	604	660	855	855	855	-
South Korea	77	138	155	164	164	-
Spain	13,154	14,184	14,671	15,045	15,045	-
Sri Lanka	45	45	56	56	56	-
Sweden	1,458	1,542	1,873	2,169	2,058	110
Switzerland	0.15	0.15	0.15	0.15	0.15	-
Taiwan	20	132	164	252	12	240
Thailand	389	389	659	679	679	-
Philippines	243	259	259	259	259	-
Tunisia	242	242	242	242	242	-
Turkey	814	1,290	1,297	1,367	1,367	-
U. Kingdom	9,822	11,700	12,297	13,235	4,305	8,930
Uruguay	390	390	390	390	390	-
U. States	18,795	20,669	23.028	25,171	25,159	12
Venezuela	71	71	71	71	71	-
Vietnam	9	40	61	546	546	-
Siemens Gamesa	**88,840**	**98,735**	**107,502**	**117,666**	**98,958**	**18,708**

Figure 34 - SG 3.4 ON wind turbine

Table 9 - Service track record (MW)

	FY18	FY19	FY20	FY21	ON	OF
Algeria	11	-	-	-	-	-
Argentina	-	76	100	100	100	-
Australia	587	720	1,077	1,077	1,077	-
Austria	26	26	26	9	9	-
Belgium	389	509	498	970	212	758
Bosnia-Herz	-	87	36	135	135	-
Brazil	3,565	3,735	3,193	3,017	3,017	-
Bulgaria	90	90	90	30	30	-
Canada	1,808	1,830	1,986	2,006	2,006	-
Chile	452	452	457	1,468	1,468	-
China P.R.	726	512	508	1,355	1,355	-
Costa Rica	130	130	80	-	-	-
Croatia	172	162	162	162	162	-
Czech Rep.	14	14	14	14	14	-
Denmark	626	657	685	597	549	48
Dom. Rep.	-	137	139	139	139	-
Egypt	564	834	843	1,089	1,089	-
Finland	280	268	122	122	122	-
France	1,185	1,280	1,253	1,540	1,540	-
Germany	4,750	5,113	14,270	13,280	9,530	3,750
Greece	278	372	352	483	483	-
Guatemala	-	32	32	32	32	-
Honduras	50	50	50	50	50	-
Hungary	24	24	24	24	24	-
India	5,563	6,240	6,835	6,686	6,686	-
Indonesia	-	151	153	151	151	-
Iran	-	61	61	61	61	-
Ireland	891	963	958	978	978	-
Israel	21	-	-	-	-	-
Italy	1,309	1,659	1,675	1,387	1,387	-
Japan	131	213	301	294	294	-
Jordan	166	82	162	166	166	-

ON: Onshore
OF: Offshore

	FY18	FY19	FY20	FY21	ON	OF
Korea Rep.	49	103	-	-	-	-
Kuwait	10	10	10	10	10	-
Lithuania	14	14	-	14	14	-
Luxemburg	21	-	24	24	24	-
Macedonia	-	14	37	37	37	-
Mauritania	30	30	30	30	30	-
Mauritius	9	9	9	9	9	-
Mexico	2,040	2,224	2,509	2,349	2,349	-
Morocco	638	842	842	1,052	1,052	-
Netherlands	785	804	1,236	1,690	140	1,550
New Zealand	60	60	60	193	193	-
Nicaragua	44	44	-	-	-	-
Norway	265	209	670	1,323	1,323	-
Pakistan	124	124	50	50	50	-
Peru	14	14	123	160	160	-
Philippines	243	243	205	151	151	-
Poland	915	919	853	880	880	-
Portugal	402	402	402	523	523	-
Puerto Rico	101	101	-	-	-	-
Romania	352	242	148	68	68	-
Russian Fed.	-	-	-	78	78	-
South Africa	605	605	499	749	749	-
South Korea	-	-	122	162	162	-
Spain	5,914	5,639	6,549	6,919	6,919	-
Sri Lanka	-	-	45	10	10	-
Sweden	625	663	947	1,137	1,137	-
Taiwan	8	8	128	128	-	128
Thailand	355	524	656	657	657	-
Turkey	849	873	947	1,297	1,297	-
U. Kingdom	8,582	8,688	7,896	8,222	2,557	5,665
United States	9,450	9,722	12,634	13,383	13,371	12
Uruguay	410	410	410	410	410	-
Vietnam	8	39	60	60	60	-
Siemens Gamesa	**56,728**	**60,030**	**74,240**	**79,199**	**67,288**	**11,911**

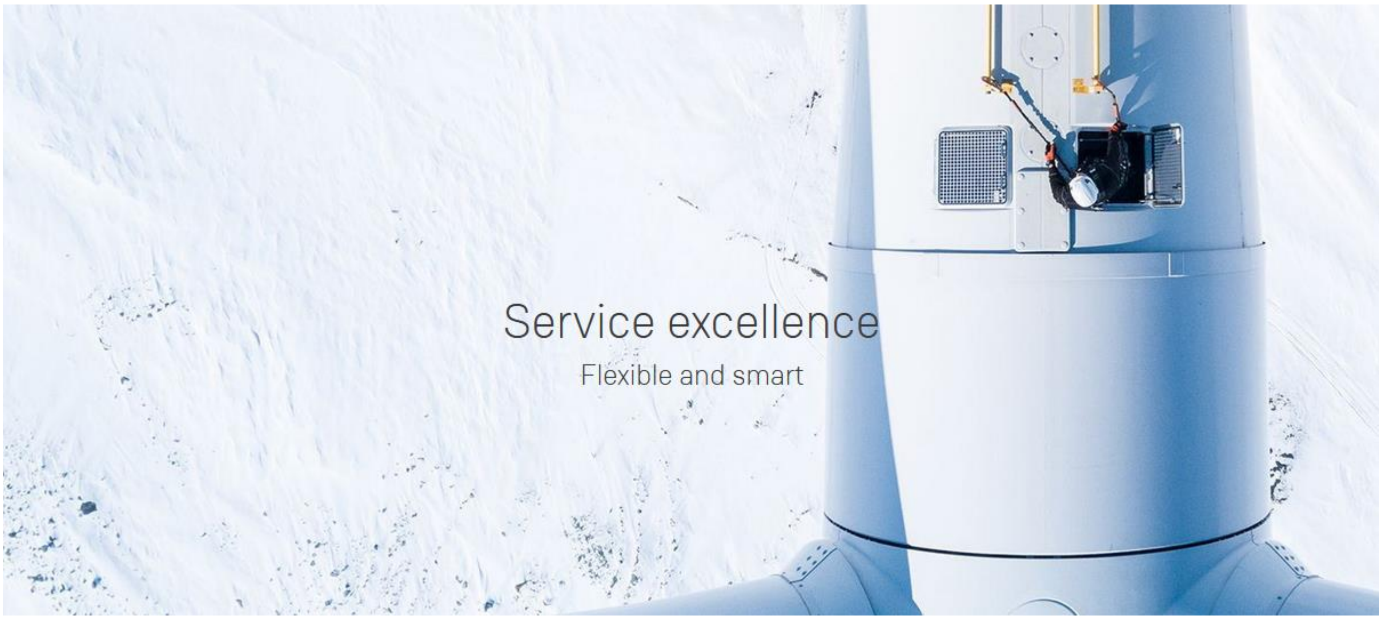


Figure 35 - Wind turbine and services

H2. People Matters

Table 10 - Employee breakdown by country or market

Country/market	FY18	FY19	FY20	FY21	Country/market	FY18	FY19	FY20	FY21
1. Argentina	-	11	13	10	31. Korea Rep.	11	17	21	25
2. Australia	58	145	128	94	32. Lithuania	-	-	-	3
3. Austria	12	16	24	22	33. Mauretania	4	4	4	9
4. Belgium	33	30	40	40	34. Mexico	291	340	398	501
5. Brazil	549	648	605	681	35. Morocco	542	666	737	641
6. Bulgaria	1	1	1	1	36. Netherlands	126	155	186	208
7. Canada	121	113	130	139	37. New Caledonia	-	-	-	1
8. Chile	41	55	75	105	38. New Zealand	5	-	-	8
9. China P.R.	1,309	1,320	1,249	1,238	39. Nicaragua	-	1	-	-
10. Costa Rica	3	2	2	1	40. Norway	22	37	41	42
11. Croatia	30	28	30	30	41. Pakistan	-	2	5	14
12. Czech Rep.	1	-	-	1	42. Peru	9	9	12	11
13. Denmark	5,283	5,316	5,103	5,211	43. Philippines	30	11	19	20
14. Dominican Rep.	1	2	3	12	44. Poland	85	88	178	175
15. Egypt	18	46	63	76	45. Portugal	8	19	689	860
16. Finland	26	13	-	21	46. Romania	14	11	9	10
17. France	100	118	304	359	47. Russian Fed.	-	-	22	21
18. Germany	2,345	2,334	2,843	2,998	48. Serbia	-	-	4	4
19. Greece	16	21	24	26	49. Singapore	11	3	-	17
20. Guatemala	-	-	-	2	50. South Africa	40	48	51	52
21. Honduras	3	4	7	6	51. Spain	4,534	4,881	4,765	4,762
22. Hungary	119	117	118	124	52. Sri Lanka	9	13	12	12
23. India	2,789	3,235	3,338	2,820	53. Sweden	62	80	98	95
24. Indonesia	4	9	10	10	54. Taiwan	13	-	114	188
25. Iran, Islamic R.	9	8	7	7	55. Thailand	26	31	38	40
26. Ireland	102	99	96	86	56. Turkey	53	97	127	158
27. Israel	1	1	-	-	57. U. Kingdom	1,952	2,012	2,008	1,981
28. Italy	91	96	176	154	58. U. States	1,985	2,093	2,127	1,916
29. Japan	18	-	-	54	59. Uruguay	20	36	38	48
30. Jordan	1	5	7	14	60. Vietnam	8	6	15	20
Siemens Gamesa						**23,034**	**24,453**	**26,114**	**26,182**

Table 11 - Employee breakdown by gender, region, age structure and professional category

	[92] FY19			FY20			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	12,926	3,425	16,351	14,065	3,680	17,745	14,396	3,773	18,169
Americas	2,633	684	3,317	2,740	693	3,433	2,778	654	3,432
Asia, Australia	4,299	486	4,785	4,410	526	4,936	4,007	574	4,581
Siemens Gamesa	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**	**21,181**	**5,001**	**26,182**
<35	7,639	1,458	9,097	8,036	1,550	9,586	7,509	1,529	9,038
35-44	7,088	1,900	8,988	7,761	2,009	9,770	7,963	2,052	10,015
45-54	3,631	909	4,540	3,936	1,014	4,950	4,096	1,064	5,160
55-60	1,025	237	1,262	990	223	1,213	1,088	241	1,329
>60	368	73	441	492	103	595	525	115	640
Non-classified	-	-	125	-	-	-	-	-	-
Siemens Gamesa	**19,751**	**4,577**	**24,453**	**21,215**	**4,899**	**26,114**	**21,181**	**5,001**	**26,182**
Executive level	298	34	332	219	29	248	236	35	271
Management level	2,616	625	3,241	2,791	677	3,468	3,321	904	4,225
Non-management level	16,944	3,936	20,880	18,205	4,193	22,398	17,624	4,062	21,686
Siemens Gamesa	**19,858**	**4,595**	**24,453**	**21,215**	**4,899**	**26,114**	**21,181**	**5,001**	**26,182**

Table 12 - Overall age

	FY18	FY19	FY20			FY21		
			Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	-	-	41	40	41	41	41	41
Americas	-	-	39	41	39	40	41	40
Asia, Australia	-	-	34	36	34	35	36	35
Siemens Gamesa	**38**	**38**	**39**	**40**	**39**	**40**	**40**	**40**

Table 13 - Contract type by gender, professional category and age structure (fiscal year-end)

	[93] FY19			FY20			FY21		
	Fixed	Temporary	Part-time[94]	Fixed	Temporary	Part-time	Fixed	Temporary	Part-time
Male	18,383	1,125	199	19,989	958	268	19,953	1,026	202
Female	4,246	293	419	4,239	269	391	4,359	331	311
Siemens Gamesa	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**	**24,312**	**1,357**	**513**
<35	8,067	836	79	8,733	733	120	8,225	751	62
35-44	8,419	438	350	9,027	392	351	9,317	437	261
45-54	4,359	120	121	4,741	88	121	4,908	136	116
55-60	1,232	18	22	1,182	10	21	1,279	28	22
>60	430	5	45	545	4	46	583	5	52
Siemens Gamesa	**22,507**	**1,417**	**617**	**24,228**	**1,227**	**659**	**24,312**	**1,357**	**513**
Executive level	316	10	2	241	6	1	264	4	3
Management level	3,059	95	63	3,297	96	75	4,069	66	90
Non-management level	19,254	1,313	553	20,690	1,125	583	19,979	1,287	420
Siemens Gamesa	**22,629**	**1,418**	**618**	**24,228**	**1,227**	**659**	**24,312**	**1,357**	**513**

Table 14 – Average contracts in fiscal year 2021 by Region, Category level, Contract type and Gender

	Male	Female	Average FY21
Europe, Middle East and Africa	**14,206**	**3,727**	**17,933**
Executive level	194	28	221
Part Time	0	0	0
Permanent	190	28	218
Temporary	3	0	3
Management level	2,212	610	2,822
Part Time	27	40	68
Permanent	2,068	566	2,734
Temporary	17	4	21
Non-management level	11,801	3,089	14,890
Part Time	163	288	452
Permanent	11,224	2,691	13,915
Temporary	414	110	524
Americas	**2,723**	**660**	**3,384**
Executive level	22	2	24
Part Time	0	0	0
Permanent	22	2	24
Temporary	0	0	0
Management level	388	88	476
Part Time	9	2	11
Permanent	375	86	461
Temporary	4	0	4
Non-management level	2,313	571	2,885
Part Time	36	14	50
Permanent	2,253	554	2,807
Temporary	24	4	27
Asia, Australia	4,144	559	4,703
Executive level	15	3	18
Part Time	0	0	0
Permanent	13	3	16
Temporary	2	0	2
Management level	412	74	486
Part Time	0	0	1
Permanent	369	57	425
Temporary	43	17	60
Non-management level	3,717	482	4,199
Part Time	2	1	3
Permanent	3,339	327	3,666
Temporary	376	154	530
Siemens Gamesa	**21,074**	**4,946**	**26,020**

Table 15 - Average contracts in fiscal year 2021 by Age structure

	Fixed	Temporary	Part-time	FY21
<35	8,463	644	91	9,198
35-44	9,209	401	309	9,919
45-54	4,819	100	118	5,036
55-60	1,218	22	20	1,259
>60	557	5	46	607
Siemens Gamesa	**24,265**	**1,171**	**583**	**26,020**

Table 16 - Employees hired

	FY18	FY19	FY20			FY21		
			Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	1,203	1,118	2,873	627	3,500	1,810	463	2,273
Americas	349	314	563	107	670	605	91	696
Asia, Australia	474	368	617	145	762	662	119	781
Siemens Gamesa	**2,466**	**4,498**	**4,053**	**879**	**4,932**	**3,077**	**673**	**3,750**

Table 17 - Employee exits

	FY18	FY19	FY20			FY21		
			Male	Female	Total	Male	Female	Total
Voluntary	**2,026**	**1,800**	**1,442**	**317**	**1,759**	**1,675**	**317**	**1,992**
Europe, Middle East and Africa	1,203	1,118	807	191	998	865	202	1,067
Americas	349	314	259	59	318	291	56	347
Asia, Australia	474	368	376	67	443	519	59	578
NON-Voluntary	**2,827**	**1,345**	**1,251**	**265**	**1,516**	**1,506**	**296**	**1,802**
Europe, Middle East and Africa	2,037	998	910	192	1,102	686	214	900
Americas	568	181	218	43	261	241	62	303
Asia, Australia	222	166	123	30	153	579	20	599
Siemens Gamesa	**4,853**	**3,145**	**2,693**	**582**	**3,275**	**3,181**	**613**	**3,794**
Europe, Middle East and Africa	3,240	2,116	1,717	383	2,100	1,551	416	1,967
Americas	917	495	477	102	579	532	118	650
Asia, Australia	696	534	499	97	596	1,098	79	1,177

Table 18 - Overall employee turnover rate (%) - Annualized

	FY18	FY19	FY20	FY21
Siemens Gamesa	8.80	7.36	7.04	7.66

Table 19 - Employees ‘ use of working hours

	FY18	FY19	FY20	FY21
Europe, Middle East and Africa	639	587	535	488
Americas	12	29	122	1
Asia, Australia	2	2	2	24
Siemens Gamesa	**653**	**618**	**659**	**513**

Table 20 - Employee training hours by professional category

	FY18	FY19	FY20	(*) FY21
Employee Executive level				4,224
Employee Management levels				34,459
Employee Non-management level				327,165
Employee others				24,852
Externals				150,825
On behalf of				13,345
Siemens Gamesa	**619,257**	**904,529**	**839,950**	**554,870**

Legend: i) Employee others: Employee of SGRE that cannot be classified by professional category; ii) Externals: External employees; iii) On behalf of: Suppliers, partners and third parties

(*) In FY21 we consolidate data from the 2 global learning tools and do not include training data outside our global tools, to ensure data quality

Table 21 - Training hours based on learning category in fiscal year 2021

	External	Member of	On behalf of	FY21
Compliance	36	10,173	496	10,704
Global Learning Program	480	28,806	3,017	32,302
Job Specific Skills	9,302	52,491	4,854	66,645
Leadership	0	8,819	0	8,819
Manufacturing	159	6,520	1,133	7,812
Organizational Awareness	1,087	37,149	1,000	39,236
Personal Skills	62	598	34	694
Technician	139,700	246,144	2,813	388,657
Siemens Gamesa	**150,825**	**390,700**	**13,346**	**554,870**

Table 22 - Training hours based on delivery type in fiscal year 2021

	External	Member of	On behalf of	FY21
E-learning	51,153	61,698	3,420	116,271
Face-to-Face /Virtual	82,143	257,505	9,453	349,101
On-the-job	17,528	71,498	472	89,498
Siemens Gamesa	**150,825**	**390,700**	**13,346**	**554,870**

Table 23 - Number of virtual/face to face sessions

	FY18	FY19	FY20	FY21
Number of virtual/face to face sessions	n.a.	2,321	2,046	3,056

Table 24 – Number of graduates

	FY18	FY19	FY20	FY21
Internal	421	496	510	410
External	86	119	124	69
Siemens Gamesa	**507**	**615**	**634**	**479**

Table 25 - Individual Performance Appraisal (% employees)

	FY18	FY19	FY20	FY21
Employee coverage of individual performance appraisals	35.8	43.5	44.4	46.1

Table 26 - Employees in management positions

	FY18	FY19	FY20			FY21		
			Male	Female	Total	Male	Female	Total
Europe, Middle East and Africa	227	267	187	24	211	195	31	226
Americas	33	37	20	2	22	23	1	24
Asia, Australia	18	28	12	3	15	18	3	21
Siemens Gamesa	**278**	**332**	219	29	**248**	236	35	**271**

Table 27- Employee breakdown by region, gender, age group and professional category (extended)

			FY20			FY21
	Male	Female	Total	Male	Female	Total
Europe, Middle East & Africa	**14,065**	**3,680**	**17,745**	**14,396**	**3,773**	**18,169**
<35	4,320	1,049	5,369	4,259	1,051	5,310
Executive level	0	1	1	2	1	3
Management level	264	67	331	177	71	248
Non-management level	4,056	981	5,037	4,080	979	5,059
35-44	5,404	1,556	6,960	5,506	1,570	7,076
Executive level	62	11	73	64	10	74
Management level	886	282	1,168	1,100	364	1,464
Non-management level	4,456	1,263	5,719	4,342	1,196	5,538
45-54	3,186	843	4,029	3,336	899	4,235
Executive level	92	8	100	96	15	111
Management level	635	155	790	876	217	1,093
Non-management level	2,459	680	3,139	2,364	667	3,031
55-60	779	165	944	889	181	1,070
Executive level	31	4	35	29	5	34
Management level	110	10	120	221	29	250
Non-management level	638	151	789	639	147	786
>60	376	67	443	406	72	478
Executive level	2	0	2	4	0	4
Management level	53	6	59	116	13	129
Non-management level	321	61	382	286	59	345
Americas	**2,740**	**693**	**3,433**	**2,778**	**654**	**3,432**
<35	1,106	251	1,357	1,054	225	1,279
Executive level	0	0	0	0	0	0
Management level	66	18	84	37	22	59
Non-management level	1,040	233	1,273	1,017	203	1,220
35-44	918	219	1,137	1,017	217	1,234
Executive level	9	2	11	8	1	9
Management level	188	38	226	191	60	251
Non-management level	721	179	900	818	156	974
45-54	431	131	562	427	112	539
Executive level	7	1	8	11	0	11
Management level	98	22	120	121	33	154
Non-management level	326	109	435	295	79	374
55-60	172	57	229	167	58	225
Executive level	2	0	2	3	0	3
Management level	35	4	39	42	13	55
Non-management level	135	53	188	122	45	167
>60	113	35	148	113	42	155
Executive level	2	0	2	1	0	1
Management level	12	2	14	34	9	43
Non-management level	99	33	132	78	33	111
Asia, Australia	**4,410**	**526**	**4,936**	**4,007**	**574**	**4,581**
<35	2,610	250	2,860	2,196	253	2,449
Executive level	0	0	0	0	0	0
Management level	59	8	67	13	5	18
Non-management level	2,551	242	2,793	2,183	248	2,431
35-44	1,439	234	1,673	1,440	265	1,705
Executive level	2	0	2	4	0	4
Management level	205	47	252	210	41	251
Non-management level	1,232	187	1,419	1,226	224	1,450
45-54	319	40	359	333	53	386
Executive level	7	3	10	10	3	13
Management level	154	18	172	162	26	188
Non-management level	158	19	177	161	24	185
55-60	39	1	40	32	2	34
Executive level	3	0	3	4	0	4
Management level	25	0	25	18	1	19
Non-management level	11	1	12	10	1	11
>60	3	1	4	6	1	7
Executive level	0	0	0	0	0	0
Management level	1	0	1	3	0	3
Non-management level	2	1	3	3	1	4
Total headcount	**21,215**	**4,899**	**26,114**	**21,181**	**5,001**	**26,182**

Table 28 Hiring by region, gender, age group and level

			FY20			FY21
	Male	Female	Total	Male	Female	Total
Europe, Middle East & Africa	**2.873**	**627**	**3,500**	**1,810**	**463**	**2,273**
<35	1.346	298	1.644	982	232	1,214
Executive level	0	0	0	1	0	1
Management level	34	11	45	28	11	39
Non-management level	1.312	287	1.599	953	221	1,174
35-44	950	200	1.150	514	152	666
Executive level	7	1	8	1	0	1
Management level	91	23	114	54	11	65
Non-management level	852	176	1.028	459	141	600
45-54	450	106	556	228	68	296
Executive level	5	0	5	7	1	8
Management level	48	12	60	30	6	36
Non-management level	397	94	491	191	61	252
55-60	83	16	99	73	11	84
Executive level	2	1	3	2	1	3
Management level	10	0	10	9	1	10
Non-management level	71	15	86	62	9	71
>60	44	7	51	13	0	13
Executive level	1	0	1	1	0	1
Management level	6	1	7	2	0	2
Non-management level	37	6	43	10	0	10
Americas	**563**	**107**	**670**	**605**	**91**	**696**
<35	322	64	386	321	45	366
Executive level	0	1	1	1	0	1
Management level	16	0	16	13	3	16
Non-management level	306	63	369	307	42	349
35-44	173	28	201	200	34	234
Executive level	1	0	1	0	0	0
Management level	35	7	42	14	5	19
Non-management level	137	21	158	186	29	215
45-54	59	12	71	57	8	65
Executive level	0	0	0	2	0	2
Management level	12	3	15	10	0	10
Non-management level	47	9	56	45	8	53
55-60	9	2	11	11	3	14
Executive level	0	0	0	1	0	1
Management level	1	1	2	1	1	2
Non-management level	8	1	9	9	2	11
>60	0	1	1	16	1	17
Executive level	0	0	0	0	0	0
Management level	0	0	0	0	0	0
Non-management level	0	1	1	16	1	17
Asia, Australia	**617**	**145**	**762**	**662**	**119**	**781**
<35	464	92	556	454	80	534
Executive level	0	0	0	0	0	0
Management level	13	7	20	14	9	23
Non-management level	451	85	536	440	71	511
35-44	105	44	149	177	34	211
Executive level	0	0	0	0	0	0
Management level	12	4	16	36	6	42
Non-management level	93	40	133	141	28	169
45-54	37	9	46	26	5	31
Executive level	3	0	3	0	0	0
Management level	11	4	15	14	1	15
Non-management level	23	5	28	12	4	16
55-60	8	0	8	2	0	2
Executive level	2	0	2	0	0	0
Management level	2	0	2	2	0	2
Non-management level	4	0	4	0	0	0
>60	3	0	3	4	0	4
Executive level	0	0	0	0	0	0
Management level	1	0	1	1	0	1
Non-management level	2	0	2	3	0	3
Siemens Gamesa hires	**4,053**	**879**	**4,932**	**3,077**	**673**	**3,750**

Table 29 - Exits by gender and type of exit, region, age group and level

	Male		Female		FY20 Total	Male		Female		FY21 Total
	Voluntary	Non-voluntary	Voluntary	Non-voluntary	Total	Voluntary	Non-voluntary	Voluntary	Non-voluntary	Total
Europe, Middle East & Africa	**807**	**910**	**191**	**192**	**2,100**	**865**	**686**	**202**	**214**	**1,967**
<35	323	287	78	62	750	378	222	75	52	727
Executive level	0	0	0	0	0	0	0	0	0	0
Management level	15	3	4	1	23	22	4	3	1	30
Non-management level	308	284	74	61	727	356	218	72	51	697
35-44	267	276	65	67	675	287	216	83	77	663
Executive level	5	1	1	0	7	0	3	0	0	3
Management level	42	20	12	4	78	41	12	12	3	68
Non-management level	220	255	52	63	590	246	201	71	74	592
45-54	146	211	34	45	436	111	169	29	62	371
Executive level	1	4	0	1	6	3	10	0	1	14
Management level	31	23	6	3	63	27	18	7	4	56
Non-management level	114	184	28	41	367	81	141	22	57	301
55-60	32	87	6	13	138	46	55	6	20	127
Executive level	3	2	0	0	5	0	7	0	1	8
Management level	5	12	0	0	17	15	12	1	1	29
Non-management level	24	73	6	13	116	31	36	5	18	90
>60	39	49	8	5	101	43	24	9	3	79
Executive level	0	1	0	0	1	2	0	0	0	2
Management level	4	3	2	1	10	10	1	1	0	12
Non-management level	35	45	6	4	90	31	23	8	3	65
Americas	**259**	**218**	**59**	**43**	**579**	**291**	**241**	**56**	**62**	**650**
<35	120	95	24	26	265	144	107	23	23	297
Executive level	0	0	0	0	0	0	0	0	0	0
Management level	5	5	1	2	13	6	3	2	0	11
Non-management level	115	90	23	24	252	138	104	21	23	286
35-44	82	83	19	11	195	94	58	22	18	192
Executive level	0	0	0	0	0	0	0	1	0	1
Management level	18	12	3	2	35	17	4	4	0	25
Non-management level	64	71	16	9	160	77	54	17	18	166
45-54	40	30	9	4	83	30	42	8	13	93
Executive level	1	1	0	0	2	0	0	0	0	0
Management level	9	3	4	1	17	2	3	1	1	7
Non-management level	30	26	5	3	64	28	39	7	12	86
55-60	8	8	2	2	20	9	14	1	6	30
Executive level	1	0	0	0	1	0	0	0	0	0
Management level	0	1	0	0	1	4	3	0	0	7
Non-management level	7	7	2	2	18	5	11	1	6	23
>60	9	2	5	0	16	14	20	2	2	38
Executive level	0	0	0	0	0	0	0	0	0	0
Management level	1	0	1	0	2	1	2	0	0	3
Non-management level	8	2	4	0	14	13	18	2	2	35
Asia, Australia	**376**	**123**	**67**	**30**	**596**	**519**	**579**	**59**	**20**	**1,177**
<35	223	64	34	10	331	317	336	40	9	702
Executive level	0	0	0	0	0	0	0	0	0	0
Management level	4	1	1	0	6	6	6	4	0	16
Non-management level	219	63	33	10	325	311	330	36	9	686
35-44	121	48	24	18	211	163	196	16	9	384
Executive level	0	0	0	0	0	0	0	0	0	0
Management level	24	5	4	1	34	39	17	5	1	62
Non-management level	97	43	20	17	177	124	179	11	8	322
45-54	25	8	9	1	43	30	43	2	2	77
Executive level	3	0	0	0	3	2	0	0	0	2
Management level	12	2	3	0	17	15	20	1	1	37
Non-management level	10	6	6	1	23	13	23	1	1	38
55-60	4	2	0	0	6	7	3	1	0	11
Executive level	1	1	0	0	2	0	0	0	0	0
Management level	3	1	0	0	4	7	1	0	0	8
Non-management level	0	0	0	0	0	0	2	1	0	3
>60	3	1	0	1	5	2	1	0	0	3
Executive level	1	1	0	0	2	0	0	0	0	0
Management level	2	0	0	0	2	1	0	0	0	1
Non-management level	0	0	0	1	1	1	1	0	0	2
Siemens Gamesa exits	**1,442**	**1,251**	**317**	**265**	**3,275**	**1,675**	**1,506**	**317**	**296**	**3,794**

Table 30 – Average remuneration by gender, age groups and professional category

	FY19			FY20			FY21		
	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)
<35 y	**42,069**	**28,256**	**30,482**	**44,448**	**29,883**	**32,278**	**41,754**	**29,711**	**31,789**
Executive	115,355	92,323	103,839	129,847	175,500	152,674	162,500	162,500	162,500
Management	80,877	80,763	80,796	89,684	77,341	80,944	86,862	81,717	83,370
Professional	42,990	32,531	34,628	43,195	33,809	35,906	42,107	33,321	35,289
Operational	22,424	17,707	18,128	25,700	20,909	21,231	20,998	19,867	19,943
Other	-	-	-	-	-	-	41,382	36,762	37,829
35 < y < 44	**55,415**	**49,738**	**50,991**	**56,669**	**50,973**	**52,169**	**55,049**	**49,589**	**50,716**
Executive	150,837	184,947	179,262	174,476	185,470	183,916	182,493	206,286	203,216
Management	86,380	86,122	86,178	88,206	88,541	88,462	86,678	89,635	88,935
Professional	50,490	43,892	45,570	49,139	44,901	45,938	47,988	43,101	44,302
Operational	30,067	24,770	25,586	31,000	28,775	29,047	27,561	28,188	28,126
Other	-	-	-	-	-	-	48,417	43,545	44,604
45 < y < 54	**63,207**	**69,438**	**68,083**	**64,843**	**69,104**	**68,210**	**64,018**	**65,529**	**65,199**
Executive	210,585	237,150	234,640	210,296	228,340	226,550	243,295	217,525	221,048
Management	97,483	96,376	96,567	95,869	97,411	97,116	94,313	96,975	96,457
Professional	55,601	53,129	53,760	56,517	55,212	55,536	56,016	55,370	55,517
Operational	35,473	32,945	33,502	37,813	38,238	38,160	32,715	36,311	35,802
Other	-	-	-	-	-	-	41,533	41,186	41,254
55 < y < 60	**60,323**	**81,855**	**77,235**	**65,365**	**81,670**	**78,623**	**62,530**	**73,694**	**71,636**
Executive	233,737	279,231	275,982	224,143	313,886	302,181	237,347	343,726	328,529
Management	100,811	110,770	109,538	98,938	111,892	110,262	105,172	109,767	109,139
Professional	59,402	57,838	58,226	61,348	60,492	60,700	62,650	65,027	64,390
Operational	36,512	37,439	37,171	37,735	41,991	41,182	25,979	37,778	35,918
Other	-	-	-	-	-	-	47,523	42,122	43,004
> 60 y	**73,738**	**95,936**	**91,568**	**63,777**	**73,353**	**71,675**	**59,533**	**70,817**	**68,795**
Executive	0	349,073	349,073	-	245,979	245,979	-	236,701	236,701
Management	115,384	115,918	115,847	107,185	114,430	113,477	106,108	116,138	114,768
Professional	64,999	84,701	79,424	60,737	65,326	64,138	63,592	70,556	68,743
Operational	54,863	61,424	60,142	38,309	42,068	41,562	23,528	34,204	32,637
Other	**-**	-	-	-	-	-	46,961	43,926	44,446
Siemens Gamesa	**53,369**	**46,888**	**48,164**	**55,394**	**49,024**	**50,248**	**53,311**	**47,357**	**48,507**

Table 31 - Average remuneration in fiscal year 2021 grouped by professional category

	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro) Total
Executive	221,029	232,409	230,892
Management	90,472	94,655	93,751
Professional	48,306	42,503	43,910
Operational	26,431	26,358	26,365
Other	44,397	40,459	41,312
Siemens Gamesa	**53,311**	**47,357**	**48,507**

Considerations for the **Average Remuneration** report:

- Headcount as of September 30, 2021 (end of fiscal year).
- Universe used for calculations amounts to 25,305 employees (21,902 in FY20)
- TTC = Total Target Cash. This includes Base Salary + Variable Salary.
- All salaries are gross annual amounts in EUR.

Table 32 - Gender Pay Gap by significant locations

	China	Denmark	Germany	Spain	United Kingdom	United States	Siemens Gamesa
Gender Pay Gap	**-19.3%**	**1.2%**	**-0.7%**	**0.4%**	**-7.9%**	**-3.0%**	**-12.6%**

Considerations for the **Gender Pay Gap by significant locations** table:

- Headcount as of September 30, 2021 (end of fiscal year) .
- Universe used for calculations amounts to 25,305 employees (21,902 in FY20).
- Gender Pay Gap is calculated as the difference between average gross TTC earnings of male and female employees as a percentage of average gross TTC earnings of male employees.
- TTC = Total Target Cash. This includes Base Salary + Variable Salary.
- All salaries are gross annual amounts in EUR.
- Selected countries have 1,000 or more employees and a significant share of women.
- A positive percentage figure reveals that women have lower pay than men. A negative percentage figure reveals that women have higher pay than men.

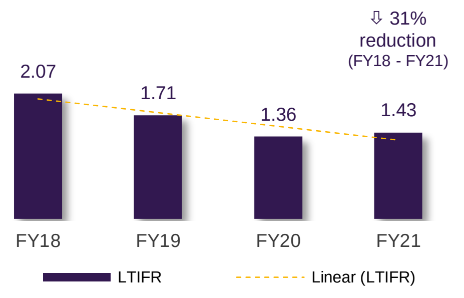
Table 33 - Key safety statistics

	FY18	FY19	FY20	FY21
Recordable injuries (TRI)	**376**	**385**	**280**	**288**
Male	n.a.	n.a.	n.a.	**238**
Female	n.a.	n.a.	n.a.	**10**
Prefer not to respond /Not available	n.a.	n.a.	n.a.	**40**
Fatalities (FAT)	**1**	**0**	**4**	**5**
Male	1	0	4	5
Female	0	0	0	0
Prefer not to respond /Not available	0	0	0	0
Lost-time cases (LTc)	**156**	**140**	**121**	**132**
Male	n.a.	n.a.	n.a.	113
Female	n.a.	n.a.	n.a.	5
Prefer not to respond /Not available	n.a.	n.a.	n.a.	14
Medical treatments (MTc)	**151**	**150**	**67**	**73**
Male	n.a.	n.a.	n.a.	57
Female	n.a.	n.a.	n.a.	4
Prefer not to respond /Not available	n.a.	n.a.	n.a.	12
Restricted works (RWc)	**68**	**95**	**88**	**78**
Male	n.a.	n.a.	n.a.	64
Female	n.a.	n.a.	n.a.	1
Prefer not to respond /Not available	n.a.	n.a.	n.a.	13
Occupational illness (OI)	**-**	**-**	**-**	**15**
Male	n.a.	n.a.	n.a.	11
Female	n.a.	n.a.	n.a.	3
Prefer not to respond /Not available	n.a.	n.a.	n.a.	1
Lost workdays due to accidents	-	-	-	**1,291**
Male	-	-	-	1,155
Female	-	-	-	64
Prefer not to respond /Not available	-	-	-	72
Working hours (million)	**75.4**	**81.7**	**89.1**	**92.1**
Employees working hours employees (x10^6 hours)	51.9	50.3	55.4	55.0
Male[1]	-	-	-	44.5
Female[1]	-	-	-	10.5
Contractor working hours contractors (x10^6 hours)	23.5	31.4	33.7	37.1
Male[1]	-	-	-	30.1
Female[1]	-	-	-	7.0
Lost time Injury Frequency rate (LTIFR)	**2.07**	**1.71**	**1.36**	**1.43**
Male	n.a.	n.a.	n.a.	1.51
Female	n.a.	n.a.	n.a.	0.29
Prefer not to respond /Not available[2]	n.a.	n.a.	n.a.	n.a.
Total recordable injury rate (TRIR)	**5.10**	**4.71**	**3.14**	**3.13**
Male	n.a.	n.a.	n.a.	3.19
Female	n.a.	n.a.	n.a.	0.57
Prefer not to respond /Not available[2]	n.a.	n.a.	n.a.	n.a.
Occupational illness rate (OIR)	**0.594**	**0.504**	**0.379**	**0.163**
Male	n.a.	n.a.	n.a.	0.147
Female	n.a.	n.a.	n.a.	0.171
Prefer not to respond /Not available[2]	n.a.	n.a.	n.a.	n.a.
Severity Rate[3]	0.04	0.04	0.05	0.014
Male	-	-	-	0.015
Female	-	-	-	0.004
Prefer not to respond /Not available[2]	-	-	-	n.a.
Other safety indicators				
Days lost days per LTC	20	21	22	10
Safety inspections	**13,566**	**15,770**	**26,059**	**44,282**
Safety observations	**41,288**	**52,310**	**60,113**	**100,173**
Health & Safety audits	**257**	**112**	**66**	**90**

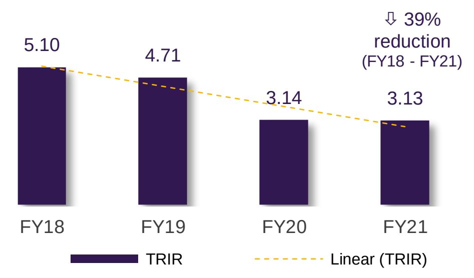
Note: rate per million hours worked

(1) Estimation: Based on the gender distribution of the Siemens Gamesa Group at the end of fiscal year.
(2) Data not available.
*(3) Severity rate calculated as (#Lost Time Days * 1,000 / #Total working hours).*

Lost time Injury Frequency rate (LTIFR)



Total Recordable Injury rate (TRIR)



H3. Environmental Matters

Table 34 - Top key commodities & materials used by weight

FY21	tons	% of total
Steel - Low-alloyed	623,462	26%
Structural concrete	454,501	19%
Steel low-alloyed	447,655	19%
Glass Fiber	353,152	15%
Epoxy	151,938	6%
Cast iron	114,157	5%
Blinding concrete	27,731	1%
Balsa Wood	25,743	1%
Iron cast	22,313	1%
Electrical steel	19,557	1%
Other	121,986	5%
Grand Total	**2,362,193**	**100%**

Note: Until 2020, the table was drawn up on the basis of the information provided by the purchasing department which refers to the supply of components. The conversion of these semi-finished components into kilograms of raw materials is not straightforward and presents some difficulties in the calculation. A different approach has been adopted for the 2021 financial year: The life cycle analysis of each wind turbine specifies the kilograms of each raw material incorporated into the end product. Multiplying these quantities by the total production gives a more accurate approximation of the raw materials used. This method will be used and refined for future reports. The difference between years is therefore given by (i) the difference in production between years and (ii) the different calculation method used.

FY19	tons	FY20	tons
C-parts	386,237	Core, Resin & Process Materials	380,086
Towers - Conversion	156,212	Bearings & Lubrication	361,236
Blades - Resin & Structural Adhesive	153,940	Tower Production	156,212
Blades - Paint & Adhesive	143,678	BUY & BtP Blades	63,019
Blades - Composites	91,404	Hydraulics & Cooling	54,603
Castings	53,639	Castings	54,496
Blades - Core Material Balsa	53,052	Glass Fabrics & Carbon Materials	51,146
Blades - BUY	39,596	C-parts	44,092
Blades-Plastic,Metal parts & Lightning	34,964	Large Steel Fabrications	43,889
Electricals	33,764	Fasteners	41,095
Blades - Material Filters & Flow Kits	32,187	Generators & Segments	27,895
Bearings	27,134	Small Steel parts	25,336
Blades - BTP	23,422	Internals	15,458
Large Steel Fabrication	22,033	Transport & Lifting Equipment	15,260
Small Steel parts	19,417	Gearbox	14,437

Note: Information of previous years, according to the note above, follow only for reference..

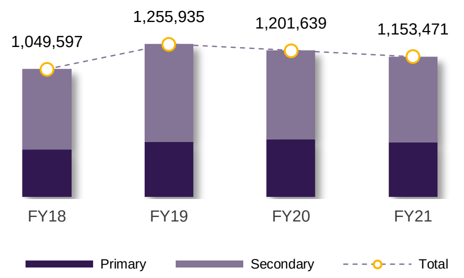
Table 35 - Energy use (Gigajoules-GJ)

	FY18	FY19	FY20	FY21
Primary energy	**386,459**	**454,549**	**471,800**	**449,357**
Natural gas + Bio natural gas	243, 458	233,694	283,089	220,174
Heating Fuel	85,029	5,046	3,845	4,371
Gasoline/Diesel	39,579	188,457	159,383	196,725
Liquefied petroleum gas	18,213	27,352	25,484	28,086
Secondary energy	**663,138**	**801,386**	**729,838**	**704,114**
Electricity from standard fuel combustion sources	160,829	271,933	587	0
Electricity from renewable sources	402,986	434,958	654,910	618,385
District heating	99,323	94,495	74,341	85,729
Total Energy use	**1,049,597**	**1,255,935**	**1,201,637**	**1,153,471**

Table 36 -Energy intensity (Gigajoules/MW installed)

	FY18	FY19	FY20	FY21
Primary energy intensity	62	46	**54**	**44**
Secondary energy intensity	106	81	**83**	**69**
Total energy intensity	**168**	**127**	**137**	**114**

Energy use (GJ)



Energy intensity (GJ/MW)

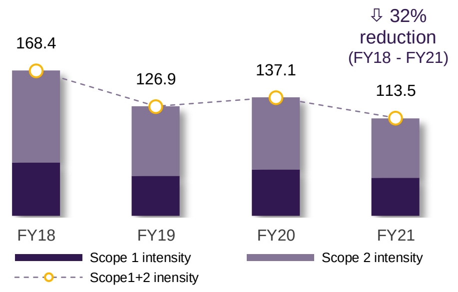
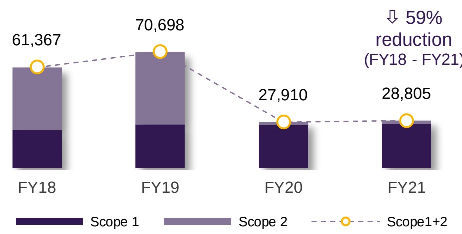


Table 37- GHG emissions ($tCO_{2\text{-eq}}$)

	FY18	FY19	FY20	FY21
SCOPE1 GHG emissions	**22,865**	**26,437**	**26,053**	**26,788**
Carbon dioxide (CO_2)	-	26,389	26,009	23,834
Methane (CH_4)	-	0.41	0.43	0.43
Nitrous oxide (N_2O)	-	0.14	0.12	0.14
SCOPE 2 GHG emissions	**38,502**	**44,261**	(1) **1,857**	**2,017**
SCOPE 1+2 GHG emissions	**61,367**	**70,698**	**27,910**	**28,805**
SCOPE 3 GHG emissions	-	**71,825**	**516,853**	**856,082**
• Business Travel	-	9,739	5,101	2,777
• Air	-	9,552	4,944	2,739
• Rail	-	187	156	38
• Disposal of waste generated in operations	-	3,061	(2) 10,666	6,376
• Employee commuting	-	4,841	3,041	3,077
• Transport & distribution	-	54,183	498,045	(3) 843,852
• Use of sold products	-	0	0	0
TOTAL GHG emissions (1+2+3)		**142,523**	**544,762**	**884,887**
Emissions intensity Scope 1+2 (tCO_2/MW installed)	**9.8**	**7.1**	**3.2**	**2.8**
Scope 1 intensity	3.7	2.7	**3.0**	**2.6**
Scope 2 intensity	6.2	4.5	**0.2**	**0.2**

1 Decrease in Scope 2 emissions is due to the purchase of Energy Attribute Certificates (EACs) which ensure that the origin of the electricity is from renewable sources.
2 Increase in the amount of waste production is due to the increase of waste tons reported compared with FY19.
3 Increased in transport and distribution category between FY19-21 is due to the addition of jet and marine fuel data for construction and service activities

GHG emissions (t)



GHG intensity (t/MW)

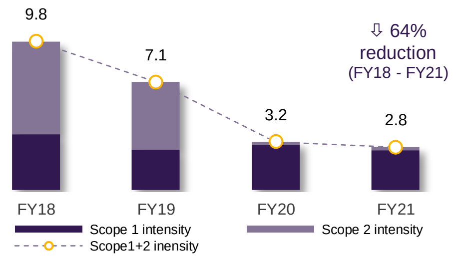


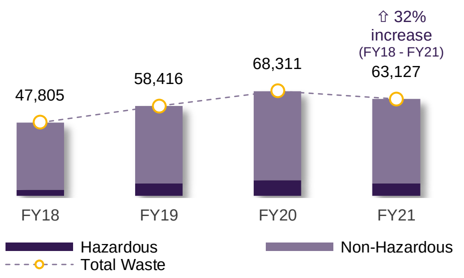
Table 38. Other atmospheric emissions (t)

	FY18	FY19	FY20	FY21
Volatile organic compounds (VOC)	254	278	231	224
Ozone depleting substances (ODS)	0	2.4 E-4	1.1 E-5	1.0 E-4
Particles	-	-	-	-
SOx	-	-	-	-
NOx	-	-	-	0.14

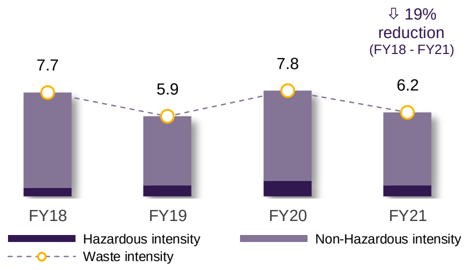
Table 39 - Waste production (t)

	FY18	FY19	FY20	FY21
Hazardous waste	**4,004**	**8,099**	**10,054**	**8,000**
Recyclable	1,892	4,413	4,215	5,532
Non-recyclable	2,112	3,686	5,839	2,468
Non-hazardous waste	**43,801**	**50,407**	**58,257**	**55,127**
Recyclable	31,006	40,605	44,686	44,349
Non-recyclable	12,795	9,802	13,571	10,778
Total waste (tons)	**47,805**	**58,506**	**68,311**	**63,127**
Waste intensity (t/installed MW)	**7.7**	**5.9**	**7.8**	**6.2**
Hazardous waste intensity	0.7	0.8	1.1	0.8
Non-hazardous waste intensity	7.0	5.1	6.6	5.4

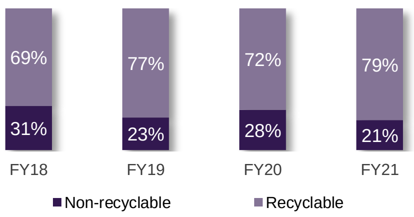
Waste production (t)



Waste intensity (t/MW)



Total waste (t) by nature



Waste destination in fiscal year 21

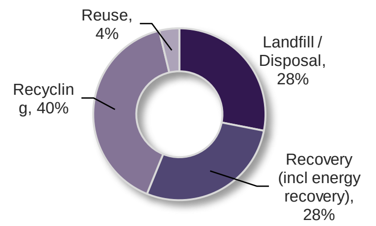


Table 40. Water consumption (m3)

	FY18	FY19	FY20	FY21
Fresh water	428,835	449,550	453,608	469,888
Underground water	6,673	89,693	40,984	37,537
Ground and surface water for cooling purposes (*)	10,130	127,115	25,142	45,751
Recycled water from external sources	n.a.	394	2,795	94
Siemens Gamesa Group (**)	**445,638**	**666,753**	**522,530**	**553,270**

(*) Returned to receiving water body chemically unchanged, but warmed.
(**) Excluding recyled water treated internally

Figure 36 - Water balance FY 2021

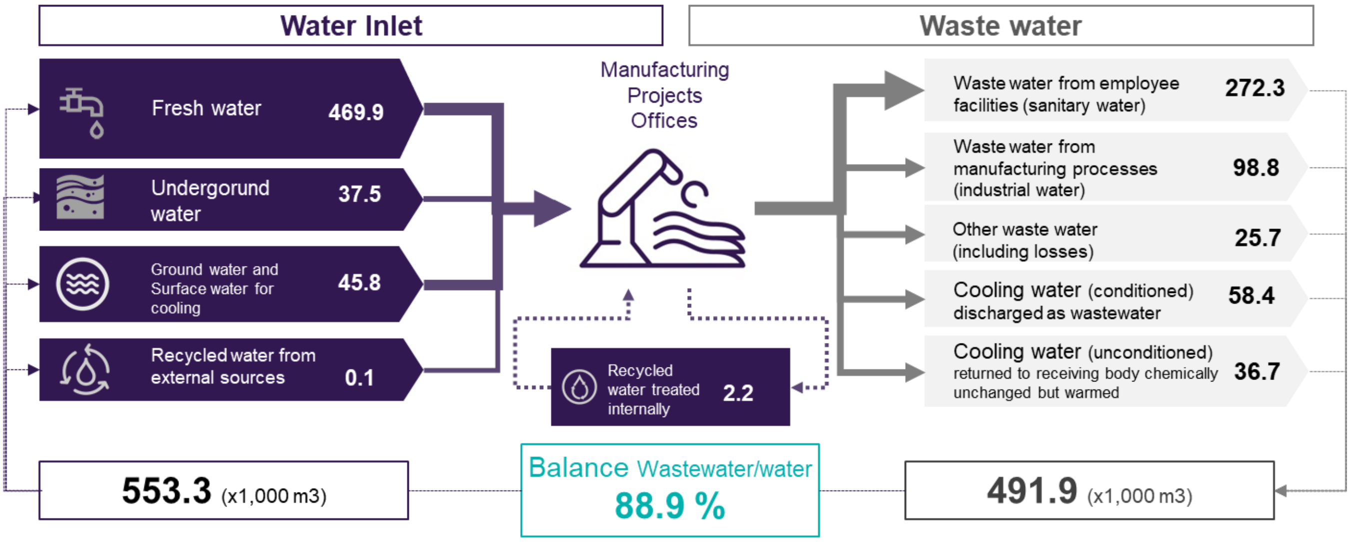


Table 41- Wastewater produced (m3)

	FY18	FY19	FY20	FY21
Wastewater from employee facilities	139,011	121,080	218,691	272,349
Wastewater form manufacturing processes	220,819	164,640	95,933	98,793
Other wastewater (including losses)	81,216	0	9,778	25,671
Cooling water (unconditioned) discharged as wastewater	0	7,592	17,497	36,653
Cooling water (conditioned) returned to receiving water body chemically unchanged, but warmed	10,130	35,245	328	58,397
Total wastewater	**451,176**	**328,556**	**342,227**	**491,862**

Table 42 - Environmental incidents

	FY18	FY19	FY20	FY21
Spills	-	-	1,042	861
Biodiversity impact	-	-	153	125
Environmental non-conformity	-	-	368	403
Fire, smoke, explosion	-	-	114	14
Stakeholder complaint (noise, smell, dust)	-	-	362	30
Weather or natural disaster (floods, winds)	-	-	524	64
Another environmental incident	-	-	1,551	-
Total environmental incidents	**-**	**-**	**4,114**	**1,497**

Table 43 - Environmental benefits-savings (cumulative at fiscal year-end)

	FY18	FY19	FY20	FY21
MW installed (annual)	6,234	9,895	8,767	10,164
GW installed (cumulative)	88.8	98.7	107.5	117.7
TWh/year (cumulative)	272	303	332	388
NOx prevented (cumulative million tons)	1.9	2.1	2.3	2.7
SO_2 prevented (cumulative million tons)	1.0	1.2	1.3	1.5
toe prevented (cumulative million tons)	23.4	26.0	28.5	33.3
CO_2 emissions prevented (cumulative million tons)	**231**	**257**	**281**	**329**

Note: On the conversion factors used. World fossil fuel emission factor: 849grCO_2/kWh; Conversion toe/MWh (1toe=11.63 MWh): 0,0859 toe/MWh; Conversion tSO_2 avoided per MWh generated: 0,0038 t/MWh; Conversion t NOx avoided per MWh generated: 0,006875 t/MWh. Hours equivalent to year group average: 3066.

Figure 37 - Global warming potential [95] (GWP-100y) during the lifecycle of Siemens Gamesa wind turbines

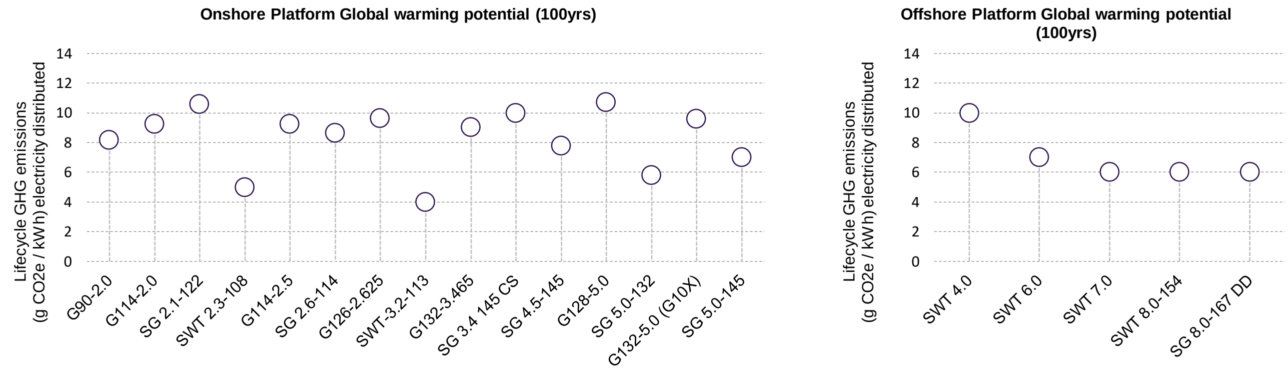


Table 44. Environmental expenses

(€ thousand)	FY20	FY21
Energy consumption	17,802	23,491
Waste management	7,776	3,552

Table 45- Lifecycle assessments (LCA) and environmental product declarations (EPD)

	FY18	FY19	FY20	FY21
# LCAs	16	20	23	24
# EPDs	14	17	20	21

H4. Society Matters

Table 46– Compliance training

	FY18	FY19	FY20	FY21
Number of employees that attended the Compliance Basic Training until Sept. 30, 2021 (including prior years)	-	-	2,470	9,938
Number of active employees that completed the **Business Conduct Guidelines e-learning** until Sept. 30, 2021 (including prior years)	-	-	7,971	14,740
Number of active employees that completed the **Protecting our Personal Data e-learning** until Sept. 30, 2021 (including prior years)	-	-	-	13,795
Number of active employees that completed the **Export Control & Customs (ECC) - Global Awareness e-learning** until Sept. 30, 2021 (including prior years)	-	**-**	12,769	14,371

Table 47- Compliance cases

	FY18	FY19	FY20	FY21
Reports received via Compliance channel (Integrity Hotline)	64	46	64	55
Compliance cases reported at the end of period	53	37	49	51
Disciplinary sanctions	6	7	26	28
• of which dismissals	n.a.	6	15	13
• of which warnings	n.a.	1	10	14
• of which other [96]	n.a.	0	1	1
Open investigations at the end of period [97]	11	13	33	23
Closed investigations at the end of period	11	20	21	40
• of which without findings	n.a.	10	6	15
• of which fraud	n.a.	7	8	11
• of which competition law	n.a.	0	1	2
• of which accounting issues	n.a.	1	0	0
• of which others	n.a.	2	6	12

Table 48 - Expenses in memberships and associations (€million)

	FY18	FY19	FY20	FY21
Membership fees	3.2	3.6	3.6	3.0

Table 49 - Key memberships and trade associations in the wind sector

Global

GWEC

The Global Wind Energy Council is the international trade association for the wind power industry. Our mission is to ensure that wind power establishes itself as the answer to today's energy challenges, providing substantial environmental and economic benefits.

Regional

Wind EUROPE

WindEurope is the voice of the Wind Industry at European level. Encompassing industry representation (OEMs, operators, developers, utilities, suppliers, research, etc. Status of SGRE membership: Leading Member (highest category)

National

AWEA is the voice of the wind sector in the U.S. As a trade association, it represents and defends the interests of the wind sector. SGRE is on the Executive Committee of the Board.

ACORE is a U.S. nonprofit that works to promote renewable energy. It educates policy makers and regulators about how to transition to a carbon free energy system. SGRE is on the Board of Directors.

German Machine Building Association. Representation of OEMs and suppliers for both Onshore and Offshore Wind Energy. Energy policies and technical groups (e.g. aviation marking and lighting, decommissioning, etc.)

The Spanish Wind Energy Association (AEE) is the voice of the wind sector in Spain. It promotes the use of wind energy in Spain, Europe and worldwide. It represents and defends the interests of the sector.

WindDenmark. Representation of OEMs, suppliers and developers for both Onshore and Offshore Wind Energy in DK. Policies and technical groups.

RenewableUK. Supports +400 companies to ensure increasing amounts of renewable electricity is deployed across the UK and access markets to export. Members are business leaders, innovators, and expert from right across industry.

Indian Wind Turbine Manufacturers Association (IWTMA) is the apex business association and voice of the Indian Wind Industry.

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes.

Table 50 - Purchasing volume [98]

(€million)	FY18	FY19	FY20	FY21
Europe, Middle East and Africa	4,185	5,692	4,376	3,809
Americas	978	1,401	1,783	1,577
Asia, Australia	867	1,144	1,206	1,477
Purchasing volume (PVO)	**6,030**	**8,238**	**7,365**	**6,863**

Table 51 - Tier-1 suppliers [98]

	FY18	FY19	FY20	FY21
Europe, Middle East and Africa	10,162	11,340	11,481	11,618
Americas	3,506	3,542	4,042	3,837
Asia, Australia	3,383	3,571	4,014	4,494
No. tier-1 suppliers	**17,051**	**17,890**	**18,932**	**19,363**

Tier-1 suppliers: Suppliers that deal directly with and directly invoice to Siemens Gamesa)

Table 52 - Purchasing volume (PVO) under sustainability focus

(€million)	FY18	FY19	FY20	FY21
PVO of Critical tier-1 Suppliers	**2,061**	**2,037**	**2,275**	**2,301**
Europe, Middle East and Africa	1,323	1,397	990	1,076
Americas	300	228	320	376
Asia, Australia	438	412	965	849
PVO Sustainability High-risk suppliers	**724**	**1,089**	**1,168**	**1,521**
Europe, Middle East and Africa	262	503	348	407
Americas	83	179	244	277
Asia, Australia	278	407	576	837

Table 53 - No. of suppliers under sustainability focus

	FY18	FY19	FY20	FY21
No. of Critical tier-1 Suppliers	**1,061**	**748**	**1,283**	**1,302**
Europe, Middle East and Africa	487	356	380	710
Americas	255	142	150	89
Asia, Australia	319	375	895	53
No. of Sustainability high-risk suppliers	**792**	**480**	**468**	**823**
Europe, Middle East and Africa	268	111	110	295
Americas	208	85	78	214
Asia, Australia	316	364	362	412

Table 54 - Purchasing volume (PVO) covered by Supplier Code of Conduct

PVO (€million)	FY18		FY19		FY20		FY21	
	PVO (€million)	% total PVO	PVO (€million)	% total PVO	PVO (€million)	% total PVO	PVO (€million)	% total PVO
Purchasing volume (PVO)	**3,949**	**65%**	**6,898**	**84%**	**6,269**	**85%**	**5,708**	**89%**
Europe, Middle East and Africa	2,927	70%	4,880	86%	3,823	87%	3,303	94%
Americas	650	66%	1,115	80%	1,488	83%	1,384	90%
Asia, Australia	371	43%	903	79%	958	79%	1,021	73%

Table 55 - Supplier monitoring

(number)	FY18	FY19	FY20	FY21
Sustainability Self-Assessments (CRSA)	**1,104**	**1,132**	**783**	**444**
Europe, Middle East and Africa	706	764	411	148
Americas	179	224	169	112
Asia, Australia	219	281	270	227
External Sustainability Audits	**201**	**130**	**199**	**112**
Europe, Middle East and Africa	111	86	118	68
Americas	48	44	54	36
Asia, Australia	42	35	56	24
Quality audits with sustainability questions	**146**	**323**	**197**	**374**
Europe, Middle East and Africa	83	142	90	203
Americas	17	88	36	83
Asia, Australia	46	93	71	88

I. Law 11/2018 Content Index

Index of contents required by Law 11/2018, of December 28, which modifies the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Audit of Accounts, regarding non-financial information and diversity.

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

I1. General topics

I1.1 Business Model

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Brief description of the Group's business model	Our Company (A1.1)	L11G01	GRI 102-1	5; 6	
	Our Company (A1.4)	L11G01	GRI 102-2	5; 6	
	Our Company (A1.4)	L11G01	GRI 102-3	5; 6	
	Our Company (A1.3)	L11G01	GRI 102-5	5; 6	
	Our Company (A1.4)	L11G01	GRI 102-7	5; 6	
	Our Company (A1.7)	L11G01	GRI 102-10	5; 8	
	Our Company (A6)	L11G01	GRI 102-18	5; 14	
Markets where it operates	Our Company (A1.1)	L11G02	GRI 102-4	5; 5	
	Our Company (A1.1)	L11G02	GRI 102-6	5; 6	
Organizational objectives and strategies	Corporate Strategy (A3)	L11G03	GRI 102-14	11; 11	
	Corporate Strategy (A3)	L11G03	GRI 102-40	11; 18	
	Corporate Strategy (A3)	L11G03	GRI 102-44	11; 78	
Key factors and trends that could affect the future outlook	Business environment (A2)	L11G04	GRI 102-14	9; 11	
	Business environment (A2)	L11G04	GRI 102-15	9; 18	

I1.2 General

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Reporting framework	About this report (F)	L11G05	GRI 102-45	76; 76	
			GRI 102-46	76; 76	
			GRI 102-47	76; 18	
			GRI 102-50	76; 76	

I1.3 Management Approach

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Description of applied policies	Sustainability (A7.1)	L11G06	GRI 103-1 GRI 103-2	18	
Results of these policies	Sustainability (A7.9)	L11G07	GRI 103-3	20	
Risks related to the aspects linked to the Group's activities	Risk Management (A4.1)	L11G08	GRI 102-15	12	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

I2. Environmental matters

I2.1 Environmental management

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Current and foreseeable impact of the Company's activities on the environment	Environmental management (C1.1)	L11M01	GRI 102-15	42	
Environmental assessment and certification procedures	Environmental management (C1.3)	L11M02	GRI 103-2 Management approach to environment	42	
Resources devoted to environmental risk prevention	Environmental management (C1.3)	L11M03	GRI 103-2 Management approach to environment	42	
Implementation of the precautionary principle	Environmental management (C1.3)	L11M04	GRI 102-11	42	
Amount of provisions and warranties for environmental risks	Environmental management (C1.1)	L11M05	GRI 103-2 Management approach to environment	42	

I2.2 Pollution

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Measures to prevent, reduce or repair carbon emissions (includes noise and light pollution)	Climate Change (C2.5)	L11M06	Internal operating framework	52	Note 1
	Sustainable use of resources (C3.5)	L11M08	Internal operating framework	54	

I2.3 Circular economy and waste prevention and management

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	Sustainable use of resources (C3.10)	L11M07	GRI 103-2 Management approach to waste Internal operating framework	55	
Actions to avoid food waste	Sustainable use of resources (C3.1	L11M09	Internal operating framework	53	

I2.4 Sustainable use of resources

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Water consumption and water supply in accordance with local limitations	Sustainable use of resources (C3.7)	L11M10	GRI 303-1	54	
Consumption of raw materials and measures to improve the efficiency in use	Sustainable use of resources (C3.2)	L11M11	GRI 103-2 Management approach of materials Internal operating framework	53	
Consumption, direct and indirect, of energy measures taken to improve energy efficiency and the use of renewable energies	Sustainable use of resources (C3.3)	L11M12	GRI 103: Management approach to energy GRI 302-1 GRI 305-4	53	
Use of renewable energies	Sustainable use of resources (C3.3)	L11M13	GRI 302-1	53	

I2.5 Climate change

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Important elements of greenhouse gas emissions generated as a result of the activities of the Company	Climate change (C2.1)	L11M14	GRI 103-2 Management approach to emissions GRI 305-1 GRI 305-2 GRI 305-5	46	
Measures to adapt to climate change	Climate change (C2.4)	L11M15	GRI 103-2 Management approach to emissions	50	
Voluntary medium and long-term targets set to reduce greenhouse gas emissions and the measures implemented to that end	Climate change (C2.5)	L11M16	GRI 103-2 Management approach to emissions Internal operating framework	52	

I2.6 Protection of biodiversity

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Measures to preserve or restore biodiversity	Sustainable use of resources (C3.11)	L11M17	GRI 103-2 Management approach to biodiversity Internal operating framework	56	
Significant impacts of activities, products, and services on biodiversity	Sustainable use of resources (C3.11)	L11M18	Internal operating framework	56	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

I3. Social and Human Resources related matters

I3.1 Employment

Total number of employees and distribution by country, gender, age and occupational classification	Working at Siemens Gamesa (B1.6)	L11HR01	GRI 103-2 Management approach to employment GRI 102-8 GRI 405-1	23	
Total number and distribution of the conditions of the work contract	Working at Siemens Gamesa (B1.7)	L11HR02	GRI 102-8 Internal data linked to Workday- SAP system procedure	23	
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Working at Siemens Gamesa (B1.7)	L11HR03	GRI 102-8 GRI 405-1	23	
Number of dismissals by sex, age and professional category	Working at Siemens Gamesa (B1.8)	L11HR04	GRI 401-1	23	
Average remuneration by sex, age and professional category	Diversity and Equal Opportunity (B3.4)	L11HR05	GRI 405-2	31	
Gender pay gap, the remuneration of equal or average jobs in society	Diversity and Equal Opportunity (B3.4)	L11HR06	GRI 103-2 Management approach of employment GRI 405-2	31	
Average remuneration of counselors and managers by sex	Our Company (A5.5)	L11HR07	Internal operating framework	15	
Implementation of policies to allow employees to disconnect from work	Diversity &Equal Opportunity (B3.4.5)	L11HR08	Internal operating framework	31	
Number of employees with disabilities	Diversity & Equal Opportunity (B3.4.3)	L11HR09	Internal operating framework	30	

I3.2 Work organization

Working hours organization	Working at Siemens Gamesa (B1.2)	L11HR10	Internal operating framework	22	
Number of hours of absenteeism	Occupational Health & Safety (B2.8)	L11HR11	Internal operating framework	26	
Measures to promote work-life balance and co-parenting responsibilities	Diversity &Equal Opportunity (B3.4.5)	L11HR12	GRI 103-2 Management approach of employment	31	

I3.3 Health & Safety

Health & safety conditions in the workplace	Occupational Health & Safety (B2.1)	L11HR13	GRI 103-2 Management approach of Health & Safety	24	
Number of work accidents and occupational diseases by sex, frequency and severity rate by gender	Occupational Health & Safety (B2.8)	L11HR14	Internal operating framework	26	

I3.4 Labour relations

Social dialogue organization	Labor Relations (B4.1)	L11HR15	GRI 103-2 Management approach to labour relations	33	
Percentage of employees covered by collective agreements, by country	Labor Relations (B4.2)	L11HR16	GRI 102-41	33	
Results of collective agreements, especially in the field of health and safety	Labor Relations (B4.2)	L11HR17	Internal operating framework	33	

I3.5 Training

Training policies implemented	Talent management and learning (B5.6)	L11HR18	GRI 103-2 Management approach to learning and training	36	
Number of hours of training by professional category	Talent management and learning (B5.11)	L11HR19	GRI 404-1	38	

I3.6 Accessibility

Universal accessibility of people with disabilities	Diversity &Equal Opportunity (B3.4.3)	L11HR20	GRI 103-2 Management approach of diversity, equality and no discrimination	31	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

I3.7 Equality

Measures taken to promote equal treatment and equal opportunities for women and men	Diversity &Equal Opportunity (B3.1)	L11HR21	GRI 103-2 Management approach diversity, equality and no discrimination	28	
Equality plans measures adopted to promote employment, protocols against sexual and gender-based harassment	Diversity &Equal Opportunity (B3.3)	L11HR22	GRI 103-2 Management approach diversity, equality and no discrimination	28	
Integration and universal accessibility for people with disabilities	Diversity &Equal Opportunity (B3.4.3)	L11HR23	GRI 103-2 Management approach diversity, equality and no discrimination	31	
Policy against all types of discrimination and, where appropriate, management of diversity	Diversity &Equal Opportunity (B3.2)	L11HR24	GRI 103-2 Management approach diversity, equality and no discrimination	28	

I4. Information on respect for Human Rights

I4.1 Human Rights

Application of due diligence procedures in the field of human rights, preventing the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	Human Rights (D2.1)	L11H01	GRI 103: Management approach to human rights GRI 102-17	61	
Complaints about cases of violation of human rights	Human Rights (D1.9)	L11H02	Internal operating framework	60	
Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization regarding freedom of association and the right to collective bargaining, the elimination of job discrimination, the elimination of forced labour and the effective abolition of child labour.	Human Rights (D2.2)	L11H03	GRI 103-2 Management approach to human rights GRI 407-1	62	

I5. Disclosures on the fight against corruption and bribery

I5.1 Corruption and bribery

Measures taken to prevent corruption and bribery	Ethics, Integrity and anti-corruption (D1.5)	L11C01	GRI 103-2 Management approach to Compliance GRI 102-17 Internal operating framework	59	
Measures to combat money laundering	Ethics, Integrity and anti-corruption (D1.7)	L11C02	Internal operating framework GRI 206-1	59	
Contributions to non-for-profit organizations	Ethics, Integrity and anti-corruption (E1.5)	L11C03	Internal operating framework GRI 102-13	67	

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission

I6. Information about society

I6.1 Commitment to sustainable development

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Impact of the Company's activity on employment and local development	Sustainability (A7.1)	L11SO01	GRI 103-2 Management approach to local communities	18	
Impact of the Company's activity on local populations and territories	Social Commitment (E1.1)	L11SO02	Internal operating framework	64	
Company's relations with local communities' agents and dialogue channels	Social Commitment (E1.4)	L11SO03	GRI 102-12 GRI 102-13	64	
Partnerships and sponsorship actions	Memberships and associations (E2.1)	L11SO04	GRI 102-13	68	

I6.2 Sustainable supply chain

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Inclusion of social, gender equality and environmental matters in the Company's purchasing policy	Responsible Supply chain (E3.4)	L11SO05	GRI 103-2 Management approach to responsible supply chain	70	
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	Responsible Supply chain (E3.7)	L11SO06	GRI 102-9 GRI 308-1	72	
Monitoring and supervision systems and related results	Responsible Supply chain (E3.8)	L11SO07	GRI 102-9 Internal operating framework	72	

I6.3 Consumer relationship

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Measures to protect consumers' health and safety	Occupational Health & Safety (B2.10)	L11SO08	GRI 103-2 Management approach	27	
Claims systems	Our Company (A5.6)	L11SO09	Internal reporting framework	15	
Complaints received and resolution of them	Ethics, Integrity and anti-corruption (D1.9)	L11SO10	Internal reporting framework	60	

I6.4 Tax information

	Section of the report	Internal Code	Reporting Criteria applied	Page in report	Reason for omission
Profits obtained per country	Responsible Tax (E4.4)	L11SO11	Internal data linked to SAP system	75	
Taxes paid on profits	Responsible Tax (E4.4)	L11SO12	Internal data linked to SAP system	75	
Public subsidies received	Responsible Tax (E4.5)	L11SO13	GRI 201-4 Internal data linked to SAP system	75	

Notes included into the Law 11/2018 content index:

Note 1: Light pollution is not considered a material aspect for Siemens Gamesa.

J. List of End Notes

1 This transaction is after 30 Sep 2021 (15 Oct 2021)

2 Siemens Gamesa location finder. Link: https://www.siemensgamesa.com/en-int/about-us/location-finder

3 Siemens Gamesa Renewable Energy -Capital Markets Day 2020Unleashing the full potential of Siemens Gamesa Link: https://www.siemensgamesa.com/-/media/siemensgamesa/downloads/en/investors-and-shareholders/periodic-information/2020/capital-market-day-2020/cmd-presentation.pdf

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5 See Siemens Gamesa Annual Corporate Report 2021. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

6 See Siemens Gamesa Website. Corporate Governance section. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

7 See Regulations for the General Meeting of Shareholders of Siemens Gamesa Renewable Energy S.A. (Revised text prepared after the amendments approved by the shareholders at the General Meeting of Shareholders held on 22 July 2020). Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/20200722-reglamento-jga-sgreenglish-def.pdf?la=en-bz&hash=1AD68DA60756B46C293F5083B4F96C0E08B65A39

8 Section C.1 of Siemens Gamesa Renewable Energy, S.A. Annual Corporate Governance Report 2021 at Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

9 See Regulations of the Delegated Executive Committee of Siemens Gamesa Renewable Energy, S.A. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/20201104-reglamento-comisin-ejecutiva--sgre-eng-def.pdf

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11 Chapter II of the Regulations of the Appointments and Remunerations Committee (Consolidated text endorsed by the Board of Directors dated April 30, 2021) Link: 20210430--reglamento-cnr-eng-def.pdf (siemensgamesa.com)

12 Annual Corporate Governance Report 2021 for further details. Link: https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance

13 2021 Annual Report on Remuneration of Directors. Link: Corporate Governance I Siemens Gamesa

14 S&P Global Ratings: ESG Evaluation: Siemens Gamesa Renewable Energy S.A. Link: https://www.spglobal.com/ratings/en/research/pdf-articles/210601-esg-evaluation-siemens-gamesa-renewable-energy-s-a-100120714

15 S&P Global Corporate Sustainability Assessment (CSA) site. Link: https://www.spglobal.com/esg/scores/results?cid=5022875

16 Sustainalytics Company ESG Risk Ratings. Link: https://www.sustainalytics.com/esg-rating/siemens-gamesa-renewable-energy-s-a/1373974308

17 MSCI ESG Ratings Corporate Search Tool. Link: https://www.msci.com/our-solutions/esg-investing/esg-ratings/esg-ratings-corporate-search-tool

18 Bloomberg Gender-Equality Index 2021. Link: https://assets.bbhub.io/company/sites/46/2021/01/GEI2021_MemberList_FNL.pdf

19 Carbon Disclosure Project (CDP) company responses. Link: https://www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5Bname%5D=siemens+gamesa

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21 Siemens Gamesa Website. Link: https://www.siemensgamesa.com/en-int

22 United Nations Global Compact website. Link: https://www.unglobalcompact.org/what-is-gc/participants/4098

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24 Siemens Gamesa Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-policy-august-2017.pdf

25 Group policy on Diversity and Inclusion Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/diversity-and-inclusion-policy.pdf

26 Protocol of action in case of Harassment and Discrimination of Siemens Gamesa Renewable Energy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/diversity/protocol-of-action-in-case-of-harassment.pdf

27 Director Selection Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/director-selection-policy.pdf?la=en-bz&hash=695666CBAAA0719446F58B3C7F64B0CBA66A880E

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31 Spanish Diversity Charter (Fundación Diversidad). Link: https://fundaciondiversidad.com/

32 Fundación másfamilia. Link: https://www.masfamilia.org/blog/charter-teletrabajo-2021/

33 Business Network for the LGTBI Diversity and Inclusion (REDI). Link: https://www.redi-lgbti.org/asociadas

34 Bloomberg's 2021 Gender-Equality Index. Link: https://www.bloomberg.com/company/press/bloombergs-2021-gender-equality-index-reveals-increased-disclosure-as-companies-reinforce-commitment-to-inclusive-workplaces/

35 2021 VariableD Report from Intrama's ECDI Network Link: https://www.intrama.es/red-ecdi#EMPRESASASOCIADAS

36 Siemens Gamesa Global Framework Agreement (GFA). Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

37 Siemens Gamesa announces preliminary results for the third quarter of financial year 2021 and updates the guidance for financial year 2021.Link: https://www.siemensgamesa.com/en-int/newsroom/2021/07/210714-siemens-gamesa-press-release-pre-third-quarter-results-fiscal-year-2021

38 Wind University is a Siemens Gamesa Department that supports the business with development of training and learning Activities, as well as manages qualification and certification for production and site personnel.

39 Report relating to item seven on the Agenda of the Shareholders' General Meeting regarding the proposal for a Long-Term Incentive Plan for the period from fiscal year 2018 through 2020. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/general-shareholders-meetings/2018/documentation-with-supplement/informe-ilp-2018-agm.pdf

40 Sustainability Strategy. Link: https://www.siemensgamesa.com/en-int/newsroom/2021/07/210721-siemens-gamesa-press-release-launches-new-sustainability-strategy

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45 Greener, cheaper and more efficient service operations with a new type of vessel. Link: Greener, cheaper and more efficient offshore wind service operations with a new vessel (siemensgamesa.com)

46 Decarbonizing the supply chain. The next step on our journey to net zero emissions by 2050. Link: https://www.siemensgamesa.com/en-int/explore/journal/2020/12/siemens-gamesa-sustainable-tower-supply-chain

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56 RecyclableBlade. Link: https://www.siemensgamesa.com/newsroom/2021/09/launch-world-first-recyclable-wind-turbine-blade

57 Wind industry calls for Europe-wide ban on landfilling turbine blades. Link: https://windeurope.org/newsroom/press-releases/wind-industry-calls-for-europe-wide-ban-on-landfilling-turbine-blades/

58 DecomBlades consortium. Link: https://www.siemensgamesa.com/newsroom/2021/01/210125-siemens-gamsa-press-release-decomblades-launched

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62 Global Framework Agreement. Link: http://www.industriall-union.org/industriall-renews-global-agreement-with-siemens-gamesa

63 Human Rights Policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/human-rights-policiy.pdf?la=en-bz&hash=F332C18BD58C8E5CE8C50824E4AEB31C562D2DF1

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79 Renewable Hydrogen Coalition. Link: https://renewableh2.eu/

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81 European Raw Materials Alliance (ERMA). Link: https://erma.eu/

82 We mean business letter to Biden Administration. Link: https://www.wemeanbusinesscoalition.org/ambitious-u-s-2030-ndc/

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90 Siemens Gamesa Corporate Tax policy. Link: https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/corporate-tax-policy.pdf

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92 In FY19 there are 125 employees with no age recorded.

93 406 employees (1.6% of the total) are not being counted when reporting the number of contracts as their contract form is not properly recorded in the database and system.

94 The number of part-time contracts is already included in one of the two previous categories (either permanent or temporary).

95 The Global Warming Potential (GWP) was developed to allow comparisons of the global warming impacts of different gases. Specifically, it is a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide (CO_2). The larger the GWP, the more that a given gas warms the Earth compared to CO_2 over that time period. The time period usually used for GWPs is 100 years. GWPs provide a common unit of measure, which enable analysts to add up emission estimates for different gases and policymakers to compare emission reduction opportunities across sectors and gases. (Source: EPA.gov)

96 Includes loss of variable and voluntary compensation components, transfer and suspension

97 Referred to as cases that had an ongoing investigation

98 Notice: Purchase volume based on closed purchasing orders, not on accruals.

Independent Assurance Report on the Consolidated Non-Financial Report for the year ended September 30, 2021

Siemens Gamesa Renewable Energy, S.A. and subsidiaries

Building a better working world

Building a better
working world

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORT 2021

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Siemens Gamesa Renewable Energy, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended September 30, 2021 of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying 2021 Consolidated Management Report.

The content of the NFS contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the Epigraph I "Law 11/2018 content index" included in the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of Siemens Gamesa Renewable Energy, S.A. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected *Sustainability Reporting Standards* de *Global Reporting Initiative* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in the Epigraph I "Law 11/2018 content index", included in the aforementioned Statement.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of Siemens Gamesa Renewable Energy, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence as well as confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in making inquiries of management and of the Group’s various business units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the NFR based on the materiality analysis made by the Group and described in the Epigraph G “Materiality analysis”, considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2021 NFS.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFS and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the NFS of the Group for the year ended September 30, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) as well as other criteria described in accordance with that indicated for each subject in the Epigraph I: “Table of contents required under “Law 11/2018 content index”, included in the aforementioned Statement.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

Partner

November 24, 2021

Annual Corporate Governance Report

of Listed Companies

2021

SIEMENS Gamesa
RENEWABLE ENERGY

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE: 09-30-2021

Tax Identification No. A01011253

Company Name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered Office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (BIZKAIA)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company By-Laws contain the provision of double loyalty voting:

No X

Yes General Shareholders' Meeting approval date:

Minimum period of uninterrupted ownership required by the bylaws:

Indicate whether the company has awarded votes for loyalty:

No X

Yes

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
04-03-2017	115,794,374.94	681,143,382	681,143,382	0	681,143,382

Number of shares registered in the special register pending the expiry of the loyalty period:

Indicate whether there are different classes of shares with different associated rights:

Yes ☐ **No X**

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
SIEMENS ENERGY AKTIENGESELLSCHAFT	0.00	67.071	0.00	0.00	67.071	0.00	0.00

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote
SIEMENS ENERGY AKTIENGESELLSCHAFT	SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named Siemens Gas & Power GmbH & Co. KG)	67.071	0.00	67.071	0.00

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

At 30 September 2021, one shareholder held more than 3% of SIEMENS GAMESA RENEWABLE ENERGY's (hereinafter "SIEMENS GAMESA", the "Company" or "SGRE") total share capital (which is the threshold generally provided under Spanish regulations for a significant holding in a listed company to be disclosed), SIEMENS ENERGY AKTIENGESELLSCHAFT (67.071%).

Moreover, on November 12, 2020, BlackRock Inc. exceeded the 3% threshold of voting rights in SIEMENS GAMESA. Therefore, BlackRock Inc. became a significant shareholder of SIEMENS GAMESA as of November 12, 2020, as indirect owner of 3.001% of the voting rights, 2.836% corresponding to shares and 0.165% to financial instruments. This was communicated to the CNMV on November 13, 2020. Since then, Blackrock Inc. has made a number of communications to the CNMV communicating changes to its stake in SIEMENS GAMESA (see the table below), the last one being on 16 July, 2021, whereby Blackrock Inc. reported to the CNMV its significant holding of voting rights in SIEMENS GAMESA (2.906% of which 2.839% were shares and 0.067% were financial instruments). As stated in all communications sent to the CNMV, the shares and financial instruments correspond to funds, accounts and portfolios managed by investment managers under the control of BlackRock Inc.

Indirect Shareholder	Date of entry in CNMV	% Shares	% Financial Instruments	% Total
Blackrock Inc.	26 November 2020	3.007%	0.169%	3.176%
Blackrock Inc.	18 December 2020	2.964%	0.394%	3.358%
Blackrock Inc.	22 December 2020	3.070%	0.361%	3.431%
Blackrock Inc.	19 April 2021	2.628%	0.222%	2.850%
Blackrock Inc.	24 May 2021	2.883%	0.117%	3.000%
Blackrock Inc.	3 June 2021	2.916%	0.079%	2.995%
Blackrock Inc.	8 June 2021	2.956%	0.053%	3.009%
Blackrock Inc.	23 June 2021	2.803%	0.196%	2.999%
Blackrock Inc.	30 June 2021	2.910%	0.101%	3.011%
Blackrock Inc.	1 July 2021	2.888%	0.110%	2.998%
Blackrock Inc.	2 July 2021	2.860%	0.147%	3.007%
Blackrock Inc.	16 July 2021	2.839%	0.067%	2.906%

Following the end of the 2021 financial year BlackRock Inc. exceeded again the 3% threshold of voting rights in SIEMENS GAMESA. Therefore, BlackRock Inc. became a significant shareholder of SIEMENS GAMESA as of October 15, 2021, as indirect owner of 3.083% of the voting rights, 2.706% corresponding to shares and 0.377% to financial instruments. This was communicated to the CNMV on October 18, 2021. On November 16, 2021, BlackRock Inc. increased its holding up to 3.128% of the voting rights, 3.021% corresponding to shares and 0.107% corresponding to financial instruments, what was communicated on November 17, 2021. Moreover, BlackRock Inc. communicated on November 18 2021, that the composition of its 3.128% holding in SGRE changed on November 17, 2021, corresponding 2.982% to shares and 0.146% to financial instruments.

A.3. Give details of the participation at the close of the financial year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Nauen, Andreas	0.002	0.000	0.000	0.000	0.002	0.000	0.000

Total	0.002	0.000	0.000	0.000	0.002		0.000	0.000

Total percentage of voting rights held by the Board of Directors	0.002

Observations

The shareholders acting at the Annual General Meeting of Shareholders ("AGM") of SGRE held on March 23, 2018 approved a "Long-Term Incentive Plan" for the period 2018-2020 (hereinafter, as amended from time to time, the LTI 2018-20), which was amended by resolution of the shareholders at the Company's General Meeting of Shareholders held on March 27, 2019, which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO, among others. In relation to the aforementioned LTI 2018-20, the Board of Directors granted to the CEO Mr. Andreas Nauen 28,856 stock awards for the FY2018 cycle (see section C.1.13), 67,380 stock awards for the FY2019 cycle, and 79,164 stock awards for the FY2020 cycle (once updated the assignment of stock awards for FY2020 after his appointment as CEO), resulting in a total of 175,400 stock awards.

For the FY2018 Cycle, the Board of Directors, based on the report received from the Appointments and Remunerations Committee, agreed during its session held on November the 27th 2020 the degree of achievement of the Plan Objectives considering the whole indicators of 55% which implied the effective delivery of 12,895 shares to Mr Andreas Nauen subject to its conditions.

For the FY2019 Cycle, the Board of Directors, based on the report received from the Appointments and Remunerations Committee, agreed during its session held on November the 23rd 2021 the degree of achievement of the Plan Objectives considering the whole indicators of 92% which implied the effective delivery of 30,995 shares to Mr Andreas Nauen subject to its conditions.

Likewise, the shareholders acting at the AGM of SGRE held on March 17, 2021 approved a Long-Term Incentive Plan for the period 2021-2023 (hereinafter, the LTI 2021-23 and together with the LTI 2018-20, the "LTI Plans"), which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO, among others. In relation to the aforementioned LTI 2021-23, the Board of Directors assigned to the CEO Mr. Andreas Nauen 20,719 stock awards for the FY2021 cycle (see section C.1.13).

Under both LTI Plans, the amount of stock awards just means the potential maximum number of shares to be awarded to the CEO in case of maximum achievement of all objectives established for such cycles, but it does not imply in any case that all or part of them will be awarded. The number of shares to be finally awarded, where applicable, will be calculated on the basis of the level of effective achievement of the objectives established for each relevant cycle.

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in Section A.6:

Name or company name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

Observations

The contractual relationships that exist between the significant shareholder and SGRE and/or its group (understood as the group of companies where SGRE is the parent company, the "SIEMENS GAMESA Group", the "SGRE Group" or the "Group") arise in the ordinary course of business and are not included in this section A.5. View section D.2. for more detail.

A.6. Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties.

Shareholders with significant interests are represented on the Board of Directors through proprietary non-executive Directors.

The Board of Directors of SGRE is currently made up of the following proprietary directors, all of them representing Siemens Energy AG:

- Mr. Tim Dawidowsky, appointed on an interim basis (co-option) by the Board of Directors on September 28, 2020 at the proposal of Siemens Energy Global GmbH & Co. KG (formerly Siemens Gas and Power GmbH & Co. KG) his appointment having been ratified and the director having been re-elected for the mandatory term provided in the By-Laws at the Annual General Meeting of Shareholders held on March 17, 2021. Mr. Tim Dawidowsky is Senior Vice President Project Excellence of Siemens Energy Global GmbH & Co KG.

- Mr. Tim Oliver Holt, appointed on an interim basis (co-option) by the Board of Directors on February 10, 2020 at the proposal of Siemens AG to replace Ms. Lisa Davis, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Mr. Tim Oliver Holt is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Energy Management GmbH.

- Ms. Maria Ferraro, appointed on an interim basis (co-option) by the Board of Directors on May 5, 2020 at the proposal of Siemens AG to replace Mr. Michael Sen, her appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Ms. Maria Ferraro is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Energy Management GmbH.

- Ms. Mariel von Schumann, originally appointed at the Extraordinary General Meeting of Shareholders held on October 25, 2016 at the proposal of Siemens AG, her appointment becoming effective on April 3, 2017. At the Annual General Meeting of Shareholders held on March 17, 2021, Ms. Mariel von Schumann was re-elected as proprietary director for the bylaw-mandated term.

- Mr. Miguel Angel López Borrego, appointed on an interim basis (co-option) by the Board of Directors on 16 October 2018 effective December 1, 2018 at the proposal of Siemens AG to replace Ms. Rosa María García García, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on March 27, 2019.

In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Holt, Tim Oliver	SIEMENS ENERGY AG		Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Energy Management GmbH	Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Energy Management GmbH	Labor Director
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Energy W.L.L. Qatar	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Energy Ltd. Saudi Arabia	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Foundation US	Member of the Board of Trustees
Holt. Tim Oliver	SIEMENS ENERGY AG	Siemens Energy Inc. USA	Chairman of the Board of Directors
Ferraro, Maria	SIEMENS ENERGY AG		Member of the Managing Board
Ferraro, Maria	SIEMENS ENERGY AG		Chief Financial Officer
Ferraro, Maria	SIEMENS ENERGY AG	Siemens Energy Management GmbH	Member of the Managing Board
Ferraro, Maria	SIEMENS ENERGY AG	Siemens Energy Management GmbH	Chief Financial Officer
Ferraro, Maria	SIEMENS ENERGY AG		Chief Inclusion and Diversity Officer
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Energy Global GmbH & Co. KG	Senior Vice President Project Excellence

Observations

Additionally, it is reported that:

- Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

- Mr. Tim Oliver Holt was member of the Board of Directors of Ethos Energy Group Ltd. until May 19, 2021.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Companies Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes ☐ **No X**

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ **No X**

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes X **No ☐**

Name or company name
SIEMENS ENERGY AG

Observations
The significant shareholder SIEMENS ENERGY AG indirectly owns shares representing 67.071% of the share capital of SGRE and therefore may exercise control over the later in accordance with Article 5 of the Securities Market Act.

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,075,985	0	0.158

Observations

(*) Through:

Name or company name of direct shareholder	Number of direct shares
N/A	N/A
Total:	

Explain any significant changes during the year:

Explain significant changes

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

Trading in treasury shares was last authorized at SGRE's 2020 Annual General Meeting of Shareholders ("AGM"). The Company's AGM held on July 22, 2020, on item thirteen of its agenda, authorized the Board of Directors to acquire treasury shares of the Company. The authorization granted (see verbatim of the AGM resolution below) allows the acquisition of treasury shares provided that the shares held at any point in time do not exceed the legal limit provided for under the Spanish Companies Act (currently, 10% of SGRE's share capital). The authorization further requires that acquisitions are made at a price that is not lower than the nominal value of the shares and does not exceed the trading price in the market at the time the purchase order is placed. The authorization has been granted for five years (i.e. until 22 July 2025).

As at 30 September 2021, SGRE and its subsidiaries held 1,075,985 treasury shares representing 0.158% of the share capital at that date (compared to 1,625,869 shares at 30 September 2020, representing 0.239% of SGRE's share capital).

Verbatim excerpt of the resolution adopted by the 2020 AGM regarding treasury shares:

"Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:

(a) Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.

(b) Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.

(c) Acquisitions may be made at any time up to the maximum amount allowed by law.

(d) Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.

(e) This authorisation is granted for a period of five years from the adoption of this resolution.

(f) The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015."

A.11. Estimated float:

	%
Estimated float	32.769

Observations

The free float is calculated by deducting the capital directly or indirectly owned by significant shareholders, directors and treasury stock by the total amount of share capital as of September 30, 2021.

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No X**

Description of restrictions

There are no restrictions.

A.13. Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes ☐ **No X**

If so, explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

No resolution has been adopted by the AGM in this respect.

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes ☐ **No X**

If so, indicate each share class and the rights and obligations conferred.

Indicate the various share classes

The Company's shares are listed on the Spanish stock exchanges of Madrid, Barcelona, Bilbao and Valencia with trading symbol SGRE, and through the Spanish Stock Exchange Interconnection System (Continuous Market). The Company has not issued shares that are not traded on a regulated EU market. All the shares in SGRE’s share capital are of the same class and series and confer the same political and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital.

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

Yes ☐ No X

	% quorum different from that established in Article 193 of the Spanish Companies Act for general matters	% quorum different from that established in Article 194 of the Spanish Companies Act for special resolutions
Quorum required at 1st call	N/A	N/A
Quorum required at 2nd call	N/A	N/A

Description of differences
There are no differences.

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Act and, if so, give details:

Yes ☐ No X

Describe how it is different from the regime provided in the Spanish Companies Act.

	Qualified majority other than that set forth in Article 201.2 of the Spanish Companies Act for matters referred to in Article 194.1 of this Act	Other matters requiring a qualified majority

% established by the company for the adoption of resolutions	N/A	N/A

Describe the differences

There are no differences.

B.3. Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The General Meeting of Shareholders (GMS) has the authority to approve any amendment of the By-Laws except for the change in the location of the registered office within Spain which may be decided by the Board of Directors.

The amendment of the By-Laws of SGRE is governed by the provisions of: (i) Articles 285 to 290 of the Spanish Companies Act; (ii) Articles 14.h) and 18 of its By-Laws and (iii) Articles 6.1.i), 26, and 31.4 of its Regulations for the General Meeting of Shareholders. The majorities required are regulated in Articles 26 of SGRE's By-Laws and Article 32 of its Regulations for the General Meeting of Shareholders which replicate those determined by the Spanish Companies Act.

The Board of Directors or, where appropriate, the shareholders who have drafted a proposed amendment to the By-Laws must write it out completely, in addition to a report justifying it; and provide them to shareholders at the time the GSM to debate proposed amendment is announced.

The GMS notice must clearly state the items to be amended as well as the rights of all shareholders to examine the full text of a proposed amendment and the related report at SGRE's registered office, and order these documents delivered or sent to them free of charge.

If shareholders are convened to debate amendments to the By-Laws, the quorum on first call will be constituted if 50% of subscribed share capital with voting rights is present. If a sufficient quorum cannot be constituted, the general meeting will be held on second call, where 25% of subscribed share capital with voting rights must be present.

When less than 50% of subscribed share capital with voting rights are present, resolutions on amendments to the By-Laws can only be validly adopted if two-thirds of shareholders attending the meeting in person or by proxy vote for them. However, when 50% or more of subscribed share capital with voting rights is present, resolutions may validly pass with an absolute majority.

Resolutions to amend the By-Laws that involve new obligations for shareholders must be accepted by those affected.

B.4. Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

	Attendance data				
Date of General Meeting	**% physical presence**	**% present by proxy**	**% distance voting**		**Total**
			Electronic voting	**Other**	
03-17-2021	0.31	89.69	0.00	0.00	90.00
Of which float:	0.31	19.19	0.00	0.00	19.50
07-22-2020	0.63	86.92	0.00	0.00	87.55
Of which float:	0.63	19.85	0.00	0.00	20.48
03-27-2019	9.47	74.42	0.00	0.00	83.89

Of which float:	1.40	15.42	0.00	0.00	16.82

Observations

The free-float percentages have been calculated by dividing the shares present in person and by proxy less those belonging to significant shareholders (according to the last communication about the stake held made by them prior to the AGM) and directors participating at each AGM, according to the information available on the attendance roll, by the total number of shares outstanding on the date the Meeting is held. For these purposes, significant equity interests deposited into omnibus accounts (that are not in the name of the holders of said equity interests) have been subtracted from the shares present in person and by proxy, as the Company was aware of the participation of said significant shareholder at the Company's AGM.

At the AGM held on March 17, 2021, sixteen shareholders, holding a total of sixty-seven thousand, seven hundred and twenty (67,720) shares, used the electronic absentee voting platform, and one shareholder holding one (1) share used the remote attendance platform.

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes ☐ **No X**

Items on the agenda not approved	% votes against (*)

(*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6. Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes ☐ **No X**

Number of shares required to attend General Meetings	
Number of shares required for voting remotely	

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes ☐ **No X**

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

Do not exist.

B.8. Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Our corporate website is regulated in Article 48 of the By-Laws and includes information on corporate governance as required by law. In particular, (i) the key internal regulations of SGRE (By-Laws, Rules and regulations of the board and its consultative committees, Rules and regulations for the general meeting, etc.); (ii) information on the Board of Directors and its committees as well as directors' professional biographies (iii) information on general shareholder meetings, and (iv) communications to Spanish CNMV (IPs and OIRs). The corporate website also contains other information of interest for shareholders and investors and news relating to the Company's activities.

The address of our information on corporate governance is: https://www.siemensgamesa.com/en-int/investors-and-shareholders (It is included for reference purposes only. The content of our corporate website is not incorporated by reference in this report or otherwise considered part of it).

As to mandatory content, the Company seeks to continuously improve accessibility for users, particularly shareholders and investors, and this content is kept permanently updated pursuant to applicable law. Our corporate website enables an effective communication with shareholders and all our stakeholders. Its design enables SGRE to be transparent and improves the experience of users in obtaining quality information about SGRE and its Group.

Access to information on corporate governance is provided on the home page of the corporate website. This access is located in the upper part of the page under the title "Investors and shareholders" (accessible at https://www.siemensgamesa.com/en-int/investors-and-shareholders), where there is a drop-down list of sections. These sections can also be accessed directly at their respective addresses:

- https://www.siemensgamesa.com/en-int/investors-and-shareholders/share-and-dividend
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/financial-information
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance
- https://www.siemensgamesa.com/en-int/investors-and-shareholders/communications-to-the-cnmv

Access to section "Investors and shareholders" is also available at the bottom of the website's home page.

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	10

Observations

At 30 September 2021, the Board of Directors was made up of ten (10) members. SGRE By-Laws allow for a Board of Directors with a minimum of five (5) and a maximum of fifteen (15) members. The AGM held on July 22, 2020 resolved to set the number of members of the Board of Directors at ten. The profile and professional background of SGRE directors is available in its corporate website (se also section C.1.3 of this report).

C.1.2. Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
López Borrego, Miguel Angel		External Proprietary	Chairman	12-01-2018	03-27-2019	General Meeting
Nauen, Andreas		Executive	Chief Executive Officer	06-17-2020	07-22-2020	General Meeting
Dawidowsky, Tim		External Proprietary	Director	09-28-2020	03-17-2021	General Meeting
Ferraro, Maria		External Proprietary	Director	05-05-2020	07-22-2020	General Meeting
Hernández García, Gloria		Independent	Director	05-12-2015	03-27-2019	General Meeting
von Heynitz, Harald		Independent	Director	02-10-2020	07-22-2020	General Meeting

Holt, Tim Oliver	External Proprietary	Vice Chairman	02-10-2020	07-22-2020	General Meeting
Krämmer, Rudolf	Independent	Director	02-20-2019	03-27-2019	General Meeting
Rosenfeld, Klaus	Independent	Director	04-03-2017	03-17-2021	General Meeting
von Schumann, Mariel	External Proprietary	Director	04-03-2017	03-17-2021	General Meeting

Total number of directors	10

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialized committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

The director Mr. Klaus Rosenfeld has been appointed as member of the Supervisory Board of the company Vitesco Group AG, a German company listed on the Frankfurt Stock Exchange. Acknowledging his over-boarding situation as per Siemens Gamesa's corporate governance framework (director in more than 3 listed companies), Mr. Rosenfeld communicated his resignation as SGRE director with effects on the close of SGRE's AGM 2022, or earlier if the Board considered it appropriate.

The Board of Directors decided that Mr. Rosenfeld would continue in office until latest the SGRE's AGM of 2022 and, consequently, Mr. Rosenfeld irrevocably resigned as member of the Board of Directors of Siemens Gamesa Renewable Energy, S.A. and, consequently, as member of its Appointments and Remuneration Committee, with effects on the day before SGRE's AGM of 2022. This has been communicated to the CNMV by OIR communication (Other Relevant Information) dated 30 July 2021 under number 11069 of CNMV's official records. As explained in this communication, the new position in the Supervisory Board of the listed company Vitesco, along with his other responsibilities, has motivated the resignation of Mr. Rosenfeld.

C.1.3. Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisation chart of the company	Profile
Nauen, Andreas	Chief Executive Officer	Born in Krefeld (Germany). He is currently Chief Executive Officer and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Mechanical Engineering Degree from the University of Duisburg (Germany) and a Commercial Degree from the University of Hagan.

		He served as CEO of the Offshore Business Unit of Siemens Gamesa Renewable Energy, S.A. since November 2017 until June 2020. Mr. Andreas Nauen has a large experience in the renewable energy sector, which he started in the Siemens group, where over the course of a decade he operated in branches worldwide in diverse and key roles. He was appointed and held the position as CEO of the global wind turbines business of Siemens from 2004 to 2010, leading the integration of the newly acquired company Bonus Energy A/S. Subsequently he was appointed CEO for the global wind turbines business at REpower/Senvion (2010-2015). Lastly, for a year he was Managing Director at KTR Systems GmbH in Rheine (Germany). Mr. Andreas Nauen is currently member of the Supervisory Board and chairman of the Nomination Committee of NKT A/S, and chairman of the Board of Directors of WindEurope VZW/ASBL.

Total number of executive directors	1
Percentage of Board	10.00

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
López Borrego, Miguel Angel	SIEMENS ENERGY AG	Born in Frankfurt am Main (Germany) but of Spanish nationality, he holds the position of Chairman of the Board of Directors and Chairman of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada). He currently holds the position as Chairman and Chief Executive Officer of Siemens, S.A. (Spain) as well as Chairman of the Board of Directors of Siemens Holding S.L.U., member of the Board of Directors of Siemens Rail Automation S.A.U., member of the Board of Directors of Siemens, S.A. (Portugal), member of the Advisory Board of Siemens Healthineers, S.L.U. and since March 2021 as member of the Supervisory Board and of the Audit Committee of NORMA Group SE. In addition to this, he is also member of the Managing Board of the Deutsche Handelskammer für Spanien (German Chamber of Commerce for Spain) and member of the Business Advisory Council of CEOE (Confederation of employers and industries of Spain). His professional career started as plant controller in VDO AG. Afterwards he was appointed Chief Financial Officer of VDO Instrumentos in Spain and of VDO's global Instruments Division. Within the Siemens Group he held the position as Chief Financial Officer of the Interior & Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls & Distribution Business Unit in the Siemens Automation & Drives group, of the Industry Automation Division, of Siemens' Industry Sector, until in 2014 he was appointed CFO of Siemens Digital Factory Division. In 2017 he held the position of CFO of Siemens Gamesa Renewable Energy. Throughout his entire professional career, he held different positions on various boards of directors around the world. As an example, he has served on Primetals Technologies' Board of Directors in Austria and Great Britain; Valeo Siemens eAutomotive or several positions in China and in other countries such as France

		and Portugal.
Dawidowsky, Tim	SIEMENS ENERGY AG	Born in Husum (Germany), he currently holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a Degree in Industrial Engineering and Business Administration by the Technical University of Berlin (Germany). Currently he holds the position as Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG. Mr. Dawidowsky has developed his professional career in the Siemens AG group since 1993 where he held several positions as, among others, Data Management Director (1998-2000) and Supply Management Director (2000-2003) both in the Power Generation unit, and Procurement Vice President (2000-2006) in Industrial Solutions & Services. From 2006 until 2009 he was CEO of Industrial Solution for North East Asia and afterwards, from 2009 until 2012, he held the position as Senior Vice President for Casting and Rolling in Siemens VAI Metals Technologies. More recently, Mr. Dawidowsky has held the position as CEO for business unit EPC (2019-2020), CEO for business unit Large Drives (2015-2019), CEO for business unit Transmission Solution (2012-2015) in Siemens AG and member of the Board of Directors of Siemens Pakistan.
Ferraro, Maria	SIEMENS ENERGY AG	Born in Hamilton (Canada), she currently holds the position of Member of the Board of Directors and Member of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She holds a degree in Accounting from Brock University (Canada), and she is also a certified accountant by the Canadian Institute of Chartered Accountants. Ms. Ferraro currently holds the position of Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and of Siemens Energy Management GmbH. She previously held the post as CFO of Siemens Digital Industries and CDO (Chief Diversity Officer) of Siemens AG. Throughout her professional career she also held various positions within the Siemens group related to the accounting, controlling or finance departments, including CFO of Siemens UK or CFO of Siemens Canada. Ms. Maria Ferraro is member of the Advisory Board of the Technical University of Munich.
Holt, Tim Oliver	SIEMENS ENERGY AG	Born in Bremerhaven (Germany), he currently holds the position of Vice Chairman of the Board of Directors and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. He holds a degree in Aerospace Engineering from the Technical University in Berlin (Germany), and MBA from Northwestern University's Kellogg School of Management in Evanston, Illinois (U.S.). Mr. Holt is member of the Managing Board of Siemens Energy AG and member of the Managing Board and Labor Director of Siemens Energy Management GmbH. He is also member of the Board of Directors of Siemens Energy W.L.L. Qatar, Siemens Energy Ltd. Saudi Arabia, Siemens Ltd. India and the Atlantic Council, and member of the Board of Trustees of the Siemens Foundation US. He previously served as Chief Operating Officer (COO) of Siemens Gas & Power from 2019 to 2020 and as the CEO of the Siemens Power Generation Services Division from 2016 to 2019. He has also held other roles within Siemens Group including CEO of Wind & Renewable Energy Services, Vice President of Business Development for the Power Generation Services Division, as well as other roles in sales, engineering, and strategy. Mr. Holt has also

		been Board member of EthosEnergy Group Ltd.
von Schumann, Mariel	SIEMENS ENERGY AG	Ms. von Schumann holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Born in Brussels (Belgium), she graduated from ICHEC University of Brussels (Bachelor in Economics and Business Administration and Management), and from EAP-ESCP Europe with a master's in International Business Administration and Management. She completed a number of postgraduate programs, among others at INSEAD and LBS. Throughout her professional career, she has held various management posts in Product Management, Mergers and Acquisitions, Strategy and Investor Relations. At Siemens AG, she served as Head of Investor Relations until October 2013 and held the posts as Chief of Staff and Head of Governance & Markets until July 2019. She has also been on the Board of Directors for Siemens India and a member of the Board of Trustees of the Siemens Foundation (Siemens Stiftung). Since February 2021 she is on the Supervisory Board of Verti Versicherung AG.

Total number of proprietary directors	5
Percentage of Board	50.00

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
Hernández García, Gloria	Born in Madrid, she holds the position of non-executive Director and member of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory. Currently she is non-executive Director and Chairwoman of the Audit Committee of NORTEGAS ENERGIA GRUPO, S.L.U. and non-executive Director and Chairwoman of the Audit Committee of Parkia Iniciativas, S.L.U. From 2010 until January 2019 she held the post as Chief Financial Officer of Bankinter, S.A., managing the treasury of the bank, the balance sheet risks, the solvency, the budget control, the investor relations and the preparation of the financial information of the Group. She was member of the Steering Committee of Bankinter, S.A., Director on behalf of Bankinter of Linea Directa Aseguradora, S.A., Bankinter Consumer Finance and Bankinter Global Services. Before joining Bankinter, S.A., she served for over seven years as the Chief Financial Officer of Banco Pastor, S.A. and Director, on behalf of Banco Pastor, of Ibersuizas, a Spanish private equity company Ms. Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of Head of the Spanish Treasury. She also was nata Director of the CNMV and the Bank of Spain Boards. She has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.
von Heynitz, Harald	Born in Munich (Germany), he holds the position of Member of the Board of Directors, Chairman of the Audit, Compliance and Related Party Transactions Committee and Member of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business

	Administration, he is admitted since 27 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. He is also a certified public accountant in the U.S. as a member of the AICPA since 24 years. Mr. von Heynitz is registered in own practice since January 2020. In March 2020 he started as a member of management of FAS Steuerberatungsgesellschaft mbH, Munich. He has extensive experience in accounting, auditing, financial and business advisory and worked for 33 years for KPMG in Munich and New York. In 1999 he became partner and throughout his career he served large publicly listed companies in Germany including Siemens, Airbus Group, and Linde, as Audit Lead Partner and/or Global client Lead Partner. During the last 15 years he held different leadership positions within KPMG, among others, he was the Lead Audit Partner for Siemens from 2001 to 2004, Partner in charge of the Audit function for Southern Germany from 2004 to 2007 and member of the KPMG Europe LLP Board from 2007 until 2012. Since October 2021, Mr. von Heynitz is a member of the Board of Directors of Fluence Energy Corp., Arlington, VA, USA.
Krämmer, Rudolf	Born in Rosenheim (Germany), he holds the position of Member of the Board of Directors, Member of the Delegated Executive Committee, Member of the Audit, Compliance and Related Party Transactions Committee and Chairman of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since more than 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. Mr. Krämmer has extensive experience in accounting, auditing, financial and business advisory. He worked for almost 15 years for Arthur Andersen and Andersen Consulting in Munich, Chicago, Moscow and St. Petersburg, the last six years as partner in different leadership positions. In 2002 he joined EY Germany as partner and was lead audit partner on significant publicly listed companies in Germany including Siemens AG. Overall, he served EY for 14 years thereof almost 10 years as member of the managing board. Currently he is registered in own practice and engaged in voluntary work in his community. He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.
Rosenfeld, Klaus	Born in Bonn (Germany), he holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A. After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany). Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014. He started his professional career in 1993 holding several positions in the Investment Banking Division in Dresdner Bank AG. In 2002 he became member of the Board of Directors, being responsible for Finance and Controlling, Compliance and Corporate investments at Dresdner Bank AG. He joined Schaeffler AG in March 2009 as Chief Financial Officer. During this period, he led the corporate and financial restructuring of the group, after the takeover bid for Continental AG, and led, in 2012, Schaeffler AG's access to the debt markets and its IPO in October 2015. He is also a member of the management and supervisory bodies of various industrial companies. In particular, he is a member of the Supervisory Board and the Audit Committee of Continental AG, in Hanover (Germany) and member of the Supervisory Board of Vitesco Technologies Group Aktiengesellschaft. He is also a member of the Chairmanship (Präsidium) of the Federation of German Industries (BDI) in Berlin. Until October 2021 Mr. Rosenfeld was also member of the Board of Directors of Schaeffler India Ltd., in Mumbai (India).

Total number of independent directors	4
Percentage of Board	40.00

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
N/A	N/A	N/A

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
N/A	N/A	N/A	N/A

Total number of other external directors	0
Percentage of Board	0.00

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
N/A	N/A	N/A	N/A

C.1.4. Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n	Year n-1	Year n-2	Year n-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	2	4	40.00%	40.00%	33.33%	66.67%
Independent	1	1	1	2	25.00%	25.00%	20.00%	40.00%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	3	3	6	30.00%	30.00%	23.08%	46.15%

C.1.5. Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes X **No ☐** **Partial policies ☐**

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the appointments and remunerations committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The composition of the Board of Directors is a key element of SGRE's Corporate Governance system. A diverse Board of Directors is essential to ensure its effectiveness in a more complex, innovation-driven environment. Embracing a diversity of thinking, competencies, and backgrounds brings with it new viewpoints, and perspectives to a boardroom and leads ultimately to greater innovation and better decision making.

SGRE seeks a solid balance of technical skills, experiences and perspectives in its Board and it is formed by a committed, balanced and diverse group of people with a combination of capacities and experiences relevant to define and execute SGRE's strategy in an evolving market environment (see skills and diversity matrix below).

SGRE's "Board of Directors Diversity and Director Selection Policy" (available in SGRE's corporate website), which governs the selection and suitability assessment of directors, promotes diversity within the Board of Directors, including diversity of gender, culture, geographic origin, knowledge and experience with no implicit bias that may entail discrimination of any kind, and particularly that might hinder the selection of female directors.

The Regulations of the Appointments and Remunerations Committee (Art. 7.4) and of the Audit, Compliance and Related Party Transactions Committee (Art. 15.2) also promote equal diversity principles (also available in the corporate website). The Appointments and Remunerations Committee, which has a critical role in the process of selecting and assessing candidates to directors, must oversee that the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favor the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, age, competencies, personal skills and sector knowledge, international experience or geographical origin (pursuant to Art. 7.4 of its Regulations). Same applies to the Audit, Compliance and Related Party Transactions Committee which, pursuant to Art. 15 of its Regulations, must seek diversity in its composition, particularly regarding gender, career experience, skills, sector-specific knowledge and geographical origin. With regard to age, there are no age limits for directors or for any position in the Board, including the Chairman and the CEO.

Regarding more specifically to gender equality, the Board of Directors and the Appointments and Remunerations Committee are aware of the importance of fostering equal opportunities between men and women. SGRE "Board of Directors Diversity and Director Selection Policy" promotes a selection of directors that includes a sufficient number of female board members to have a balanced presence of women and men. The Board already replaced the target for the minority gender (women) from 30% in 2020, already achieved, to a new ambitioned gender equality target of at least 40% by 2022 without falling below 30% during the period until 2022. Female representation in SGRE Board (30%) is above the average for listed companies in Spain (standing at 26.10% in 2020 according to the CNMV Annual Corporate Governance Report).

Board of Directors skills and diversity matrix

The board's skills and diversity matrix reflects the balance of the knowledge, skills, qualifications, diversity and experience required to pursue SGRE's long-term strategy, showing our commitment to transparency in this matter. Assisted by the external consultant PricewaterhouseCoopers, SGRE has reviewed the skill and diversity matrix during 2021 updating the skill criteria based on best market practices and peer benchmarking.

The board's skills and diversity matrix included here below, separates the skills in two groups, general and specific, with reference to the degree of coverage of each of them by each director, and by the Board of Directors as a whole.

Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10
A. General										
Administration, senior management and Corporate Governance (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sectorial experience incl. **Engineering and Manufacturing (50%)**	✓	✓		✓					✓	✓
International capacity or experience in SGRE main markets **(100%)**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience and expertise in **strategy (100%)**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting Audit and Risk Management incl. internal Controls (70%)	✓		✓		✓	✓	✓	✓		✓
Institutional, regulatory and legal/corporate governance (50%)			✓		✓	✓	✓	✓		
B. Specific										
Digitization and Information Technologies (50%)	✓			✓	✓			✓	✓	
Human resources, culture, talent and remuneration systems (70%)	✓	✓		✓	✓	✓		✓		✓
Corporate social responsibility and sustainable development (50%)		✓	✓	✓	✓			✓		

Together with the section related to skills, there is another section related to diversity in relation to geographical origin or international studies, women, and independence of the members of the Board of Directors.

Geographical origin or international studies:

90% of the directors have geographical origin or international education in Europe, 60% in North America or the United Kingdom and 20% in APAC.

Women:

Currently, the Board has 3 women, that make up 30% of members of the Board.

Independence:

When it comes to tenure, 70% of Board Directors have been in office between 0 and 4 years and 30% have been between 5 and 8 years.

C.1.6. Describe the measures, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
As indicated in section C.1.5 above, the Policy and the Regulations of SGRE governing bodies promote diversity within the Board and the respective committees. During financial year 2021, SGRE has continued to put great emphasis on ensuring a diverse composition in the Board and its committees. During financial year 2021, SGRE's Policy on Selection of Directors has been amended to foster further diversity. The policy is now named "Board of Directors Diversity and Director Selection Policy" and a new Article 4 has been incorporated which reads as follows: "*The Company is aware that diversity within the organization, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period".* The purpose of this Policy is to ensure that the proposed appointments of directors of SGRE are based on a prior analysis of the needs of the Board of Directors and ensure a diversity of skills, knowledge, experience, origin, nationality, age and gender within the composition thereof. From the analysis of SGRE's corporate governance rules, it may be clearly inferred that SGRE deliberately seeks to include women with the appropriate professional profile among potential candidates. As indicated in section C.1.5 above, SGRE had 30% of female members in the Board of Directors as at September 30, 2021. In the AGM 2021, the shareholders approved the reelection of Ms Mariel von Schumann as proprietary director. In addition, the Appointments and Remunerations Committee assessed the suitability and informed favorably to the appointment of Ms. Beatriz Puente as Chief Financial Officer. During financial year 2021, SGRE has increased by 10% the proportion of women holding senior management positions and has increased the proportion of women holding middle management positions and proportions are expected to grow in accordance with the application of best working practices. Moreover, the Equal Opportunities procedure approved in June 2021 is a formal statement that establishes SGRE's commitment to equality and zero tolerance against direct or indirect discrimination due to any protected characteristic, which has the effect of void or alter the equality of opportunities or treatment in employment. The Company seeks that all employment decisions are based on merit and the legitimate business needs of the organization and establishes principles so that all aspects related to employment are designed to guarantee equal treatment and a fair comparison of all persons. In this regard, the Company is committed to creating opportunities in which women can participate under equal conditions, but also actions specifically aimed at increasing women's access to management positions. To encourage applications from women and increase the number of women eligible for promotion, all necessary measures will be taken to create an environment conducive to the selection, promotion and career development of women in the company. The development of policies that allow our staff to better reconcile professional and family commitments should contribute to this process. In our recruitment and promotion processes, we will require that, wherever possible, candidate lists provide a satisfactory and gender-balanced selection of the most suitable candidates. In appointments to management positions, a final list of candidates balanced between men and women will always be required and, in principle, priority will be given to women if it is verified, after carrying out the corresponding evaluations, that the candidates have the same merits and competencies. SGRE continues to strive forward gender balance and broader diversity and for the second consecutive year it has been included in Bloomberg Gender Equality Index 2021. In April 2021, SGRE's Diversity & Inclusion Strategy for FY21-FY22 was presented to the Appointments and Remunerations Committee. The referred strategy is driven by three main pillars: diversity, inclusion, and equal of opportunities. By embracing diversity across all spectrums, including, but not limited to, gender and gender identity, ethnicity, religion, age, disability, nationality, family or marital status, or sexual orientation, SGRE is a stronger company. The Board has also approved an update of the Diversity and Inclusion Policy (publicly available in the corporate website) which establishes the principles of diversity and inclusion that must apply within the company in order to strengthen corporate ethics.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons
N/A

C.1.7. Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The conclusions of the verification of compliance with the “Board of Directors Diversity and Director Selection Policy” during 2021 financial year carried out by the Appointments and Remunerations Committee are the following:

- The Appointments and Remunerations Committee confirms that the Company’s processes for the ratification and re-election of directors complied during financial year 2021 with the requirements imposed by law and the Corporate Governance Rules of SIEMENS GAMESA, as well as the recommendations of the Good Governance Code.

- The Appointments and Remunerations Committee has expressly verified that the process of re-electing candidates for director during financial year 2021 complied with the “ Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.” which last version was approved by the Board of Directors on September 16, 2021.

- The Board of Directors of SIEMENS GAMESA, as a company with a high level of internationalisation, has members with different geographical and national origins, who also have a wide variety of personal qualifications, knowledge and professional experience, which reflects the Company’s clear commitment to diversity in the composition of its management decision-making body. The background and professional profile of the director ratified and the two directors re-elected during 2021 is a good evidence of such commitment as different areas as technical, financial, corporate governance, human resources and accountancy are covered.

- With respect to gender diversity in the composition of the Board of Directors, within its continued commitment to improving the application of the good governance standards, principles and rules regarding the selection of directors, SIEMENS GAMESA will promote that such selection processes take into account the recommendations of the Good Governance Code regarding diversity.

- In this sense, the Company set already the ambition that the presence of women in the Board of Directors increases to 40% during 2022 without lowering under 30% during this period, as established in the Policy, as the Company has, by the end of financial year 2021, three women on its Board of Directors, representing 30% of its members.

C.1.8. If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
N/A	N/A

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes ☐ **No X**

Name or company name of shareholder	Explanation

C.1.9. Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or Board committees:

Name or company name of director or committee	Brief description
Nauen, Andreas	The Board of Directors of SGRE, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers to Mr. Andreas Nauen as CEO, in the event that the shareholders at the AGM to be held on July 22, 2020 decide to ratify the Board's resolution to appoint Mr. Andreas Nauen as a director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The AGM of SGRE held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.
Delegated Executive Committee	The Board of Directors of SGRE unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee which has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the By-Laws and of the Regulations of the Board of Directors. See the Regulations of the Delegated Executive Committee for further detail on the specific functions delegated into this Committee.

C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
N/A	N/A	N/A	N/A

C.1.11. List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies.

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Lopez, Miguel Angel	NORMA Group SE	Member of the Supervisory Board and Member of the Audit Committee
	Cámara de Comercio Alemana en España	Member of the Managing Board
	Siemens, S.A.	Chairman of the Board of Directors and CEO
	Siemens Holding S.L.U.	Chairman of the Board of Directors
	Siemens Rail Automation S.A.U.	Member of the Board of Directors
	Siemens S.A. (Portugal)	Member of the Board of Directors

	Siemens Healthineers, S.L.U.	Member of the Advisory Board
	CEOE	Member of the Business Advisory Council
Nauen, Andreas	NKT A/S	Member of the Supervisory Board and Member of the Nomination Committee
	WindEurope VZW/ABSL	Chairman of the Board of Directors
Rosenfeld, Klaus	Schaeffler AG	Chief Executive Officer
	Continental AG	Member of the Supervisory Board and Member of its Audit Committee
	Schaeffler India Ltd.	Member of the Board of Directors
	Vitesco Technologies Group AG	Member of the Supervisory Board
	Federation of German Industries	Member of the Chairmanship
Holt, Tim Oliver	Siemens Energy AG	Member of the Managing Board
	Siemens Ltd. India	Member of the Board of Directors
	Siemens Energy Management GmbH	Member of the Managing Board
	Siemens Energy W.L.L. Qatar	Member of the Board of Directors
	Siemens Energy Ltd. Saudi Arabia	Member of the Board of Directors
	Siemens Energy Inc. USA	Chairman of the Board of Directors
	Siemens Foundation US	Member of the Board of Trustees
	Atlantic Council	Member of the Board of Directors
Krämmer, Rudolf	Ärzte ohne Grenzen, Deutsche Sektion, eV	Member of the Supervisory Board
von Schumann, Mariel	Verti Versicherung AG	Member of the Supervisory Board
Ferraro, Maria	Siemens Energy AG	Member of the Managing Board
	Siemens Energy management GmbH	Member of the Managing Board
	Technical University of Munich	Member of the Advisory Board
Hernandez, Gloria	Nortegas Energía Grupo, S.L.U.	Member of the Board of Directors and Chairwoman of the Audit Committee
	Parkia Iniciativas, S.L.U.	Member of the Board of Directors and Chairwoman of the Audit Committee

Observations
Mr. Tim Dawidowsky resigned, on October 2020, as member of the Board of Directors of Siemens Pakistan. Mr. Klaus Rosenfeld resigned, on October 2021, as member of the Board of Directors of Schaeffler India Ltd. Mr. Tim Oliver Holt resigned, on May 2021, as member of the Board of Directors of Ethos Energy Group Ltd. Mr. Harald von Heynitz was appointed, on October 2021 as member of the Board of Directors of Fluence Energy Corp., Arlington, VA, USA. Ms. Mariel von Schumann resigned, on February 2021, as member of the Board of Directors of Siemens India Ltd, and resigned, on April 2021, as Member of the Board of Trustees of Siemens Stiftung.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activies
von Heynitz, Harald	Management Member of FAS Steuerberatungsgesellschaft mbH
von Schumann, Mariel	Member of the Advisory Board of Up2Invest

Observations

C.1.12. Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes X **No ☐**

Explanation of the rules and identification of the document where this is regulated
Article 10 of the Regulations of the Board of Directors of SGRE rules on the maximum number of companies' boards its directors may be a part of, which establishes that directors cannot act in the position of director of more than three companies whose shares are traded in domestic or foreign securities markets.

C.1.13. Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	3,621
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	0
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	215
Pension rights accumulated by former directors (thousands of euros)	0

Observations

In addition to the information provided above it shall be mentioned that:

a) Pursuant to articles 45.3 and 45.6 of the By-Laws of SGRE and as agreed by virtue of the fifteenth resolution of the agenda of the 2015 AGM, the remuneration of the Company to all directors as fixed annual remuneration and allowances for their dedication and attendance does not exceed the maximum amount of three million euro (€3,000,000) as established by the cited AGM, as such consideration is compatible with and independent from the remuneration received by executive directors.

b) Further detail on remuneration of members of the Board of Directors can be found in the 2021 Annual Report on Remunerations available on the corporate website (www.siemensgamesa.com).

c) The information included in this section differs from Note 19 of the Individual Report and Note 30 of the Consolidated Report, which form part of the financial statements for financial year 2021, as this section includes as remuneration the shares to be delivered to the CEO (30,995 shares valued €687 thousand) under the Cycle FY2019 of the Long Term Incentive Plan whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 23rd of November 2021, date on which the Company's Board of Directors has formulated the financial statements for financial year 2021, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the Group at the delivery date, except in certain cases of termination of the relationship (good leaver).

In the absence of the share price on the delivery date as the shares of the FY2019 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2019 (30 September 2021) and the 20 trading days following that date. This price was Euro 22.17 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2019.

Likewise, during financial year 2021, the CEO has received the shares corresponding to the Cycle FY2018 of the Long Term Incentive Plan, which were to be delivered in this financial year, after being adjusted downwards due to the result of the multiyear indicators assessment, and as approved by the Board of Directors following the end of the Cycle FY2018. Therefore, this compensation is included in the Financial Statements (amounting €567 thousand) and not in the detailed amount under this section, because it was reported in the Annual Remunerations Report of financial year 2020, according to the instructions of the CNMV's official report, as the measurement term ended on September 30, 2020.

C.1.14. Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
Bartl, Jürgen	General Secretary
Becker, Marc	CEO Offshore Business Unit
Gutiérrez, Juan	CEO Service Business Unit
Immink, Marc	Internal Audit Director
Krogsgaard, Lars Bondo	CEO Onshore Business Unit
Puente, Beatriz	Chief Financial Officer
Wollny, Christoph	Chief Operations Officer

Number of women in senior management	1
Percentage of total senior management	14%

Total remuneration of senior management (thousands of euros)	5,643

Observations

The list above refers to those people who are qualified as senior managers according to SGRE's Corporate Governance framework, which does not necessarily imply a special labour relationship under Spanish Labor Law (RD 1382/1985).

The remuneration of the Top Management includes the remuneration corresponding to those who have been part of the Senior Management during part or the whole financial year (including those in acting role).

During financial year 2021 three new senior managers joined SGRE:

- Mr. Lars Bondo Krogsgaard assumed on November 1, 2020 the Chief Executive Officer of Onshore business unit position.
- Ms. Beatriz Puente's appointment as Chief Financial Officer became effective on December 1, 2020.
- Mr. Marc Becker assumed, on February 1, 2021, the Chief Executive Officer of Offshore business unit position.

The information included in this section differs from Note 20 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for financial year 2021, as this section includes as remuneration the shares to be delivered to the Top Management (valued in €1,092 thousand) under the Cycle FY2019 of the Long Term Incentive Plan whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 23rd of November 2021, date on which the Company's Board of Directors has formulated the financial statements for financial year 2021, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the Group at the delivery date, except in certain cases of termination of the relationship (Good Leaver).

In the absence of the share price on the delivery date as the shares of the FY2019 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2019 (30 September 2021) and the 20 trading days following that date. This price was Euro 22.17 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2019.

Likewise, during financial year 2021, the Top Management has received the shares corresponding to the Cycle FY2018 of the Long Term Incentive Plan, which were to be delivered in this financial year, after being adjusted downwards due to the result of the multiyear indicators assessment, and as approved by the Board of Directors following the end of the Cycle FY2018. Therefore, this compensation is included in the Financial Statements (amounting €772 thousand) and not in the detailed amount under this section, because it was reported in financial year 2020, according to the instructions of the CNMV's official report, as the measurement term ended on September 30, 2020.

C.1.15. Indicate whether the Board regulations were amended during theyear:

Yes X **No ☐**

Description of amendment(s)

The Board of Directors approved on November 27, 2020 the amendment of its Regulations to: (i) reflect the modifications on the recommendations of the Good Governance Code of Listed Companies as revised by the Spanish CNMV in June 2020; and (ii) include certain other changes of a technical nature. The rationale behind the changes to the Regulations approved was to ensure that the Company keeps strengthening its Corporate Governance framework, and in this sense, among the amendments approved there is a more detailed regulation of the cases when directors must resign or the explanations they must provide when they leave the Board of Directors ahead of the end of their term.

Likewise, the Board of Directors approved on June 14, 2021 a new amendment of its Regulations. The main purpose of this amendment to the Regulations of the Board of Directors was to adapt some of its paragraphs to the amendments to the Spanish Companies Act resulting from Law 5/2021 of April 12, updating mainly the regulation of the conflict of interest, the provisions regarding related party transactions, and excluding the possibility for Legal entities to be director. Likewise, some additional wording changes and references update are implemented.

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

SGRE directors are appointed for four-year terms. Each appointment, reelection and ratification is submitted to a separate vote at the GSM.

Our internal “Board of Directors Diversity and Director Selection Policy” sets standards for selecting and appointing candidates ensuring that the proposed appointments of directors of SGRE are based on a prior analysis of the needs of the Board of Directors and ensure a diversity of skills, knowledge, experience, origin, nationality, age and gender within the composition thereof.

Shareholders appoint and re-elect directors at the GSM. If directors step down during the term of office, the board of directors may provisionally designate another director by co-option until the GSM confirms or revokes the appointment at the earliest subsequent meeting.

The Appointments and Remunerations Committee must issue a report and a reasoned opinion in advance of any proposal the board will make to shareholders to appoint, re-elect and ratify any category of director, as well as in advance of any board resolution about co-option.

Proposals must include a duly substantiated report prepared by the board containing an assessment of the qualifications, experience and merits of the proposed candidate. Re-election and ratification proposals will provide an assessment of the work and dedication to the position during the last period in which the proposed director held office. If the board disregards the nomination committee's opinion, it must explain its decision and record its reasons in meeting minutes.

It falls upon the Appointments and Remunerations Committee to propose the independent directors, as well as to report upon the proposals relating to the other categories of directors (proprietary or other external).

SGRE directors must have independence of mind, a prestigious professional reputation, good character, solvency, competence and experience. Furthermore, the selection of candidates should seek a proper balance within the Board of Directors as a whole that enriches decision-making and the contribution of different viewpoints to the debate on the issues within its purview.

For more details, see section C.1.3 of this report and the 'Board skills and diversity matrix' in section C.1.5.

Directors shall cease to hold office when the term for which they were appointed ends (unless they are re-elected); when the general meeting so resolves; or when they resign.

The Regulations of the Board of Directors (Art. 16) provide a number of cases where directors must tender their resignation to the Board their resignation and formally resign if the Board, following a report from the Appointments and Remunerations Committee, deems it appropriate. These are, in general, cases that may adversely affect to the Board's functioning or to SGRE’s goodstanding and reputation and, in particular, if they are find themselves in any of the circumstances of ineligibility or prohibition provided by law. Proprietary non-executive directors must also tender their resignation when the shareholder they represent sells off its equity holding or revokes its representation into the relevant director.

The Board of Directors may propose the removal of an independent director before the term of his/her office only based on justified grounds to be assessed by the Board following the proposal from the Appointments and Remunerations Committee.

When a director ceases to hold office prior to the end of his or her term (i.e. by general meeting resolution or by resignation), the director shall sufficiently explain the reasons for the resignation or, in the event of non-executive directors, their opinion on the reasons for their cessation in office by the GSM general meeting in a letter to the other board members. In addition, when deemed relevant for investors, SGRE will publicly disclose the cessation in office, including sufficient information on the director's reasons or circumstances provided by the director.

Finally, succession planning for the Chair of the Board and the CEO is key to SGRE. The Appointments and Remunerations Committee and the Board prioritize succession planning of these key positions, with sound and appropriate plans in place that are regularly revisited.

C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organization and in the procedures applicable to its activities:

Description of amendment(s)

The governance bodies of SGRE are continuously improving their corporate governance systems, identifying key actions that contribute to the improvement of the operation and effectiveness of the Board of Directors and its committees.

The most important advances that the Company has achieved during financial year 2021 are the following:

- As to attendance, the overall attendance has improved compared with FY20.
- The Board of Directors held a three days Strategy Offsite on 17, 18 and 19 March 2021.
- The Delegated Executive Committee has enhanced the quality of presentations to the Board of Directors and also the process of the financial information closing.
- The Board of Directors and its Committees have improved the use of Executive Summaries as the baseline for the discussion of the topics.
- The Audit, Compliance and Related Party Transactions and the Appointments and Remunerations Committee have carried out a half-year review of their annual work plan.
- The Audit, Compliance and Related Party Transactions Committee has improved the ERM reports and the risk identification process. Likewise, it has increased the revision of ESG related topics.
- Succession planning continues being a priority and the Board of Directors has reviewed the Company’s succession plan for top managerial roles and has reviewed and updated the succession protocol for the Chairman and the Chief Executive Officer.
- As to skills development, the board promotes its directors’ continued development through an annual Board training programme defined at the beginning of each financial year with contents the Board chooses based on four key areas: (i) Strategy and supervision, (ii) Risks, (iii) Corporate Governance and remuneration, and (iv) Social Responsibility and sustainability. The Committees define also their annual training programmes where contents are defined based on the specific competences of the relevant governing bodies. SGRE reports the training activities conducted within the year in its “Annual activities report of the Board of Directors and of its committees” which is provided as part of the documentation for the General Shareholders’ Meeting.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

The Board of Directors of SGRE evaluates its performance on an annual basis. Thus, on 29 July, 2021 the Board of Directors approved the commencement of the process of evaluation of the Board of Directors itself, of the Chief Executive Officer, of the Delegated Executive Committee, of the Audit, Compliance and Related Party Transactions Committee, of the Appointments and Remuneration Committee and of the Chair of the Board of Directors.

The evaluation process, which has included the analysis of more than 173 indicators, has covered the following areas: (i) composition of the bodies, (ii) operation thereof, (iii) development of skills and performance of duties, and (iv) relations with other bodies. These areas have been analyzed from 3 perspectives: (i) compliance with internal rules and with applicable regulations; (ii) analysis of future trends in corporate governance; and finally, (iii) level of compliance with the improvement areas identified in the previous year's assessment processes. During this assessment, all directors have answered to an extensive questionnaire.

The process concluded at the meeting of the Board of Directors held on 23, November 2021, with the approval of the results of the evaluation and the Action Plan for financial year 2022.

The conclusions of the evaluation process show a high degree of compliance with the indicators reviewed and that the operation of the Company's governance bodies continued to improve during the financial year.

The Action Plan 2022 deriving from the evaluation process focuses on certain operational aspects and on further advancing best practices, and includes among other actions, encouraging the attendance of directors to all Board meetings, continue increasing the percentage of women on the Board, further improve the meetings documentation or ensuring timely Board decisions implementation.

C.1.18. Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

The annual assessment has been carried out internally this year without the assistance of external advisors.

C.1.19. Indicate the cases in which directors are obliged to resign.

The Regulations of the Board of Directors (Art. 16) provide a number of cases where directors must tender their resignation to the Board and formally resign if the Board, following a report from the Appointments and Remunerations Committee, deems it appropriate. These cases are:

- **"***Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.*
- *Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.*
- *Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.*
- *When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.*
- *Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.*
- *Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.*
- *Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.*
- *When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.*

- *When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group."*

The resignation provisions set forth under a) d) f) and g) above shall not apply when the Board of Directors believes that there are reasons that justify the director's continuance in office, without prejudice to the effect that the new supervening circumstances may have on the classification of the director.

C.1.20. Are qualified majorities other than those established by law required for any particular kind of decision?

Yes X **No ☐**

If so, describe the differences.

Description of differences

The Regulations of the Board of Directors (article 4.4) requires at least a two-third majority of the directors attending the meeting to approve any amendments thereto (save for amendments compulsory by law, in which case a simple majority of the votes present or represented at the meeting will be required to adopt the resolution).

Article 18.3 of the Regulations of the Board of Directors stipulates that in case the position of Chair of the Board of Directors is held by an Executive Director, "*removal from the position of this Director will require the absolute majority of the members of the Board of Directors*."

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes ☐ **No X**

Description of requirements

Do not exist.

C.1.22. Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes ☐ **No X**

	Age limit
Chairman	N/A
Managing director	N/A
Director	N/A

C.1.23. Indicate whether the articles of incorporation or the Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes ☐ **No X**

Additional requirements and/or maximum number of years of office	N/A

C.1.24. Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 25.3 of the Regulations of the Board of Directors states that *"the Directors must attend the meetings that are held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive Directors may only delegate representation to another Non-executive Director."*

For the purposes of delegating votes, each time a meeting of the Board of Directors is convened, the specific proxy award model for that meeting is made available to the directors so that they can confer their representation and, where applicable, voting instructions if deemed necessary by the represented director are included. All aforementioned is in compliance with article 32.2 of the By-laws of SGRE which states that *"any Director may cast his/her vote in writing or confer his/her representation to another Director, specifically for each meeting. Non-executive Directors may only do so to another Non-executive Director."*

C.1.25. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	19
Number of Board meetings held without the chairman's presence	0

Observations

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the Delegated Executive Committee	20
Number of meetings held by the Audit, Compliance and Related Party Transactions Committee	26
Number of meetings held by the Appointments and Remunerations Committee	8

C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	19
Attendance in person as a % of total votes during the year	96.32%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	19
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00%

Observations

	Board of Directors	Delegated Executive Committee	Audit, Compliance, and Related Party Transactions Committee	Appointments and Remunerations Committee
Mr. Miguel Angel Lopez	19/19	20/20	-	-
Mr. Andreas Nauen	19/19	20/20	-	-
Mr. Tim Dawidowsky	19/19	-	-	-
Ms. Maria Ferraro	19/19	-	26/26	-
Ms. Gloria Hernandez	19/19	-	26/26	-
Mr. Harald von Heynitz	19/19	-	26/26	8/8
Mr. Tim Oliver Holt	19/19	20/20	-	-
Mr. Rudolf Krämmer	19/19	20/20	26/26	8/8
Mr. Klaus Rosenfeld[1]	12/19	-	-	6/8
Ms. Mariel von Schumann	19/19	-	-	8/8

[1] In all cases where Mr. Rosenfeld did not attend, he delegated his proxy to another director of the same category with specific instructions.

C.1.27. Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes X **No ☐**

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Nauen, Andreas	CEO
Puente, Beatriz	Chief Financial Officer
Wollny, Christoph	Chief Operating Officer
Serrano, Julio	Accounting Reporting and Controlling Director

Observations

The SGRE's Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

To ensure the external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance, an accounting-related internal control system called Internal Controls over Financial Reporting (ICFR) is established, which is based on the internationally recognized "Internal Control-Integrated Framework" developed by COSO.

According to SGRE's internal certification processes, the responsible people for financial information in the different areas of the Company (including Managing Directors and Heads of Accounting of fully consolidated companies) sign a Quarterly Internal Certification for their area of responsibility, providing confirmation among others for the following topics: i) confirmation of the representations in the Representation Letter to the auditor, ii) correctness and completeness of financial reporting and related disclosures, iii) Quarterly bank account attestation, iv) Compliance with internal regulations, v) Completeness of internal certifications, vi) Independence of external auditor and vii) Adherence to the Business Conduct Guidelines. These Quarterly Internal Certifications are the basis for SGRE's Group CEO, COO, CFO and Head of Accounting to confirm the Group Consolidated Financial Statements.

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Board of Directors, through the Audit, Compliance and Related Party Transactions Committee has a crucial role in the supervision of the process of preparing the financial information of the Company.

Therefore, the work of the Audit, Compliance and Related Party Transactions Committee deals with the following main topics:

A) Audit of accounts

Article 6 of the Regulations of The Audit, Compliance and Related Party Transactions Committee gives the Audit, Compliance and Related Party Transactions Committee the following powers, among others, in relation to the audit of accounts:

"*e) Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks,*

f) Requests from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

g) Assess the results of each audit and the management team's response to its recommendations.

(…)

i) Oversee the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, trying that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders. In this sense, the Committee shall oversee the main findings of the audit work in conjunction with the auditor and, if necessary, propose adequate measures to the Board of Directors in order to remove the impairments found by the auditor."

It should also be noted that the External Auditor appeared before the Audit, Compliance and Related Party Transactions Committee on several occasions during the financial year ended on September 30, 2021:

- on October 28, 2020 in connection with the Q4 and full year 2020 results.

- on November 23, 2020 in connection with the audit of the annual accounts for financial year 2020 and non-audit services provided by the auditor.

- on January 27, 2021 in connection with the review of the financial information for the first quarter of financial year 2021.

- on February 2, 2021 in connection with the presentation of its Management Letter Comments.

- on April 29, 2021 in connection with the audit plan for the FY21 financial year, the limited audit review of the half-yearly financial statements at March 31, 2021 and Non-Audit Services provided by auditor during Q1 and Q2 of FY21

- on July 27 Limited review of the Financial Information for the third quarter as of 30 June 2021.

The audit reports on the individual and consolidated annual accounts formulated by the Board of Directors have historically been issued without qualifications, as set forth in the information contained in the corporate website and in the information on SGRE contained in the website of the CNMV.

B) Supervision of the process of preparation and presentation of the mandatory financial information

It should also be noted that article 8 of said Regulations of the Audit, Compliance and Related Party Transactions Committee describes the following principal functions of said Committee regarding the process for preparing economic/financial information:

"a) Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such Group, and raise the

recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors,

b) Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

c) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

d) Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

e) Be informed of the significant adjustments identified by the auditor or arising from the Internal Audit Department's reviews, and management's position on such adjustments.

f) Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

g) Oversee on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website, Following the oversight, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary."

In turn, article 7.3 of the Regulations of the Board of Directors provide that the following competencies correspond to the Board of Directors:

"iv. Supervising the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly."

C) Supervision of the efficiency of the internal control of the Company

Article 10 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee includes the key functions of the aforementioned Committee regarding the internal control and risk management systems:

"a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this oversight the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies on the control and management of risks identify or determine at least:

i. The different types of financial and non-financial risks (financial, operational, strategic and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks

ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.

iii.The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

d) Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Oversee that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

g) Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management, reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements."

In turn, article 7.3 of the Regulations of the Board of Directors provide that the following competencies correspond to the Board of Directors:

"*iii. Supervising the internal information and control systems.*"

D) Internal Audit Supervision and in particular, according to Article 7 of the referred Regulations of the Audit, Compliance and Related Party Transactions Committee:

"*a) Oversee the activities of the Internal Audit Department, which shall report functionally to the Committee.*

b) Ensure the independence and effectiveness of the Internal Audit Department of the Company and its Group.

c) Approve the direction and annual plan of the Internal Audit Department, ensuring that it exercises its powers proactively and that its activities are mainly focused on significant risks to the Company and its Group (including reputational risks), as well as receive periodic information regarding the activities carried out by the Internal Audit Department.

d) Propose to the Board of Directors the budget for the Internal Audit Department, overseeing that both the Internal Audit Department and its personnel have sufficient resources, encompassing (internal and external) human resources and financial and technological resources, to carry out its work.

e) Approve the objectives of the Internal Audit Director and assess the performance of the Internal Audit Department, for which the Committee shall seek the opinion of the chief executive officer.

The conclusions of the assessment shall be notified to the Internal Audit Department and taken into account for the purpose of determining the variable components of the annual remuneration.

f) Receive regular information on the activities carried out by the Internal Audit Department of Siemens Gamesa and the companies of its Group and, particularly, on the implementation of the annual work plan, any issues found and an annual report, which shall include a summary of the activities carried out and reports issued over the year with the recommendations and action plans as well as the level of compliance with the recommendations made by the Internal Audit Department in its reports,

g) Oversee that Senior Management bears in mind the conclusions and recommendations of Internal Audit Department reports."

One of the main purposes of the reports prepared for the Audit, Compliance and Related Party Transactions Committee is to bring to light any aspects that might involve qualifications in the audit report of SGRE and its Group, making any appropriate recommendations in order to avoid them. Said reports are submitted to the full Board of Directors prior to the approval of the financial information.

As included later in section F ("Internal Risk Management and Control Systems related to the process of publishing financial information (ICFR)") in this Annual Corporate Governance Report 2021, SGRE has a proper Internal Risk Management and Control system related to the process of publishing financial information (ICFRS).

C.1.29. Is the secretary of the Board also a director?

Yes ☐ **No X**

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Garcia Fuente, Juan Antonio	N/A

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

1. Mechanisms to preserve the independence of the auditor:

SGRE has established a procedure for this purpose, called "Protection of auditor independence (Non-audit services)", which allows it to:

- Align the independence policies of SGRE and Siemens Energy AG about the External Auditor's services in accordance with the requirements defined by the European Union and endorsed by regulatory bodies in Spain and Germany.

- Ensure that the policy and the limits for accepting or not accepting non-audit services are aligned also at group level with Siemens Energy AG.

- All requests for services included in the pre-approved list are subject to review and approval by SGRE's Director of Internal Audit, who, prior to giving approval, must confirm that the services are acceptable and included in the pre-approved list after a statement by the external auditor to the effect that said services are permissible under all applicable independence rules and standards. These services must subsequently be approved by Siemens Energy AG for amounts over EUR 25K. SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee to approve non-audit services twice per year.

In this regard, different approval levels are classified, specified (if there is a list of services) and defined both by the Audit, Compliance and Related Party Transactions Committee and by other departments, for the services provided by the external auditor:

- Audit services.
- Non-audit services:
  - Other verification services:
    - Reasonably related to the audit (pre-approved list).
    - Not reasonably related to the audit (individualized approval).
  - Prohibited services:
    - Tax services.
    - Other services.

SGRE's Internal Audit Department is responsible for maintaining a register of non-audit services as obtained by the External Auditor throughout the financial year, including the amounts and the percentage of the total fees received for audit services during such financial year.

External Auditor's Non-audit Services fees provided to SGRE may not exceed 30% of the External Auditor's total fees for all Audit Services provided to SGRE worldwide during the applicable financial year. However, if there is a convincing reason to hire the External Auditor for the provision of non-audit services beyond the aforementioned limit, and so long as it falls within the applicable limit under the law, said provision will be possible following individual approval by the Audit, Compliance and Related Party Transactions Committee.

Article 34 of the Regulations of the Audit, Compliance and Related Party Transactions Committee of SGRE, and section 4 of the Statutory Auditor Hiring Policy govern the relations of said Committee with the External Auditor. The full texts are available at www.siemensgamesa.com.

2. Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

SGRE regulates this matter in its "Policy on communication of economic-financial, non-financial and corporate information via media, social media or other channels and regarding contacts and relations with shareholders, institutional investors and proxy advisors", which was approved by resolution of the Board of Directors on September 16, 2021, which establishes that the general principles are those of transparency, accuracy, equal treatment, promotion of ongoing information, collaboration, taking advantage of new technologies, and compliance with the provisions of law and the Corporate Governance Rules, as well as with the principles of cooperation and transparency with competent authorities, regulatory bodies and government administrations.

By application of said principles, the provision of information to financial market participants and the presentation of results and of other relevant documents issued by the Company are carried out simultaneously for all of them after submission thereof to the CNMV, always in the strictest compliance with securities market regulations.

Specifically, in compliance with the CNMV's Recommendations of December 22, 2005 on informational meetings with analysts, institutional investors and other securities market professionals, SGRE announces the meetings with analysts and investors related to quarterly and annual earnings releases and capital markets days, at least seven calendar days in advance, indicating the date and time at which the meeting is scheduled to be held and any technical means (teleconference, webcast) which any interested party can use to follow the meeting in real time.

The documentation supporting the meeting is made available on the Company's website (www.siemensgamesa.com) before the beginning thereof. Finally, a recorded broadcast of the meeting is made available to investors for one month on the Company's website.

Furthermore, road shows are periodically carried out in the most significant countries and financial markets, where individual and group meetings are held with all these market players. Their independence is protected by the existence of a contact person specifically assigned to them, who ensures objective, equal and non-discriminatory treatment.

Finally, the Company has various channels of communication and service to analysts and investors:

- E-mail on the corporate website (info_accionista@siemensgamesa.com for minority shareholders and irsg@siemensgamesa.com for institutional shareholders and financial analysts).
- Telephone line for shareholder information (+34 944 20 93 18) and direct lines to the members of the Investor Relations team.
- Periodic publications, information relating to quarterly results, corporate transactions, business prospects and any event material for the evolution of the market value of the company.
- Live and recorded broadcasts of presentations.
- Mailing of press releases.
- Participation on industry events.

C.1.31. Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes ☐ **No X**

Observations

The GSM held on March 17, 2021, approved, under item nine of the agenda to re-elect Ernst & Young, Sociedad Limitada as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group, providing audit services during the financial year running between 1 October 2020 and 30 September 2021.

If there were any disagreements with the outgoing auditor, explain their content:

Yes ☐ **No X**

Explanation of disagreements

N/A

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its Group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its Group for audit work:

Yes X **No ☐**

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	300	137	437
Amount invoiced for non-audit work/Amount for audit work (in %)	6.90	3.15	10.05

Observations
The audit related fees such as “other attest services” and “other audit related attest services” have been considered as non-audit fees.

C.1.33. Indicate whether the auditors’ report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes ☐ **No X**

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter
N/A

C.1.34. Indicate the number of consecutive years for which the current audit firm has been auditing the company’s individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	8	8

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	25.81%	25.81%

C.1.35. Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes X **No ☐**

Details of the procedure

The call to convene the meetings of the Board of Directors is made at least six business days in advance, including the meeting agenda and best efforts are made so that the relevant information for the meeting is accompanied with the aforementioned advance of six business days. Exceptionally, information may be provided with a minimum period of at least three business days, the Board of Directors not being able to make a decision if such information has not been made available to the Directors with the aforementioned advance notice The Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no Director opposes it.

On a similar sense, the call to meetings of the Delegated Executive Committee, the Audit, Compliance, and Related Party Transactions Committee or the Appointments and Remunerations Committee *except* in the case of emergency meetings, is issued at least three days in advance and includes the agenda of the meeting.

SGRE’s internal regulations set also that directors can receive external experts’ support for the developments of their functions. It is so established under article 36 of the Regulations of the Board of Directors, article 24 of the Regulations of the Delegated Executive Committee, article 37 of the Regulations of the Audit, Compliance and Related Party Transactions, and article 27 of the Regulations of the Appointments and Remunerations Committee.

For supporting the procedures described above, the directors access to the documentation through a secure and efficient software tool named *Diligent Boards* tool where they can review the information deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof in accordance with each agenda.

Directors have access to the call to the meetings, documentation uploaded concerning the Items of the agenda, as well as the minutes of the proceeding session.

C.1.36. Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes X **No ☐**

Explain the rules

Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit in the following cases:

- When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.
- Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.
- Whenever they are issued a serious warning by the Board of directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as directors in the Company.
- Whenever their continuity on the Board of Directors could put the Company's interests at risk.
- When, due to acts attributable to the director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.
- When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation *of the Company and its Group.*

Directors must inform the Company of any legal, administrative or any other type of proceedings that are filed against the director, and which, due to their significance or characteristics, may negatively affect the reputation of the Company. Particularly, directors must promptly inform the Company, through the Chairman, if he/she is accused in any criminal proceeding and of the occurrence of any significant procedural steps in such proceedings.

In this case, the Board of Directors, following the report by the Appointments and Remunerations Committee, will examine the case as soon as possible, and take the measures it considers the most appropriate regarding the interests of the Company, such as opening an internal investigation, requesting the resignation of the director or proposing the removal thereof.

The Company shall report the adoption of said measures in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes of the Board.

C.1.37. Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes ☐ **No X**

Director's name	Nature of the situation	Observations
N/A	N/A	N/A

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the nomination committee.

Yes ☐ **No ☐**

Decision/Action taken	Reasoned explanation
N/A	N/A

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) (as amended on February 5, 2021) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, with a two months prior notice period since the date when IBERDROLA receives the communication from SIEMENS GAMESA evidencing change of control event, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the “2017 Strategic Supply Agreement”) by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS Group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, on May 20, 2020 entered into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).

On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement states that upon Siemens AG ceasing to be the mayor shareholder of SIEMENS GAMESA, either party would be entitled to terminate the agreement with a 3 months prior notice. Siemens AG ceased to be the mayor shareholder of SIEMENS GAMESA on September 25, 2020, without any party having exercised this termination right.

On May 30, 2018 (as amended in December 19, 2019 and extended until December 19, 2025) SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG (“SEAG”) signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e. the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that SEAG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as SEAG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS

GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "Siemens Gamesa" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SGRE" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if SEAG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Energy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes SEAG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

On August 13, 2020, SIEMENS GAMESA and SIEMENS AG entered into a preferential financing agreement (the “Financing Agreement”) which provides a framework in which both parties collaborate in the development and execution of financing solutions – through Siemens Financing Services (“SF”) and related Financing Entities – towards clients which use technology and/or services from SIEMENS GAMESA. SIEMENS AG has the right to terminate the Financing Agreement under several circumstances, among others if SEAG has no longer the control over SIEMENS GAMESA or if SIEMENS ENERGY’s stake owned by SIEMENS AG falls under 25%.

On November 27, 2020, SIEMENS GAMESA and Siemens Energy Global GmbH & Co KG entered into a cooperation agreement for procurement area by virtue of which during an initial term of two years, both parties will execute cooperation activities in procurement area by means of the information sharing. That agreement will remain in force while Siemens Energy Global GmbH & Co KG is majority shareholder of SIEMENS GAMESA. In case of change of control, any of both parties shall be entitled to terminate the contract immediately,

Finally, it shall be pointed out that as it is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party’s competitor.

C.1.39. Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	89
Type of beneficiary	**Description of the agreement**
CEO, Top Management, Managers, and Employees.	***CEO (1 agreement):*** The CEO, as executive director and in compliance with the “Policy of remuneration of directors” approved by the General Meeting of Shareholders held on 27 March 2019, as amended by the General Meeting of Shareholders held on July 22, 2020, has a one-year fixed salary severance pay. ***Top management (6 agreements)***: The policy currently applied by the Company to the Top Management recognizes the right to receive a severance pay equal to one year of fixed remuneration in case of termination of the relationship provided that it is not a result of a breach attributable thereto or solely to the desire thereof. ***Managers and Employees (82 agreements):*** The agreements with managers and employees of SGRE do not contain, as a general rule, specific severance payment clauses, so in case of termination of the labor

	relationship the general rule established under labor law shall apply. However, the Company has specific severance payment clauses agreed with some managers and employees. The severance payment amount is generally fixed depending on seniority and the remuneration and professional conditions of each of them and the reason for the termination of the manager or employee. A lot of these agreements have been agreed in jurisdictions where this severance pay is a common labor market practice. The warranty clauses of these agreements are lower than one-year fixed salary in 82% of cases.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its Group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	X	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

Observations

In relation to the information provided regarding the CEO it shall be pointed out that his contract, and as included in the Annual Report about the Remunerations of the Members of the Board, provides for a post-contractual non-competition obligation for a term of 1 year, which is remunerated with the payment of one year of his fixed remuneration payable 50% upon termination and the other 50% after the passage of six months from termination. Therefore, the total severance pay is aligned with best practices and in fulfillment of Recommendation 64 of the Good Governance Code of Listed Companies.

It is also mentioned that the Board of Directors must authorize the clauses related to the CEO and Top Management but not those related to the rest of beneficiaries.

Finally, it is pointed out that the information about these clauses is notified to the General Meeting of Shareholders with the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors, and the Board of Directors Diversity and Director Selection Policy available to the shareholders when the meeting is called.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

DELEGATED EXECUTIVE COMMITTEE

Name	Position	Category
López Borrego, Miguel Angel	Chairman	Proprietary
Nauen, Andreas	Member	Executive
Holt, Tim Oliver	Member	Proprietary
Krämmer, Rudolf	Member	Independent

% of executive directors	25%
% of proprietary directors	50%
% of independent directors	25%
% of other external directors	0%

Observations

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Delegated Executive Committee.

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9 and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Duties:

The Delegated Executive Committee shall not be delegated with all the powers of the Board of Directors but only with the powers specifically delegated to it by the Board of Directors. In particular, the Committee will have the functions contemplated in Chapter II of the Regulations of the Delegated Executive Committee, approved by resolution of the Board of Directors dated November 4, 2020, except those which cannot be delegated by law or the By-Laws at any given time.

Articles 5 to 7 of Chapter II of said Regulations of the Delegated Executive Committee establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The main duties of the Delegated Executive Committee relate to monitoring and supervision of budgetary matters, business performance, corporate transactions, strategic matters and capital and liquidity as well as to preliminary analyze the proposals to the Board of Directors regarding its reserved matters. Moreover, the Delegated Executive Committee has decision-making powers in relation to such matters and mandates delegated by the Board of Directors.

Composition:

a) The Committee shall comprise a minimum of four and a maximum of eight directors, at least two of whom must be non-executive and at least one independent.

b) The Board of Directors on its own initiative based on a report from the Appointments and Remunerations Committee or at the proposal thereof, shall establish the number of members.

c) The Chairman of the Board of Directors and the Chief Executive Officer of the Company shall form part of the Committee.

d) Members of the Committee shall be appointed and removed by the Board of Directors.

e) The members of the Committee shall be appointed for a maximum term of four years and can be re-elected one or more times for terms of equal duration.

f) The appointment of the Committee members and the permanent delegation of powers thereto shall be made by the Board of Directors with the favorable vote of at least two-thirds of its members. Their re-election shall be carried out at the time, in the form and with the number decided by the Board of Directors, in accordance with the rules envisaged in the Corporate Governance Standards.

g) The Committee shall be chaired by the Chairman of the Board of Directors.

h) In his absence, one of the vice chairmen of the Board of Directors member of the Committee (if any) shall act as the Chairman and, in their absence, the director that the Committee designates at the meeting in question from among the attending members shall act as the chair.

i) The Committee's secretary shall be the secretary of the Board of Directors and, failing this, one of its vice secretaries and, failing all of them, the director that the Committee designates at the meeting in question from among the attending members shall act as the secretary.

j) Members of the Committee shall no longer hold their office when they cease to be directors of the Company or by resolution of the Board of Directors.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at least once a month, after the Chairman convenes the meeting. Meetings shall also be held whenever at least two of the members so request.

b) The Chairman shall convene the Committee, in any case, whenever the Board of Directors so requests, and shall in any event ensure that the meetings are held sufficiently in advance of meetings of the Board of Directors, especially when matters to be decided by the Board of Directors are to be discussed.

c) The call to convene, except in the case of emergency meetings, shall be issued at least three business days in advance and include the agenda of the meeting.

d) It will not be necessary to convene the Committee when all members are present and unanimously agree to hold a meeting.

e) Resolutions shall be adopted by the absolute majority of members present at the meeting.

f) If there is an even number of Committee members and the outcome of the voting is a draw, the Chairman, or the person standing in for him at the meeting in question, shall have the casting vote.

Most important activities:

During financial year 2021, the Delegated Executive Committee has held twenty meetings, having been informed of all matters that are within its purview, and in this context, has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the financial year are included in the annual activities report of the Delegated Executive Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

AUDIT, COMPLIANCE AND RELATED PARTY TRANSACTIONS COMMITTEE

Name	Position	Category
von Heynitz, Harald	Chairman	Independent
Ferraro, Maria	Member	Proprietary
Hernández García, Gloria	Member	Independent
Krämmer, Rudolf	Member	Independent

% of proprietary directors	25%
% of independent directors	75%
% of other external directors	0%

Observations

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Audit, Compliance and Related Party Transactions Committee.

During financial year 2021, there have been no changes within the composition of the Audit, Compliance and Related Party Transactions Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Duties:

The Audit, Compliance and Related Party Transactions Committee of SGRE is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 to 14 of Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee, establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The functions of the Audit, Compliance and Related Party Transactions Committee mainly relate to oversight of the Company's internal audit, review of the systems for internal control of the preparation of economic/financial and non-financial information, the audit of accounts, related party transactions and regulatory compliance upon the terms set forth in its regulations.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) non-executive directors, a majority of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee and can be re-elected one or more times for terms of equal duration.

b) The Board shall encourage the diversity of composition, especially in relation to gender, career experience, skills, sector-specific knowledge and geographical origin, and that at least one of the independent directors is appointed taking into account his or her knowledge and experience in accounting, auditing and risk management.

Without prejudice to the foregoing, the Board of Directors and the Appointments and Remunerations Committee shall endeavor to ensure that the members of the Committee as a whole, and especially its chair, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and risk management, both financial and non-financial.

c) The Committee shall choose its Chair from among the independent directors, for a maximum term of 4 years, at the end of which the director holding the position cannot be re-elected as Chair until the term of one year has elapsed from ceasing to hold this office; and a Secretary thereof, who is not required necessarily to be a director.

d) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than the majority; and c) when agreed on by the Board of Directors.

e) Members of the Committee that are re-elected as directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chair's behest and, in any case, the Committee shall have a minimum of four annual meetings. Meetings shall also be held whenever two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting. In the event of a tie, the Chairman will have the casting vote.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During financial year 2021, the Audit, Compliance and Related Party Transactions Committee has held twenty six meetings, having been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the financial year are included in the annual activities report of the Audit, Compliance and Related Party Transactions Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	von Heynitz, Harald
	Ferraro, Maria
	Hernández García, Gloria
	Krämmer, Rudolf
Date of appointment of the chairperson	February 12, 2020

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position	Category
Krämmer, Rudolf	Chairman	Independent
Rosenfeld, Klaus	Member	Independent
von Heynitz, Harald	Member	Independent
von Schumann, Mariel	Member	Proprietary

% of proprietary directors	25%
% of independent directors	75%
% of other external directors	0%

Observations

It should also be pointed out that Mr. Salvador Espinosa de los Monteros Garde holds the position of Secretary non-member of the Appointments and Remunerations Committee.

During financial year 2021, there have been no changes within the composition of the Appointments and Remunerations Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Functions:

This committee is a permanent internal body of the Board of Directors, without executive duties, for information and consultation, entrusted with informing, advising and making recommendations on matters within its purview.

Articles 5 to 9 of Chapter II of the Regulations of the Appointments and Remunerations Committee establish the functions of this Committee. In particular, this committee has the essential function of supervising the composition and functioning as well as the evaluation of the Board of Directors, its committees and its members, and the remuneration of the Board of Directors and of the Top Management of the Company.

The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

Composition:

a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive directors, at least two of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee, and may be re-elected one or more times for terms of equal duration.

b) The Committee chooses its Chair from among the independent directors and a Secretary, who is not required necessarily to be a director.

c) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

d) Members of the Committee that are re-elected as directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

a) The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. Meetings shall also be held whenever at least two of the members so request.

b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Resolutions shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During financial year 2021, the Appointments and Remunerations Committee has held eight meetings, having been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the financial year are included in the annual activities report of the Appointments and Remunerations Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year n Number	%	Year n-1 Number	%	Year n-2 Number	%	Year n-3 Number	%
Delegated Executive Committee	0	0.00%	0	0.00%	N/A		N/A	
Audit, Compliance and Related Party Transactions Committee	2	50.00%	2	50.00%	1	33.33%	2	66.67%
Appointments and Remunerations Committee	1	25.00%	1	25.00%	1	20.00%	3	60.00%

C.2.3. Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

Delegated Executive Committee

The Delegated Executive Committee is governed by the By-Laws, the Regulations of the Board of Directors, and its own Regulations of the Delegated Executive Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Delegated Executive Committee were approved by resolution of the Company's Board of Directors dated November 4, 2020.

The current text of the Regulations of the Delegated Executive Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Audit, Compliance and Related Party Transactions Committee

The Audit, Compliance and Related Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Audit, Compliance and Related Party Transactions Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Audit and Compliance Committee were approved by the Company's Board of Directors on September 29, 2004 and were subsequently amended on October 21, 2008; April 15, 2011; January 20, 2012; March 24, 2015; and February 22, 2017.

On April 4, 2017, the Board of Directors approved a revised version of said Regulations and changed the name of the Committee to the Audit, Compliance and Related Party Transactions Committee.

The Company's Board of Directors approved an amendment of the restated text of said Regulations on March 23, 2018 and endorsed a restated text on July 26, 2018.

Moreover, the Company's Board of Directors endorsed new restated texts of the Regulations on February 19, 2020, and August 5, 2020. The first of the aforementioned amendments of the Regulations of the Audit, Compliance and Related Party Transactions Committee, carried out during 2020 financial year was executed in order to establish that the Chair of the Committee shall have the casting vote in the event of a tie; and the second was executed in order to eliminate the restriction which impeded the members of the Delegated Executive Committee to be on the Audit, Compliance and Related Party Transactions Committee.

Finally, during financial year 2021, the Company's Board of Directors endorsed new consolidated texts of the Regulations of the Audit, Compliance and Related Party Transactions Committee, by resolutions dated November 27, 2020 and June 14, 2021 amending the articles referred to its functions, composition and functioning, and relations with other bodies in accordance with the new Recommendations of the Good Governance Code for Listed Companies, as well as those articles regarding related party transactions, in accordance with the modifications included by the Law 5/2021, April 12, to the Spanish Companies Act.

The current text of the Regulations of the Audit, Compliance and Related Party Transactions Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Appointments and Remunerations Committee

The Appointments and Remunerations Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Appointments and Remunerations Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Appointments and Remunerations Committee were approved by the Company's Board of Directors on April 4, 2017 and subsequent amendments thereof were endorsed by the Board of Directors on July 26, 2018 and July 29, 2019.

Likewise, during financial year 2021, the Company's Board of Directors endorsed new consolidated texts of the Regulations of the Appointments and Remunerations Committee, by resolutions dated November 27, 2020 and April 30, 2021, amending the articles referred to its functions in accordance with the new Recommendations of the Good Governance Code for Listed Companies as well as articles related to the condition of directors and their individual remuneration, in accordance with the modifications included by the Law 5/2021, of April 12, to the Spanish Companies Act.

The current text of the Regulations of the Appointments and Remunerations Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the Company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

Article 33 of the Regulations of the Board of Directors regulates the transactions of the Company with Directors and shareholders (related party transactions).

Said Article provides that the Board of Directors, with the previous favorable report of the Audit, Compliance and Related Party Transactions Committee, will approve the Related Party Transactions' Policy which will develop the regime applicable to such transactions based on the abovementioned criteria. In order to ensure full transparency on the treatment of related party transactions, the Policy shall be always at the disposal of shareholders and markets in general through the corporate website of the Company (Article 33.3).

Further to the above, the Board of Directors approved at its meeting held on 14 June, 2021, the new "Policy regarding Related Party Transactions with Directors, Significant Shareholders and other Related Persons of Siemen Gamesa" (the "Policy"), which is included in the Corporate Governance Rules of Siemens Gamesa and is available on the corporate website (www.siemensgamesa.com).

According to Article 33.1 of the Regulations of the Board of Directors and to the Policy, related party transactions shall be deemed to be those transactions by the Company or its subsidiaries with Directors, shareholders holding 10% or more of the Company's voting rights or who are represented on the Company's Board of Directors, or with any other persons who should be considered related parties according to the International Accounting Standards adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ("Related Party Transactions").

However, the following shall not be considered Related Party Transactions: (i) transactions between the Company and its direct or indirect wholly-owned subsidiaries; (ii) transactions between the Company and its subsidiaries or companies in which it holds an interest, provided that no party related to the Company has interests in said subsidiaries or companies in which the Company holds an interest; (iii) approval by the Board of the terms and conditions of contracts to be entered into between the Company and any Director who is to perform executive duties, including the CEO, or Top Managers, as well as the determination by the Board of the amounts or specific remuneration to be paid under said contracts, without prejudice to the duty of the affected Director to abstain as specified in Section 249.3 of the Spanish Companies Act.

The Board of Directors, with the support of the Audit, Compliance and Related Party Transactions Committee shall endeavor to ensure that Related Party Transactions are performed in accordance with the Company's corporate interest and at arms'-length basis. The Audit, Compliance and Related Party Transactions Committee shall endeavor to ensure the transparency of the process and observance of the principle of equal treatment of shareholders in the same conditions and applicable legal provisions.

The approval of Related Party Transactions in an amount or value equal to or greater than 10% of the total asset items according to the last annual consolidated balance sheet approved by the AGM shall be within the purview of the shareholders acting at a General Meeting of Shareholders (values reflected in the latest consolidated annual financial statements). If a General Meeting is called to decide on a Related Party Transaction, the affected shareholder shall be deprived of the right to vote except in those cases in which the proposed resolution has been approved by the Board of Directors with a majority of the independent Directors not voting against the proposal. However, when appropriate, the rule on the reversal of the burden of proof provided for in Section 190.3 of the Spanish Companies Act shall apply.

The approval of other Related Party Transactions shall be within the purview of the Board of Directors, which may not delegate this power (except as specified in Article 33.4 of the Regulations of the Board of Directors). The affected Director or the Director representing or related to the affected shareholder must abstain from participating in the deliberation and vote on the corresponding resolution pursuant to Section 228.c) of the Spanish Companies Act. However, Directors who represent or are related to the parent company on the Board of Directors of Siemens Gamesa shall not be required to abstain, although in such cases, if their vote has been decisive for the adoption of the resolution, the rule of reversal of the burden of proof shall apply on terms similar to those specified in Section 190.3 of the Spanish Companies Act.

The approval of a Related Party Transaction by the shareholders at a General Meeting or by the Board must be the subject of a prior report of the Audit, Compliance and Related Party Transactions Committee. In its report, the Audit, Compliance and Related Party Transactions Committee must assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of shareholders other than the related party, and must disclose the assumptions upon which the evaluation is based and the methods used. The affected Directors may not participate in the preparation of the report.

However, the Board of Directors has resolved to delegate approval of the following Related Party Transactions to the CEO:

a) transactions between companies forming part of the Group that are carried out within the ordinary course of business (which shall include transactions arising out of the implementation of a framework agreement or contract) and on arm's-length basis, provided that they need not be considered strategic or extraordinary transactions due to their high amount, special characteristics or tax risk, in which case they may not be delegated; and

b) transactions that are conducted under contracts whose terms and conditions are standardized and apply on an across-the-board basis to a large number of customers, are conducted at prices or rates established on a general basis by the party acting as supplier of the goods or services in question, and whose amount does not exceed 0.5 per cent of the Company's net revenue.

The approval of said Related Party Transactions shall not require a prior report of the Audit Compliance and Related Party Transactions Committee unless they must be published in accordance with the applicable legal provisions.

However, according to the Policy, the delegation to the CEO shall not include:

a) Annual or multiannual component pricing agreements entered into in the framework of the Strategic Supply Agreement with Siemens Energy AG.

b) Those Related Party Transactions which its approval may be delegated to the CEO but that must be published in accordance with the applicable legal provisions.

c) Such Related Party Transactions as the Audit, Compliance and Related Party Transactions Committee may freely determine based on the scope, amount or special characteristics thereof and taking into consideration the recommendations of the internal audit function.

d) Those transactions that by decision of the Board of Directors are to be approved by the Board of Directors or the Delegated Executive Committee.

Transactions that do not need to be approved by the Board of Directors must be approved in accordance with the Company's Related Party Transactions Policy by the CEO. To be able to do this he should have established the processes and controls necessary to ensure that the Related Party Transaction approved by him are examined as thorough as the ones which need approval by the Board of Directors.

In order to allow the Board of Directors, the Audit, Compliance and Related Party Transactions Committee and the management bodies to duly monitor and oversee alignment with the principles and rules established in the Policy, all Related Party Transactions that do not require approval by the Board of Directors under the Policy must be reported to the Audit, Compliance and Related Party Transactions Committee with the frequency determined by it. Unless the Audit, Compliance and Related Party Transactions Committee sets out a different period, reporting shall be on a half-yearly basis, coinciding with the submission by Siemens Gamesa of its half-yearly financial statements. The information shall include a rationale for the selection of the supplier, if applicable, and the references used, with a breakdown thereof in relation to the different types of Related Party Transactions provided for in the Policy that do not require approval by the Board of Directors. The Audit, Compliance and Related Party Transactions Committee shall verify the fairness and transparency of said transactions and, if applicable, compliance with the criteria applicable to the exceptions set out in the Policy. The Audit, Compliance and Related Party Transactions Committee relies on the support of the Company's internal audit function for the performance of this work. In light of these reports, the Audit, Compliance and Related Party Transactions Committee may at any time require that reporting be more frequent or that certain transactions be reported to the Board of Directors for approval prior to being carried out.

To receive support in the performance of its duties, the Audit, Compliance and Related Party Transactions Committee may, whenever it deems appropriate, request an independent expert report on any Related Party Transaction.

It shall be also pointed out that paragraph b) of article 13 of the Regulations of the Audit, Compliance and Related Party Transactions Committee states that the referred Committee shall have the following function: "*report, prior to their authorization by the Board of Directors or the General Shareholders' Meeting, as appropriate, any operations or transactions that could represent conflicts of interests:*

(i)with the Company and companies of its Group;

(ii) with directors of the Company and the Group and their related parties;

(iii) with shareholders that have a holding of 10% or more or are represented on the Board of Directors and their related parties;

(iv) with senior management and other managers, except if those other managers are part of any company of the Group that has created an audit committee, in which case that committee will be in charge of elaborating the corresponding report, having to inform the Committee; as well as

(v) any other transaction with persons considered related parties for purposes of the Spanish Companies Act.

The Committee can rely on the corresponding advice of the business units or corporate functions of the Company, including the legal department, in order to issue said report, and may also request outside advice if it so deems necessary.

The Committee need not issue a report if it is not required pursuant to the provisions of law or of the Corporate Governance Rules".

Finally, it shall be pointed out that additional information about Related Party Transactions is included and available in the Financial Statements, this Annual Corporate Governance Report, Report on the Annual Activities of the Audit, Compliance and Related Party Transactions Committee, and in the Report of the Audit, Compliance and Related Party Transactions Committee on Related Party Transactions, all available in the corporate website (www.siemensgamesa.com).

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the Company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the Board of Directors of the Company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the competent body was the General Shareholders' Meeting, indicate if the proposed resolution has been approved by the Board without the vote against of the majority of the independents:

Name or company name of significant shareholder	Name or company name of the company or entity within its Group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
Siemens Energy	Siemens Gamesa Renewable Energy A/S	Contractual	Purchases of goods finished or not	21,405
Siemens Energy	Siemens Gamesa Renewable Energy A/S	Contractual	Purchases of goods finished or not	9,930
Siemens Energy	Siemens Gamesa Renewable Energy A/S	Contractual	Reception of services	17,802

Siemens Energy	Siemens Gamesa Renewable Energy B.V.	Contractual	Purchases of goods finished or not	7,382
Siemens Energy	Siemens Gamesa Renewable Energy Egypt LLC	Contractual	Reception of services	7,836
Siemens Energy	Siemens Gamesa Renewable Energy Eolica, S.L.	Contractual	Reception of services	4,165
Siemens Energy	Siemens Gamesa Renewable Energy GmbH & Co. KG	Contractual	Purchases of goods finished or not	42,652
Siemens Energy	Siemens Gamesa Renewable Energy LLC	Contractual	Purchases of goods finished or not	2,341
Siemens Energy	Siemens Gamesa Renewable Energy S.A.	Contractual	Reception of services	-2,900
Siemens Energy	Siemens Gamesa Renewable Energy, Inc.	Contractual	Reception of services	1,022
Siemens Energy	Siemens Gamesa Renewable Energy, Inc.	Contractual	Reception of services	4,197

Observations

For the purposes of the present section D.2 only the transactions of an amount over €1,000 thousand are considered as significant. Likewise, the Related Party Transactions of the same type between the same SIEMENS GAMESA Group company and the same significant shareholder are included in this table on an aggregated basis.

The information in this section is consistent with Note 29 of the Consolidated Report which is part of the Consolidated Financial Statements of financial year 2021.

Regarding the total amount related to “Purchases and services received” of Siemens Energy Group, the difference between the amounts in Note 29 of the Consolidated Report (€123,277 thousand) and this section (€115,833 thousand) relate only to the fact that in this section only material transactions above 1,000 thousand euros have been considered. The amount of the transactions related to “Purchases and services received” of Siemens Energy Group included in Note 29 but not included in this section for not being material amounts to €7,444 thousand.

On the same grounds explained above, Note 29 refers to “Sales and services rendered” to Siemens Energy Group in a total amount of €336 thousand that are not included in this section for being below the materiality threshold of €1,000 thousand.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the Company or its subsidiaries with the administrators or managers of the Company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the competent body was the General Shareholders' Meeting, indicate if the proposed resolution has been approved by the Board without the vote against of the majority of independents:

Name or company name of director or manager	Name or company name of the company or entity within its Group	Relationship	Nature of the transaction	Amount (thousands of euros)
N/A	N/A	N/A	N/A	0

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the Company with its parent company or with other entities belonging to the parent's Group, including subsidiaries of the listed Company, except where no other related party of the listed Company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed Company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the Group	Brief description of the transaction	Amount (thousands of euro)
N/A	N/A	0

Observations

SGRE Group companies established in countries or territories considered to be non-cooperative jurisdictions for tax purposes (formerly named "tax havens") for being included in the list of the Decree Law 1080/1991 of 5 July 1991, and which do not fulfill the requirements to be excluded of such qualification, are operating companies and all transactions carried out by them are exclusively ordinary business activities. The table below includes the list of such companies.

SGRE has not concluded any transaction with its subsidiaries established in countries or territories that are considered non-cooperative jurisdictions.

The transactions within the SGRE Group carried out by subsidiaries of SGRE with entities established in countries or territories that are considered non-cooperative jurisdiction for tax purposes are all transactions carried out in the ordinary course of business and are eliminated within the process of drawing up the consolidated financial statements, with the detail described below.

At the end of the financial year 2021, the only two entities of SGRE Group resident in non-cooperative jurisdictions in accordance with Spanish regulations are Siemens Gamesa Renewable Energy, Ltd. (Mauritius) - 100% interest and incorporated on February 5, 2015 - and the branch Siemens Gamesa Renewable Energy Eólica SL, Jordan branch (Jordan) - incorporated on January 12, 2016 -. Both entities' main activity is the performance of wind turbine maintenance services for third-party clients who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of SGRE Group is not significant (EUR 0.2 million -Mauritius- and EUR 2.6 million -Jordan- out of a total amount of EUR 10,198 million in the 2021 consolidated financial statements).

The income obtained by such entities is subject to the Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 20% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a non-cooperative jurisdiction for tax purposes, the profits are also included in the tax base in Spain. Therefore, the ownership of these entities does not provide any tax advantage to SGRE Group.

Company name of the entity in its Group	Brief description of the transaction	Report (thousands of euros)
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany financing interest	3
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany sales and services rendering	68
Siemens Gamesa Renewable Energy Eolica S.L. (Jordan)	Intercompany sales and services rendering	308

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the Company or its subsidiaries with other related parties pursuant to the International Accounting Standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euro)
Flender Ltd. China	Purchases of goods finished or not by Siemens Gamesa Energia Renovável Ltda.	7,063
Siemens Electrical Drives Ltd.	Purchases of goods finished or not by Siemens Gamesa Energia Renovável Ltda.	9,254
Siemens AG	Warranties and guarantees by SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD	1,059
ETM professional control GmbH	Licencing agreements by Siemens Gamesa Renewable Energy A/S	3,241
Flender GmbH	Purchases of goods finished or not by Siemens Gamesa Renewable Energy A/S	20,411
Siemens A/S	Purchases of goods finished or not by Siemens Gamesa Renewable Energy A/S	7,197
Siemens AG	Licencing agreements by Siemens Gamesa Renewable Energy A/S	-1,906
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy A/S	10,774
Siemens Industry Software A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	4,991
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy B.V.	1,138
Siemens AG	Purchases of goods finished or not by Siemens Gamesa Renewable Energy Eolica, S.L.	3,658
Flender GmbH	Purchases of goods finished or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	31,079
Siemens A/S	Purchases of goods finished or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	3,242

Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	6,216
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,520
Veja Mate Offshore Project GmbH	Purchases of goods finished or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,730
Siemens Zrt.	Reception of services by Siemens Gamesa Renewable Energy Kft.	1,332
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Limited	1,690
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Limited	3,183
Siemens plc	Reception of services by Siemens Gamesa Renewable Energy Limited	9,763
Siemens Ltd	Purchases of goods finished or not by SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED	4,754
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Pty Ltd	1,623
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy S.A.	9,018
Siemens A/S	Reception of services by Siemens Gamesa Renewable Energy S.A.S.	4,268
Flender Drives Pvt. Ltd.	Purchases of goods finished or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	2,068
Flender Ltd. China	Purchases of goods finished or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	20,683
Flender Corporation	Purchases of goods finished or not by Siemens Gamesa Renewable Energy, Inc.	2,207
Flender Corporation	Reception of services by Siemens Gamesa Renewable Energy, Inc.	1,090
Siemens AG	Purchases of goods finished or not by Siemens Gamesa Renewable Energy, Inc.	6,921
Siemens Corporation	Reception of services by Siemens Gamesa Renewable Energy, Inc.	1,924
Siemens Industry, Inc.	Purchases of goods finished or not by Siemens Gamesa Renewable Energy, Inc.	2,669
Siemens Industry, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	1,260
Flender Drives Pvt. Ltd.	Purchases of goods finished or not by Siemens Gamesa Renewable Power Private Limited	4,843
Siemens Ltd.	Purchases of goods finished or not by Siemens Gamesa Renewable Power Private Limited	3,061

Stavro Holding I AB	Sales of goods finished or not by Siemens Gamesa Renewable Energy A/S	49,003
Tromsoe Vind AS	Sales of goods finished or not by Siemens Gamesa Renewable Energy A/S	2,045
Stavro Holding I AB	Sales of goods finished or not by Siemens Gamesa Renewable Energy AB	28,798
Stavro Vind AB	Sales of goods finished or not by Siemens Gamesa Renewable Energy AB	13,413
Raudfjell Vind AS	Sales of goods finished or not by SIEMENS GAMESA RENEWABLE ENERGY AS	4,982
Tromsoe Vind AS	Sales of goods finished or not by SIEMENS GAMESA RENEWABLE ENERGY AS	5,810
Veja Mate Offshore Project GmbH	Sales of goods finished or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	14,395
Galloper Wind Farm Limited	Sales of goods finished or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	14,535
SCHAEFFLER IBERIA, S.L.U.	Purchases of goods finished or not by Gamesa Energy Transmission, S.A. Unipersonal	15,706
Schaeffler Danmark ApS	Purchases of goods finished or not by Siemens Gamesa Renewable Energy A/S	2,516
SCHAEFFLER IBERIA, S.L.U.	Purchases of goods finished or not by Siemens Gamesa Renewable Energy Eolica, S.L.	3,256
Schaeffler Trading (Shanghai) Co.	Purchases of goods finished or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	2,781
Schaeffler Group USA Inc	Purchases of goods finished or not by Siemens Gamesa Renewable Energy, Inc.	2,334

Observations

For the purposes of the present section D.5 only the transactions above €1,000 thousand are considered as significant.

The information in this section D.5 is consistent with Note 29 of the Consolidated Report which is part of the Consolidated Financial Statements of financial year 2021.

In Note 29, the total amount of the transactions included in “Purchases and services received” of all related parties is €432,390 thousand, of which €123,277 are with Siemens Energy Group (differences explained in section D.2) and €309,113 thousand are with “other related parties”. The difference between the amount in Note 29 (€309,113 thousand) with the total amount of the transactions with “other related parties” disclosed in this section D.5 (€219,617) is due to the combined effect of two factors: **(i)** Windar Renovables, S.L. and its Group is considered a related party to SGRE according to the International Accounting Standards but is not considered as a related party under Article 529 *vicies* of the Spanish Companies Act. Therefore, the transactions with Windar Group (€63,244) are considered in Note 29 but not in this section D.5; and **(ii)** the remaining €26,252 thousand is due to transactions not reaching the materiality threshold of €1,000 thousand and have not been considered in this section D.5.

In Note 29, the total amount of the transactions included in “Sales and services rendered” of all related parties is €133,687 thousand, of which €336 thousand are with Siemens Energy Group (differences explained in section D.2) and €133,351 thousand are with “other related parties”. For the same explained above, the difference between the amount in Note 29 (€133,351 thousand) and the total amount of the transactions included in this section D.5 (€132.982 thousand) is €369 thousand of which: **(i)** €52 thousand euros correspond to transactions carried out with the Group of Windar Renovables, S.L. not considered in this section; and **(ii)** the remaining €317 thousand is due to transactions not reaching the materiality threshold of €1,000 thousand.

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its Group and its directors, senior management, significant shareholders or other associated parties.

a) Possible conflicts of interest between the Company and/or its Group, and its Directors:

Article 31 of the Regulations of the Board of Directors regulates the conflicts of interest between the Company or any other company within its Group and its Directors. Article 31.1 defines the situations in which a Director has a conflict of interest. According to Article 31.2, persons shall be considered related to a Director as specified by law.

The following sections in this Article regulate the mechanisms for resolving situations of conflict of interest. In particular, Article 31.3 and Article 31.4 establish that any Director who incur in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board, by means of its Chairman, and shall abstain from attending and participating in the deliberations, voting, decision-making and execution of operations and matters affected by the conflict. The votes of Directors affected by the conflict and who must abstain will not be taken into account for calculating the required majority of votes to adopt a resolution. However, in intra-group related party transactions, Directors who represent or are related to the parent company shall not be required to abstain, although in such cases, if their vote has been decisive for the adoption of the resolution, the rule of reversal of the burden of proof shall apply on terms similar to those specified in Section 190.3 of the Spanish Companies Act.

Article 31.5 of the Regulations of the Board clarifies that *"in unique cases, the Board of Directors or the General Shareholders' Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest".*

Article 31.6 specifies that *"the waiver shall be preceded by the corresponding report of (a) the Audit, Compliance and Related Party Transactions Committee regarding the operation subject to a possible conflict of interest, in which it will propose the adoption of a related specific resolution, or (b) the Appointments and Remuneration Committee regarding the waiver of fulfillment of contract duties".*

Article 31.7 states that *"the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding Committee, deciding to approve or not the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."*

Finally, Article 31.8 and 31.9 state that the Annual Corporate Governance Report shall include conflict-of-interest situations involving Directors or their related persons, and that the report of the annual financial Statements will include information about any operations carried out by Directors or their related persons that have been authorized by the Board of Directors, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the financial year of the financial statements.

b) Possible conflicts of interest between the Company and/or its Group, and its managers:

The Senior Management of the Company and/or of the companies constituting the SGRE Group, as well as any professional of the Company and/or of the companies constituting the referred Group who, by undertaking his/her activity in areas related to the securities markets or having regular, recurring access to Privileged Information, are classified as Affected Persons (as defined in article 6 of SGRE's Internal Regulations for Conduct in the Securities Markets (RIC)) by the Ethics and Compliance Division, will be subject to the Internal Regulations for Conduct in the Securities Markets, which most recently revised version was approved on 25 September 2019.

In this regard, according to article 20 of the RIC, managers and professionals considered to be Affected Persons must immediately inform either their supervisor or senior manager or the Ethics and Compliance Division of situations that could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) Possible conflicts of interest derived from transactions between the Company and/or its Group with directors and significant shareholders:

Article 33 of the Regulations of the Board and the "Policy regarding Related Party Transactions with Directors, Significant Shareholders and Other Related Persons of Siemen Gamesa" regulate the transactions of the Company and its Group with Directors and shareholders, which content is detailed in Section D.1, so we refer to the same. In any case, the full text of the Regulations of the Board of Directors and of the "Policy regarding Related Party Transactions with Directors, Significant Shareholders and Other Related Persons of Siemen Gamesa" is available on the corporate website (www.siemensgamesa.com).

d) Relationships of the directors and/or significant shareholders with companies of the Group:

Article 37 of the Regulations of the Board states that *"the obligations of the Directors of the Company and of the shareholders that own a significant stake which are referred to in this Chapter will be understood as applicable, analogically, regarding their possible relations with companies of the Group."*

The Business Conduct Guidelines of the Company approved by the Board on September 12, 2018, dedicate a paragraph to conflict of interest which is applicable to all Group professionals regardless of their hierarchical position.

D.7. Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes X **No ☐**

The significant shareholder SIEMENS ENERGY AG owns indirectly 67.071% of the share capital of Siemens Gamesa and therefore can exercise control over it according to article 42 of the Commerce Code. The Company has five external proprietary Directors in the Board of Directors.

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes X **No**

Report covering the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

The information related to the business relationships between SIEMENS GAMESA and SIEMENS ENERGY AG is included in the Note 29 of the Consolidated Financial Statements of financial year 2021.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

Pursuant to the provisions of Article 31 of the Regulations of the Board of Directors, the Director or related persons to him/her shall take the necessary measures to avoid incurring in situations of conflicts of interest, particularly refraining from undertaking the conducts stipulated in current legislation. Any Director who finds himself/herself in a situation of conflict of interest or who notices the possibility thereof, shall notify it to the Board of Directors, by means of the Chairman, and shall abstain from attending and participating in the deliberations, voting, decision-making and execution of operations and matters affected by the conflict. The votes of Directors affected by the conflict and who must abstain will not be taken into account for calculating the required majority of votes to adopt a resolution. However, in intra-group related party transactions, Directors who represent or are related to the parent company shall not be required to abstain, although in such cases, if their vote has been decisive for the adoption of the resolution, the rule of reversal of the burden of proof shall apply on terms similar to those specified in Section 190.3 of the Spanish Companies Act.

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Management and Control System, including tax risk.

SIEMENS GAMESA has a **Risk Control and Management System** that is part of our internal framework that we call **ERM** (Enterprise Risk Management) and which is covered by the **Corporate Governance** rules. ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 10) and also based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The **Risk Control and Management System within ERM** are promoted by the Board of Directors and Top Management and implemented throughout the organization. SIEMENS GAMESA has an Enterprise Risk Management (ERM) and Internal Control (IC) department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a "RIC" (Risk and Internal Control) tool.

The **General Risk Control and Management Policy**, which establishes the foundations and general context for the key elements of ERM that are summarized below, is the foundation for these systems.

The general risk management process classifies risks in four categories:

- **Strategic**: Risks that are directly influenced by strategic decisions, arise from long-term strategies or relate to top-level objectives.
- **Operational**: Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and profitability targets.
- **Financial**: Risks resulting from financial transactions and from non-compliance with tax, accounting and/or reporting requirements.
- **Compliance**: Risks resulting from non-compliance with the Business Conduct Guidelines or legal, contractual or regulatory requirements.

The ERM process is a continuous cycle intended to proactively manage business risks. It is based on six phases:

- **Identify:** Aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the Company's strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on top-down and bottom-up approaches throughout the organization, represented by corporate, business-unit and regional **R/O-maps** supported by specific risk management systems and the necessary consistency between micro- and macro-risk.

- **Evaluate**: Evaluate and prioritize the identified R/Os in order to focus management attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and the probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control and mitigation measures.

- **Respond**: Focuses on the definition, approval and implementation of response plans to manage identified risks by selecting one of our general risk response strategies (avoid, transfer, accept and mitigate). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones.

• **Monitor**: Deals with appropriate controls and continuous supervision to permit timely notification of significant changes in the R/O situation, of progress on Key Risk Indicators and of response plans.

• **Report and scale**: Focuses on the standardized and structured reporting of identified R/Os. This process provides comprehensive information about risks and opportunities to management.

• **Continuous improvement**: Risk management in SIEMENS GAMESA's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability.

E.2. Identify the bodies within the company responsible for preparing and executing the financial and non-financial Risk Management and Control System, including tax risk.

The Board of Directors, as Company's main decision, supervision and control body, approves the investments, transactions or operations that, due to their high amount or special characteristics, are strategic or entail special fiscal risk, as well as those with directors, shareholders or related parties in the terms established by law or the Corporate Governance Standards, unless their approval corresponds to the General Shareholders' Meeting. It is also responsible for establishing the general policies and strategies, including the General Risk Control and Management Policy and the Company's tax strategy. Further it is overseeing the execution of these policies and the related control and internal reporting systems.

The Company's Risk Control and Management Systems are applied by means of **an organization structured into four levels of defence**:

1º. Ownership of risk control

As owner of the top risks, among other aspects, **the Executive Committee (ExCo)** is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire SIEMENS GAMESA Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the financial year and on the control of tax risks of the entire Group.

2º. Monitoring and compliance

- **Risk and Internal Control Department (RIC)**: Integrated within the Financial Department, it ensures that the executive team evaluates all matters relating to the Company's risks, including operational, technological, strategic, financial, legal, social, environmental, political and reputational risks and that the Executive team designs and executes mitigation plans for all high and major risks.

- The RIC department is also responsible for the process to test the effectiveness of the internal control systems.

- **Ethics and Compliance Directorate**: Reports directly to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, and is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3º. Independent assurance

Internal Audit reports to the Board of Directors' Audit, Compliance and Related Party Transactions Committee and to the CEO, and is responsible for informing, advising and directly reporting on the following matters, among others:

- The Company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.
- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.
- The Company's transactions with third parties if they involve a conflict of interest or are transactions with related parties.
- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.
- Adequacy and effectiveness of internal control systems.
- Inform and advise the Committee on audit matters of a technical nature.
- Report on the material findings of its audits that occur in the execution of its annual work plan and submit an activity report at the end of each year.
- Information within its purview to be included in the Annual Corporate Governance Report prior to approval by the Board of Directors.

4º. Oversight

The Audit, Compliance and Related Party Transactions Committee supports the Board of Directors in the oversight of the system and reports to the Board of Directors about the effectiveness of the risk management and internal control systems.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

a) Receive regular reports from management regarding the functioning of existing systems and regarding the results of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and about any significant internal control shortfall detected by the auditor in the course of its statutory auditing work. As a result of this supervision, the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies related to the control and management of risks identify or determine at least:
   i. The different types of financial and non-financial risks (including financial, operational, strategic and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
   ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Rules.
   iii. The planned measures to mitigate the impact of identified risks, should they materialize.
   iv. The information and internal control systems used to control and manage risks.

d) Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Oversee that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

g) Generally oversee that the internal control policies and systems are affectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management, reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Board of Directors approves the policies from which the risk levels derive that the SIEMENS GAMESA Group considers acceptable and Key Risk Indicators thresholds, which are aimed at maximizing and protecting the economic value of SIEMENS GAMESA within controlled variability.

E.3. Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

In deploying its strategic and operational planning, SIEMENS GAMESA faces various risks inherent to the sector and the countries in which it operates. These risks can affect the achievement of business objectives.

Generally, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

We set out below a brief summary of the principal risks that could affect the achievement of business objectives and that have been monitored in 2021.

Strategic

• Industry and SIEMENS GAMESA operations that may be affected by **infectious diseases, health crises**, and particularly the recent **Covid-19** pandemic, both locally and globally. Additionally, the Company may also be affected by commodity risk.

• **Pressure on contribution margin and on MW volumes**, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries and strategic moves of other competitors in the market.

• The complexity of SIEMENS GAMESA´s business requires the need of having high and diversified skilled employees. Therefore there is a risk of not attracting or retaining the required needed talent

• As a result of geographic diversification and the extensive base of customers and suppliers, SIEMENS GAMESA is exposed to "**country risk**", which is understood as the environment in which socio-political and security conditions may affect the local interests of SIEMENS GAMESA, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like, trade wars, post Brexit relationship between UK and the EU, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.

• **Climate change** might generate heavy rains and floods, which potentially could affect certain Company´s assets.

• Reputational Risk due to performing business in certain countries, restructuring activities or related to the sustainability of the Group.

Operational and Technological

• Operational risks relating to the launch of **new products**, the set-up of our supply chain including make or buy decisions and **the quality of our products and services.**

• Risks relating to the **commitments made** in certain contracts with customers, suppliers or other stakeholders that could end up affecting cash flow or balance sheet provisions.

• Risk that the **cost reduction processes for some products do not occur as quickly as required** to offset the pressure on prices.

• Due to the complexity of the projects managed by SIEMENS GAMESA, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a **risk in project execution** that could lead to additional project cost and, hence, negative deviations in the project margins.

• **Cyberattack risks**: Like many other multinational companies, SIEMENS GAMESA is exposed to the growing threat of increasingly professionalised cybercrime, within an environment of continued improvement of information technology systems.

• **Supply chain risks**, due to the existence of critical components and services that could cause delays or cost increases in the production of SIEMENS GAMESA wind turbines or the execution of its construction projects.

• **Market price risks**: SIEMENS GAMESA is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of specific products in some countries that could affect supply chain costs.

Financial

• **Risks relating** to the needs of the wind market with respect to **third party guarantees and insurances**.

• **Risks that could affect the strength of the balance sheet**, the amount and structure of working capital, results (including the continuous improvement of costs), cash flows and liquidity, including significant strategic and/or operational issues that could entail impairments of assets

• **Exchange rate risk**: SIEMENS GAMESA engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the Euro and future cash flows of entities of the SIEMENS GAMESA Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.

• **Interest rate risk**: the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. SIEMENS GAMESA uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.

• **Tax risks** arising from local and/or global requirements and direct or indirect taxation.

• **Risk related to the implementation of new systems and changes in responsibilities** as part of the continuous growth and digitalization in the Company

Compliance

• **Risk of occurrence of severe and/or fatal accidents** with the additional effects of delays, damage to employees, subcontractors, assets and reputational loss, caused by, among other things, the high risk profile of some works, potential failures in the processes of selection, monitoring and qualification of contractors, and work in emerging market environments with a less mature culture in relation to safety, health and environmental standards.

• **Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations**, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report for financial year 2021 includes additional details regarding some of the risks associated with the activities of SIEMENS GAMESA.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

Top Management establishes and Board of Directors approves the key risk indicators based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to assume to achieve its objectives.

SIEMENS GAMESA uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated, at least each time changes are made to the strategy and/or policies.

SIEMENS GAMESA essentially has 3 complementary ways of establishing risk tolerance levels:

1) By means of regularly reviewing specific policies and internal regulations, particularly including the following:
- General Risk Control and Management Policy
- Corporate Tax Policy
- Investment and Finance Policy (exchange rate, credit and interest rate risks)

- Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
- Business Conduct Guidelines
- Crime Prevention and Anti-Fraud Policy
- Cybersecurity Policy

2) The setting of objectives on an annual basis or based on strategic regularity, for indicators that are used to monitor certain risks. These indicators include:
- EBIT pre PPA&IRR, cash conversion, net financial debt, CAPEX and working capital
- MW sold and new orders
- Sustainability
- Cyberattacks
- Frequency and severity index in relation to Health & Safety

3) A risk is considered to exceed tolerance and to require mitigation plans when it is rated as major or high as per the RIC methodology. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a particular risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once the risks (including tax-related risks) threatening achievement of objectives have been identified, the risk owners or those delegated thereby, with the support of the RIC Department and other support functions, make an assessment thereof and manage the plans for their mitigation.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialized during the year.

The risk factors that have materialized during 2021 in the countries and markets in which SIEMENS GAMESA has done business have had an adverse impact on the Group's financial results, the most significant being increase of raw material prices, launch of new products, project execution, and **Covid-19**.

It is noteworthy that activities in 2022 will be subject to the continuation of these same risk factors in the development of the wind market. The Group also expects to face uncertainties arising from the policies adopted by the United States government relating to its tariff policies and embargoes on various countries.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

Strategic

• Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk and commodity risk.

• Development of new business opportunities, entry into new countries, and cost reduction programmes at all units (Service, Onshore and Offshore) to mitigate the risk of pressure on the margin and the risk of losing volume.

• SIEMENS GAMESA monitors the employee satisfaction through surveys, performs succession plans for all its key positions to grant that all positions are covered with right skilled employees and promotes the professional career of its employees with many activities including among other mentoring programs

• The possible effects of specific drops in business due to "country risk" are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.

• SIEMENS GAMESA is carbon neutral since 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department The Company does also perform scenario analysis on different climate change scenarios to prepare itself for such potential climate risk situations

• SGRE continuously reviews it compliance with all contracts and laws where it operates and takes ESG as a high priority. The ESG department continuously monitors the ESG situation.

Operational

• New products and production centres are regularly monitored to ensure that both cost and quality are fulfilled as expected.

• Commitments to customers suppliers or any kind of stakeholders are regularly monitored, and negotiation and product reassignment alternatives are sought.

• There is an ongoing reduction in costs through specific goal-based programmes deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.

• A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project execution. The Company also analyses its projects on a recurring basis and has defined controls within the Internal Control System to monitor the management thereof.

• A multidisciplinary Security Committee leads and continuously improves our Information Security Model that is capable of preventing and mitigating the external threats of cyberattacks.

• We implemented a second source supply strategy to mitigate supply chain risks and signed long-term agreements with suppliers of critical components to ensure their availability.

• Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, including indexation of raw material pricing in sales agreements, a search for secondary sources of supply, and even the redesign of some components.

Financial

• Risks relating to the needs of the wind market regarding third party guarantees are mitigated by improving the financial strength of the Company to further obtain investment grade ratings, as well as through negotiation with customers.

• Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event occurred which requires a so-called impairment test that could result in an impairment.

• Various actions are taken to reduce exposure to foreign exchange rate risk, including: increase in local content, hedging through the use of derivative financial instruments, monitoring of exposure to fluctuations while ensuring compliance with the Group’s hedging policy that requires a minimum level of hedging, including the analysis of currency sensitivity.

• The allocation of external financing between variable and fixed rates is constantly analysed in order to optimise exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.

• Tax risks are controlled with various mechanisms established within the Tax Risk Control and Analysis Framework, including regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

• The possible risks coming from migrations to new systems or from reorganizations is covered through specific corporate functions management (including IT) and its continuous reporting to the top management. The actions include among others reviews of project status and resource needs.

Compliance

• The risk of serious and fatal accidents is mitigated through various actions, including: strengthening of the zero tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; health & safety plans for subcontractors and continuous training.

• SIEMENS GAMESA has a Handbook and Systems for monitoring regulatory changes and crime prevention in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business. This include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

Additional information regarding response plans and supervision is enclosed in the Management Report included in the Annual Report and in the Consolidated Financial Statements of 2021.

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

• Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.

• Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of RIC, and additionally individually by the R/O owners to deal with significant risks and opportunities.

• Insurance of operational third-party risks, with annual update and review of coverages.

• External management system certifications pursuant to ISO 45001, ISO 14001 and ISO9001.

• Aenor certificate in UNE 19602 standard related to the tax compliance management system.

• Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being effectively managed.

• Evaluations, including independent evaluations, by Management, by the internal audit department and by external review of the effectiveness of the risk management systems.

• Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.

• Internal audits of significant risks by the Internal Audit Department.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1. The entity's control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

According to section 4.b of Article 529.quaterdecies of the **Spanish Companies Act**, and without prejudice to the other duties stipulated in the By-Laws or in compliance with them in addition to those set out in the board of directors' regulations, the **audit committee** shall have, as a minimum, the following duties: to oversee the effectiveness of the company's internal controls, internal audit and risk management systems, including the tax risks as well as to discuss with the external auditor any significant weaknesses in the internal control system detected in the course of the audit, without compromising its independence. To this end, and where appropriate, recommendations or proposals may be submitted to the Board of Directors and the corresponding time frame for follow-up activities.

According to Article 33.5.g of SIEMENS GAMESA's By-Laws, the **Board of Directors** has among its competencies "preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting". Likewise, as established by Article 7.3a) of the Regulations of the Board of Directors, the Board of Directors has, among others, the competency of overseeing the internal information and control systems and the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly.

The **Regulations of the Audit, Compliance and Related Party Transactions Committee** establish that it is within the responsibilities of said Committee to oversee the effectiveness of the Company's internal control system, the risk management system, including tax risks and oversight of the process of preparing and filing the regulated financial information.

In relation to the powers relating to the process of preparing the economic and financial information, the Audit, Compliance and Related Party Transactions Committee performs the following functions, among others, as defined in Article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Oversee the process of preparation and submission and the clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct definition of the perimeter of such Group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.
- Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.
- Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.
- Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.
- Be informed of the significant adjustments identified by the auditor or arising from Internal Audit reviews, and management's position on such adjustments.
- Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.
- Oversee on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the oversight, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.

In relation to the internal control and risk management systems, as defined in Article 10 of said Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.
- Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.
- Oversee that policies on the control and management of risks identify or determine at least:
  - i. The different types of financial and non-financial risks (financial, operational, strategic, and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
  - ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Standards.
  - iii. The planned measures to mitigate the impact of identified risks, should they materialize.
  - iv. The information and internal control systems used to control and manage risks.

- Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Oversee that the Risk department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Management of SIEMENS GAMESA Group is responsible through its Risk and Internal Control department (reporting to the CFO) for the design, implementation and maintenance of IC. The RIC function regularly reports to the Audit, Compliance, Related Party Transaction Committee including on the overall status of the Internal Control system, non-ICFR and ICFR specific content. The Group's internal control system is managed through a company-wide platform called "RIC tool".

The Audit, Compliance and Related Party Transactions Committee, is supported by the Company's Internal Audit department, which functionally reports to the Audit. Compliance and Related Party Transactions Committee and by executing its annual work plan reinforces controls related to the reliability of the financial information.

SIEMENS GAMESA Group's internal control system considers the core elements of COSO 'Internal Control – Integrated Framework' (2013) – the most broadly accepted control framework. The framework defines the elements of a control system and sets the benchmark for evaluating the effectiveness of the internal control system.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- *Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.*

In relation to the definition of the organizational structure, the regulations of the **Board of Directors** establish that the **Appointments and Remuneration Committee** must inform the Board of Directors of the proposals for appointment and removal of Top Management and must also report on the remuneration conditions and terms and conditions of the employment contracts thereof prior to their approval by the Board of Directors.

SIEMENS GAMESA Group's **Executive Committee** is responsible for defining, designing and reviewing the organizational structure. It assigns functions and tasks, ensuring appropriate segregation of duties and that the areas of the various departments are coordinated to achieve the Company's objectives.

SIEMENS GAMESA Group has clearly defined lines of authority and responsibility for purposes of preparing the financial information. The **CFO organization** has the main responsibility for preparing the financial information. The CFO organization is responsible for the existence and proper dissemination within SIEMENS GAMESA Group of the internal policies and procedures that are necessary to ensure reliability in the process of preparing the financial information. The CFO organization also plans the key dates and reviews to be carried out by each responsible department. Additionally, the Risk & Internal Control department is responsible for the existence and proper dissemination within the Group of the Internal Control policies and procedures.

SIEMENS GAMESA Group has financial organizational structures that are adapted to the local needs of each region in which it operates, led by a **Managing Director Administration & Finance of the legal entities** whose duties include the following responsibilities:

- Compliance with local law & regulations
- Financial (IFRS & local GAAP) & local tax reporting: "Clean books & records"
- Internal Controls, including quarterly attestation of financials (certification letter)

Specifically, and as regards to ICFR, the existing organizational structure has resources for the proper functioning thereof, with centralized guidelines that are controlled and overseen at central SIEMENS GAMESA Group level and with local-level implementation in each region with the aim to ensure a harmonized execution of the processes considered key for the Company.

- *Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analyzing breaches and proposing corrective actions and sanctions.*

  SIEMENS GAMESA Group has its own Business Conduct Guidelines, the current version of which was approved by its Board of Directors on 12 September 2018. The Business Conduct Guidelines define SIEMENS GAMESA Group´s attitude in relation to the conduct of a responsible business and describe how SIEMENS GAMESA Group fulfils its responsibilities as a company, i.e. as an employer, in its markets, in society and towards the environment. This Business Conduct Guidelines are available both on the corporate website and on the internal intranet since a specific company-wide communication by the Chief Executive Officer.

  Regarding its financial information, SIEMENS GAMESA Group is committed to transparent, clear, truthful, complete and consistent reporting to investors, employees, customers, institutions and governmental agencies.

  More specifically, the Business Conduct Guidelines state that as an international company, SIEMENS GAMESA Group is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and all government agencies. SIEMENS GAMESA Group follows all applicable laws, regulations, standards and practices.

  SIEMENS GAMESA Group ensures that its books and records are kept completely, accurately and truthfully, are prepared in time and in accordance with the applicable rules and standards (IFRS) and comply with the internal Financial Reporting Guidelines and follow internal control processes.

  SIEMENS GAMESA Group provides correct and complete information for financial reporting purposes.

- *Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.*

  Among other aspects and in relation to the Business Conduct Guidelines, the Compliance department, which reports functionally to the Audit, Compliance and Related Party Transactions Committee, is responsible for resolving doubts that may arise and for receiving any queries or complaints via the established channels that are referred to in the Business Conduct Guidelines for actions that are unethical, lack integrity or conflict with the principles included therein.

  In accordance with the provisions of the Business Conduct Guidelines and of Article 11.g of the Regulations of the Audit, Compliance and Related Party Transactions Committee with respect to its duties relating to the Corporate Governance function, SIEMENS GAMESA Group has developed a Compliance Integrity Hotline that allows its internal and external stakeholders to report confidentially or anonymously any potentially significant irregularities that relate to financial or accounting irregularities that they discover within the Company.

  The Audit, Compliance and Related Party Transactions Committee is responsible for establishing and overseeing the Compliance Integrity Hotline which SIEMENS GAMESA Group manages through its Compliance department according to the conditions and powers set forth in the Compliance Handbook, which form part of the internal regulations and which sets out its operation and conditions for use, access, scope and other aspects.

  As established in Articles 12.b and 12.c of the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Compliance department has the duty of assessing and reporting on the level of compliance with the Business Conduct Guidelines; it will submit such reports to the Audit, Compliance and Related Party Transactions Committee with information on suggestions, concerns, proposals and breaches.

  It is for the Compliance department, upon receipt of a complaint that satisfies a series of requirements and minimum content, to decide whether it is appropriate to process or file such complaint.

  If there is evidence of an infringement of the Business Conduct Guidelines, a confidential case file will be opened, and such actions as deemed necessary may be commenced, particularly interviews with the parties involved, witnesses or third parties considered capable of providing useful information and collection of such paper or electronic documents as required. Assistance may also be obtained from other areas of the Company if deemed suitable, as well as from independent experts (establishing an investigative team).

  Upon conclusion of the complaint procedure, the investigative team will prepare a report that will contain at least a description of the context of the investigation, its findings, the legal advice on such findings and the actions to rectify the problem.

The **Disciplinary Committee (**comprising the representatives of the Financial, Legal, Compliance and Human Resources departments) is responsible for establishing relevant disciplinary measures for cases of breach of the Business Conduct Guidelines which are proportionate to the severity of said breaches.

If the Compliance department finds evidence of unlawful conduct when processing the case and preparing the report, it will inform the Legal department to assess whether competent legal or administrative authorities must be informed.

- *Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.*

SIEMENS GAMESA Group has staff recruitment procedures and processes in place to identify and define selection and recruitment process milestones ensuring that new employees are qualified to perform the responsibilities associated with their position.

A main line of action for the SIEMENS GAMESA Group is managing employee knowhow through the identification, development and retention of the required talent and knowhow, in addition to ensuring the proper transfer thereof.

In this context, SIEMENS GAMESA Group has processes and tools to determine the level of performance and development needs for the people who make up its organization.

The staff directly and indirectly responsible for actions in the financial and accounting area have been subject to previously established selection and recruitment processes, and moreover, their training needs have been analyzed in internal development processes. They have the necessary professional qualifications and expertise to perform their duties, both in terms of applicable accounting standards and internal control-related principles. These staff are kept continuously up to date with applicable regulatory requirements.

Specifically, the Compliance department provides various training sessions on the Business Conduct Guidelines and the Whistle-blower channel. Also, the Risks & Internal control function in regards of the assessment of the ICFR system, conducts specific training and/or refreshing sessions among the selected assessors.

F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- *Whether the process exists and is documented.*

The Company's Internal Control System including Internal Control Over Financial Reporting (ICFR) are based on the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

All entities are classified into 'High', 'Medium' or 'Low' importance. This categorization primarily reflects the financial importance of the entities to SIEMENS GAMESA Group based on quantitative aspects such as previous and forecast entity revenue, income before taxes, total assets, but also based on other qualitative aspects. The whole Internal Controls setup requires a related assessment process based on the set of centrally defined Control Requirements.

Also, as part of the account scoping, significant accounts and disclosures are defined based on quantitative and qualitative criteria including use of a COSO scoring model which uses five categories i.e. impact on financial statement, account characteristics, business process characteristics, fraud and entity-wide factors. Each significant account and disclosure are then linked to at least one applicable ICFR Control Requirement.

Central Governance Owners formulate "Control Requirements" as essentials of the Governance Framework (including Internal Controls over Financial Reporting (ICFR) and other High-risk areas). Those centrally defined Control Requirements form the basis for the annual assessments.

The overall set of Control Requirements is applicable to all entities (incl. affiliates) and subject to different degrees of assessment on a risk-based approach. To determine the minimum Assessment Approach required for each Control Requirement, Corporate Governance Owners consider the categorization of entities (High-Medium-Low), as well as their judgment of other qualitative aspects of the underlying control requirement.

There are three different Assessment Approaches:

- Detailed Assessment (DA): Detailed Assessment requires that Key Controls addressing Control Requirements are identified and documented. A Test of Design (ToD) and a Test of Operating Effectiveness (ToE) must be performed for each identified Key Control by SIEMENS GAMESA Group individuals who are independent from the control operation and who have no vested interest in the outcome of the assessment (i.e. independent Assessors). Control Requirements are rated as 'achieved' or 'not achieved' based on the outcome of the ToD and the ToE of the related Key Controls, 'control gap deficiencies' and 'non-assessment driven deficiencies', if any.

- Self-Assessment (SA): Unlike a Detailed Assessment, a Self-Assessment can be performed by SIEMENS GAMESA Group individuals who are responsible for or perform the activities addressing the Control Requirement. The Self-Assessment Approach requires the Assessor to provide an assessment as to whether the Control Requirement is achieved, supported by a rationale describing the activities performed by the entity providing assurance that this is the case.

- No Specific Assessment Required (NSAR): No Specific Assessment Required releases an entity from the obligation to conduct, document and report a formal assessment. However, entity management ensures that these Control Requirements are complied with by executing adequate control activities and reporting any related deficiencies of which they are aware.

Each of the different Assessment Approaches provides distinctive levels of assurance. The minimum Assessment Approach stipulated by the Corporate Governance Owners reflects the level of assurance required for each Control Requirement, based on the entity category taking into account the potential risk exposure and corresponding level of effort required to complete the assessment. The scope of activities to be performed by each entity is different, depending on the entity's impact on the Consolidated Financial Statements of SIEMENS GAMESA Group, including the size and specific risks associated with an entity.

The Internal Control System basis is constructed within the Policy & Control Masterbook (PCMB) which provides a clear and consistent set of Control Requirements (CRs) assisting management and staff to appropriately control the areas for which they are responsible. The Policy & Control Masterbook has been developed as a single source and reference point for global Control Requirements resulting from relevant rules and regulations published on Corporate level, for example Policies, Financial Reporting Guidelines and other existing policies and guidance. Control Requirements are structured into four categories: Strategic, Operations, Financial and Compliance, on the basis of the established COSO 2017 framework. This allows the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives. Control Requirements included in the PCMB form the basis for the annual assessments.

The Internal Control system over Financial Reporting (ICFR is embedded in the PCMB and is a subset of control requirements specifically addressed to oversee financial reporting. The purpose of this financial reporting-related internal control system is to ensure that financial information preparation and reporting is conducted in a proper manner in order to prevent or identify material misstatements therein with reasonable assurance. ICFR is based on the internationally recognized 'Internal Control – Integrated Framework' developed by COSO and because of its importance, it receives a more detailed level of review by increasing the level of assessment required.

The key outputs of the SIEMENS GAMESA Group Internal Control System are:

- SIEMENS GAMESA Group´s 'In Control' Statement.

The SIEMENS GAMESA Group 'In Control' Statement provides assurance, although not absolute assurance, that the organization's key risks are being adequately managed, for example that assets are safeguarded, financial reporting is reliable, and laws and regulations are complied with. The SIEMENS GAMESA Group 'In Control' Statement is supported by 'In Control' Certifications from the entities reporting to the organizational level issuing the 'In Control' Statement of SIEMENS GAMESA Group.

- Quarterly Internal Certification

CEO, COO, CFO and Head of Accounting of SIEMENS GAMESA Group certify that the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and the Group Management Report includes a fair review of the development and performance of the business and the financial position of the Group.

To support the CEO, COO, CFO and Head of Accounting's external certification, a Quarterly Internal Certification process has been implemented. The result of the Quarterly Internal Certification Process is reported to CEO, COO, CFO and Head of Accounting and, if necessary, the Audit Committee of SIEMENS GAMESA Group is informed of any irregularities in the Internal Certification process.

A fraud risk assessment is a principle stipulated by the COSO framework. Every SIEMENS GAMESA Group entity in ICFR scope must assess its susceptibility to fraud through a fraud risk assessment involving appropriate levels of management such as ICFR team, experienced Accounting Managers, and the entities Managing Directors. While the extent of activities required for the evaluation of fraud risks depends on the size and complexity of a company's operations and financial reporting environment, management recognizes that the risk of material misstatement due to fraud exists in any organization, regardless of size or type.

The ICFR system of SIEMENS GAMESA Group includes programs and controls to prevent, deter and detect fraud. Therefore, the documentation and evaluation of an entity must cover activities specifically intended to address the risks of fraud that have at least a reasonably possible likelihood of having a material effect on the Company's financial statements.

SIEMENS GAMESA Group has set up different activities to prevent, and detect fraud by addressing the following elements:

- Creating a culture of honesty and high ethics;
- Evaluating antifraud processes and controls; and
- Developing an appropriate oversight process.

- *Whether the process covers all the objectives of financial reporting (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so, how often.*

SIEMENS GAMESA Group is responsible for the fair presentation of the Consolidated Financial Statements that reflect the nature and operations of the entity. In representing that the Consolidated Financial Statements are fairly presented in conformity with generally accepted accounting principles, management implicitly or explicitly makes assertions regarding the recognition, measurement, presentation and disclosure of information in the Consolidated Financial Statements. Each Significant Account or Disclosure can be linked to one or more relevant assertions.

To be able to state the effectiveness of ICFR it is necessary that through a set of Key Controls all relevant financial statement assertions per Significant Account or Disclosure are covered. Assertions are classified according to the following categories:

- Existence or Occurrence (E/O) – assets, liabilities and ownership interests exist at a specific date and recorded transactions represent events that actually occurred during a certain period;
- Completeness (C) – all transactions and other events that occurred during a specific period and should have been recognized in that period have, in fact, been recorded. There are no unrecorded assets, liabilities, transactions or events or undisclosed items (applicable to balance sheet and revenue and expense accounts and possibly disclosures);
- Rights and Obligations (R&O) – the entity holds or controls the rights to assets, and liabilities are the obligations of the entity (applicable to balance sheet accounts);
- Valuation or Assignment (V/A) – asset, liability, equity, revenue and expense components are recorded by appropriate amounts in conformity with SIEMENS GAMESA Financial Reporting Guidelines (FRG) that are in line with IFRS. Transactions are mathematically correct and appropriately summarized and recorded in the entity's books and records;
- Presentation and Disclosure (P&D) – financial information and disclosures in the statements are properly classified, described clearly and disclosed, in accordance with the SIEMENS GAMESA FRGs.

- *The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.*

In accordance with the recommendations of the Good Governance Code for Listed Companies, Article 7.3.b.iv of the Regulations of the Board of Directors establishes the power to approve the creation or purchase of stocks in special-purpose entities or entities in countries or territories that are considered tax havens as well as any other transaction or operation of a comparable complexity, according to applicable law.

Additionally, and in this context, the SIEMENS GAMESA Group's Corporate Tax Policy states that in carrying out its activities, SIEMENS GAMESA Group shall follow the principles of an orderly and diligent tax policy that materializes in the commitment to:

- Avoiding the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
- Not organizing or acquiring companies residing in tax havens in order to avoid tax obligations.

The SIEMENS GAMESA Group also maintains a continuously updated record of all the legal entities that sets forth all the equity interests it directly or indirectly holds, whatever the nature thereof, including if applicable shell companies and special-purpose entities.

For purposes of identifying the scope of consolidation, in accordance with the standards established in international accounting regulations, the Company maintains and regularly updates a database containing all the companies that make up the SIEMENS GAMESA Group.

SIEMENS GAMESA Group has an established process within the Financial Accounting & Controlling department that ensures the necessary flow of approvals in relation to changes in the scope of consolidation and updates to the database of companies. The scope of consolidation is monitored as part of the consolidation process and within the established internal control over the financial reporting system.

- *Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.*

The Policy and Control Masterbook (PCMB) is the central reference point for all Control Requirements resulting from published rules and regulations and forms the basis for the Internal Control process. At the highest level the PCMB is structured based on four categories of the COSO 2017 framework: Strategic, Operations, Financial and Compliance.

Furthermore, there is an Enterprise Risk Management (ERM) system implemented which is further defined in Section E of this report.

- *The governing body within the company that supervises the process.*

The process is ultimately overseen by the Audit, Compliance and Related Party Transactions Committee, which is supported by the Internal Audit department in the performance of its duties.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorization procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

The Board of Directors is the highest-level body responsible for overseeing the preparation and the formulation of the financial statements of the SIEMENS GAMESA Group that are submitted for approval to the AGM.

SIEMENS GAMESA Group sends information to the securities market on a quarterly basis. The Financial Accounting & Controlling department.

prepares said information, carrying out a series of control activities during the accounting close in order to ensure the reliability of the financial information. These controls are included within the "Consolidation and Financial Close" process in SIEMENS GAMESA Group´s ICFR model.

On a monthly basis, Financial Accounting & Controlling department provides the various departments involved in the accounting closing process with plans and guidelines so that each department can prepare the financial information, as well as the date on which it must be reported.

SIEMENS GAMESA Group's financial statements are subject to the following review levels:

- Review by Financial Accounting & Controlling department.

- Oversight by the Audit, Compliance and Related Party Transactions Committee.
- Approval by the Board of Directors (half-yearly and annual).

The annual accounts and interim financial statements summarized on a half-yearly basis are also subject to audit and limited review, respectively, by the statutory auditor.

As mentioned previously, on a quarterly basis, there is an internal certification process throughout SIEMENS GAMESA´s Group. The Management of the different organizational levels and legal entities, backed by the confirmations from the business units' management as well as the management of the companies of the SIEMENS GAMESA Group, confirm a) the accuracy of the financial data disclosed to Corporate Management, b) regulatory and legal compliance, c) certification of the bank accounts and d) independence vis-à-vis the external auditor of SIEMENS GAMESA Group.

Also as mentioned previously, there is an assessment of the design and operational effectiveness of the implemented Internal Control System and the ICFR at the end of each financial year. The Management of the different organizational levels and legal entities, backed by the management of the companies of the SIEMENS GAMESA Group, confirms through signing the yearly 'In Control' Certification the fulfilment of its responsibility to establish and maintain an effective internal control system and ICFR. Reports are produced on the effectiveness of the internal control systems, including the addressed deficiencies that could hinder the achievement or development of the key business objectives or those with a material impact on the financial statements.

The financial statements are prepared based on a reporting calendar and delivery dates that are known to all the participants in the process, taking into account the legally established deadlines.

Judgements, estimates, valuations and relevant forecasts are made at different levels of the organization, are escalated to a higher organization level as appropriate, and are integral part of the quarterly financial statements that are confirmed by the Managing Directors and Head of Accounting of the legal entities as well as by the responsible BU management.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

IT controls are processes and procedures that provide reasonable assurance that the information technology used by SIEMENS GAMESA Group operates as intended and that data are reliable. IT General Controls (ITGCs) provide the foundation for reliance on data, reports, automated controls, and other system functionality underlying business processes. The security, integrity, and reliability of financial information relies on proper security configuration, access controls, change management, and operational controls. ICFR IT General Controls (ITGC) are pervasive controls that predominantly serve as the foundation for related IT Application Controls (ITAC) or Manual IT Dependent Controls (MITDC).

SIEMENS GAMESA Group considers information technology to be one of its most important assets to properly and efficiently provide its services and to comply with corporate objectives and laws, thus establishing ITGCs as a fundamental objective to ensure that the information processed is accurate, is only available to those who need it and is not disclosed without authorization.

Specifically, and within the scope of the Internal Control System including Internal Controls Over Financial Reporting (ICFR), SIEMENS GAMESA Group has designed and implemented an ITGC framework that is comprised of the following control activities:

- Security configuration: The key attributes of the security configuration are appropriately implemented, following Company security standards. Exceptions to the security configuration are approved by the system owner and are documented. Password and authentication parameters have been set in accordance with Company security standards.
- Access Control: A user access management process is documented, approved and implemented and covers the procedure for granting, changing and removing access to all users, including end-users, privileged users and system administrators. The use of users with administrative or privileged rights follows an authorization process and is appropriately restricted by limiting access to the minimum practical number of users.
- Segregation of Duties (SoD): An Authorization Concept has been defined, documented and implemented for all ICFR relevant applications, considering restriction on usage of system standard profiles, roles and users as well as privileged accounts, emergency users and shared/unpersonalized users. A Segregation of Duties (SoD) matrix has been defined for all relevant processes/roles, based on the Authorization

Concept. SoD is monitored and conflicting access is dealt with. A review of all user authorizations to verify the adequacy of access rights based on job responsibilities is conducted and documented regularly.

- Change management: A defined and documented IT Change Management process has been formally approved and implemented. All changes impacting ICFR relevant applications are requested, authorized, tested, implemented, approved and documented following the change management process. Traceability of the whole change management process is ensured for all changes. The productive system is locked against direct modifications (when technically feasible) and access to the production environment is appropriately restricted.

- Back up: A Backup Concept has been defined, documented and implemented for all ICFR relevant applications, considering the data to be backed up, the frequency and retention period, responsibilities and authorizations, creation of logs, etc. A process is in place to monitor that data is regularly backed-up and failures/deviations are dealt with.

- Operational monitoring and scheduled processing: A guideline regarding system logging and monitoring (critical activities, including administrators and operators) has been defined for all ICFR relevant applications. Audit logs are produced and kept for an agreed period. Deviations from scheduled processing are monitored and followed up.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

SIEMENS GAMESA Group sub-contracts the performance of certain routine transaction processing activities with an impact on financial information (e.g. accounts payable, payroll, invoice records) to internal shared service centers or external/Group service providers. In the cases in which this sub-contracting occurs, it is backed by a services agreement on fully competitive terms that clearly indicates the service provided and the means that the provider, internal, external or Group will use to provide the services, reasonably guaranteeing the technical expertise, and competence of the sub-contracted party.

In any case, the outsourced activities are mainly different administrative processes in offices and subsidiary companies that are supported by a services agreement that clearly states the service provided and the means that the qualified external professional provider will use to provide the services, reasonably ensuring the technical qualifications, and competence of the sub-contracted party. SIEMENS GAMESA Group`s Internal Control System including Internal Control Over Financial Reporting (ICFR) defines control activities for activities outsourced to third parties.

There is also an internal procedure for the procurement of services that establishes the requirement for certain levels of approval depending on the transaction value.

Such services are procured by the Heads of the corresponding functions, reasonably ensuring the competence and technical and legal qualifications of the sub-contracted parties, with the evaluations, calculations or appraisals conducted by external parties being reviewed if applicable.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

The Financial Accounting & Controlling department is responsible for identifying, defining, updating and communicating the accounting policies that affect SIEMENS GAMESA Group, as well as for responding to accounting queries that may be raised by subsidiaries or the various geographic areas and business units. In this context, it maintains a close relationship with management of the various geographical areas and business units.

The Financial Accounting & Controlling department is also responsible for reporting to the Audit, Compliance and Related Party Transactions Committee and/or to any other corresponding body on specific aspects of accounting standards, the results of the application thereof and their impact on the financial statements.

The Company has an accounting manual that determines and explains the rules for preparing the financial information and how said rules should be applied to the Company's specific operations. This document is regularly updated and significant potential changes or updates are communicated to the companies to which they are applicable.

In case the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the external auditors that are asked for their position with respect to the conclusion reached.

The accounting policies applied by the SIEMENS GAMESA Group are described in its annual accounts and are consistent with those applicable under current rules.

In the case of regulatory changes linked to financial reporting that have an impact on the Financial Statements, the Financial Accounting & Controlling department is responsible for reviewing, analyzing and updating the accounting rules as well as for supervising the adoption of new standards or revisions from the International Financial Reporting Standards (IFRS) and those standards, changes and interpretations that have yet to come into force. The Financial Controlling & Accounting department is also responsible for communicating changes or updates to the Company's departments and the subsidiaries.

F.4.2. Mechanisms for capturing and preparing financial information in standardized formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

There is a centralized process for consolidating and preparing the financial information. The financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required to follow the Financial Reporting Guidelines.

The SIEMENS GAMESA Group uses a software tool that collects the individual financial statements and facilitates the process of consolidating and preparing the financial information. This tool allows the centralization within a single system of all the information resulting from the accounting of the individual companies belonging to the Group.

In this context, the Consolidation and Reporting department establishes a centralized quarterly, half-yearly and annual close plan which distributes to each of the groups and sub-groups the appropriate instructions in relation to the scope of work required, key reporting dates, standard documentation to be sent and deadlines for receipt and communication. Among other aspects, the instructions include a reporting/ consolidation package, preliminary close, inter-company invoicing, physical inventories, inter-group balance confirmation and reconciliations, final close and pending items.

The content of the aforementioned reporting is regularly reviewed in order to respond to the appropriate breakdown requirements in the annual accounts.

ICFR is a subset of the overall internal control system and is managed through a company-wide platform called "RIC (Risk and Internal Control) tool".

F.5. Supervision of the functioning of the system

Report on at least thefollowing, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

There is a regular communication between the Audit, Compliance and Related Party Transactions Committee, Top Management, the Head of the RIC, the Head of Internal Audit and the Statutory Auditors, so that the Board of Directors' Audit, Compliance and Related Party Transactions Committee has the information necessary to perform its duties relating to the oversight of the Internal Control System including Internal Control over Financial Reporting (ICFR).

Specifically, the Audit, Compliance and Related Party Transactions Committee has performed the following Internal Control over Financial Reporting (ICFR) oversight activities, among others, during the financial year:

- Oversee the preparation of the Group's annual accounts and the periodic quarterly and half-yearly financial information that the Board of Directors must provide to the capital markets and to the related regulators. Further oversee the compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation of the financial statements.

- As part of its work supervising the Internal Audit department, it has approved the annual audit plan and the IA budget that underpins the internal and external human and material resources of the department.

- It has analyzed the External Auditors' audit plan, which includes the audit objectives based on the assessment of financial reporting risks, as well as the main areas of interest or significant transactions subject to the audit during the financial year.

- Together with the external auditors and Internal Audit, it has reviewed any internal control weaknesses identified in the course of the various audits and review tasks.

The Internal Control department reports on the overall Internal Control system to the Audit, Compliance and Related Party Transactions Committee after completion of the Initial Assessment and Final Assessment.

SIEMENS GAMESA Group has an Internal Audit department whose powers include supporting the Audit, Compliance and Related Party Transaction Committee, among others, in its work of overseeing the internal control system. The SIEMENS GAMESA Head if Internal Audit functionally reports to the Audit, Compliance and Related Party Transaction Committee and disciplinarily to the SIEMENS GAMESA Group CEO. This reporting relationship is intended to promote the independence needed to fulfill its responsibilities, comprehensive audit coverage and appropriate coordination with other activities of management and SIEMENS GAMESA Groups independent External Auditor.

In order to enable this supervision of the internal control system, the Internal Audit department responds to the requirements of the Audit, Compliance and Related Party Transaction Committee in the performance of its duties, participating regularly and whenever required in the meetings of the Board of Directors' Audit, Compliance and Related Party Transactions Committee.

The audit function provides assurance to the Audit, Compliance and Related Party Transactions Committee on the worldwide business operations and processes of SIEMENS GAMESA Group, by independently and objectively evaluating and reporting on SIEMENS GAMESA Group's effectiveness of risk management and internal control systems, and the adherence to SIEMENS GAMESA Group's compliance policies in a systematic and regular manner.

The annual internal audit plan presented and approved by the Audit, Compliance and Related Party Transaction Committee includes the performance of control reviews (including ICFRs) and establishing review priorities based on the identified risks.

The Internal Audit department has performed audits for certain significant risks in accordance with its Annual Audit Plan 2021 and has provided the corresponding reports where appropriate to the Executive Committee and to the Audit, Compliance and Related Party Transactions Committee.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The Audit, Compliance and Related Party Transactions Committee holds regular meetings with the external and internal auditors, the CFO, and the Head of RIC in order to discuss any relevant aspect and, if applicable, examine significant internal control deficiencies that have been identified.

SIEMENS GAMESA Group's annual accounts and the periodic financial information that the Board of Directors must supply to the markets and to the supervisory bodies thereof are reviewed at the Audit, Compliance and Related Party Transaction Committee meetings with the statutory auditors, monitoring compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.

Remediation actions have been defined and are being implemented for Internal Control deficiencies identified during the year according to the mitigation plan.

F.6. Other relevant information

There is no other material and relevant information with respect to the Internal Control system including Internal Control over Financial Reporting (ICFR) that has not been included in this report.

F.7. External auditor´s report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

SIEMENS GAMESA Group has requested the external auditor to issue a report reviewing the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for financial year 2021.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for Listed Companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

Observations

1. **That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies X Explain ☐

2. **That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

   b) The mechanisms in place to resolve any conflicts of interest that may arise.

   Complies X Complies partially ☐ Explain ☐ Not Applicable ☐

3. **That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

a) Changes that have occurred since the last General Shareholders' Meeting.

b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies X Complies partially ☐ Explain ☐

4. **That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies X Complies partially ☐ Explain ☐

5. **That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.**

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies X Complies partially ☐ Explain ☐

6. **That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:**

   a) Report on the auditor´s independence.

   b) Reports on the workings of the audit and nomination and remuneration committees.

   c) Report by the audit committee on related party transactions.

Complies X Complies partially ☐ Explain ☐

7. **That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.**

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies X Complies partially ☐ Explain ☐

8. **That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports**

Complies X Complies partially ☐ Explain ☐

Extent of compliance with corporate governance recommendations

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies X | Complies partially □ | Explain □

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies □ | Complies partially X | Explain □ | Not Applicable □

Explanation:

The Company's Internal Regulations complies with sections a), b) and d) of the Recommendation.

Regarding section c), article 31.8 of the Regulations for the General Meeting of Shareholders of SIEMENS GAMESA, which states the system for determining the meaning of the votes establishes a different deduction system for voting proposals from the Board of Directors regarding items included on the agenda than for voting on proposals for resolutions regarding matters not contemplated in the agenda or formulated by the Board of Directors.

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies □ | Complies partially □ | Explain □ | Not Applicable X

12. That the board of directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies X | Complies partially □ | Explain □

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies X | Explain □

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board that:

a) is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

Extent of compliance with corporate governance recommendations

c) favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

The results of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies X Complies partially □ Explain □

15. **That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

    And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies X Complies partially □ Explain □

16. **That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.**

    This criterion may be relaxed:

    a) In large-cap companies where very few shareholdings are legally considered significant.

    b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies X Explain □

17. **That the number of independent directors should represent at least half of the total number of directors.**

    That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies X Explain □

18. **That companies should publish the following information on its directors on their website, and keep it up to date:**

    a) Professional profile and biography.

    b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

    c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

    d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

    e) Company shares and share options that they own.

Complies X Complies partially □ Explain □

19. **That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies □ Complies partially □ Explain □ Not Applicable X

20. **That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies X Complies partially □ Explain □ Not Applicable □

21. **That the board of directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies X Explain □

22. **That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.**

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

Complies X Complies partially □ Explain □

23. **That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.**

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies X Complies partially □ Explain □ Not Applicable □

Extent of compliance with corporate governance recommendations

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies X Complies partially □ Explain □ Not Applicable □

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies X Complies partially □ Explain □

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies X Complies partially □ Explain □

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies X Complies partially □ Explain □

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies X Complies partially □ Explain □ Not Applicable □

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies X Complies partially □ Explain □

30. That without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies X Explain □ Not Applicable □

31. That the agendas of board meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies X Complies partially □ Explain □

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies X Complies partially □ Explain □

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare

Extent of compliance with corporate governance recommendations

and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies X Complies partially □ Explain □

34. **That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.**

Complies X Complies partially □ Explain □ Not Applicable □

35. **That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.**

Complies X Explain □

36. **That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:**

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies X Complies partially □ Explain □

37. **That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.**

Complies X Complies partially □ Explain □ Not Applicable □

38. **That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Complies X Complies partially □ Explain □ Not Applicable □

39. **That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Complies X Complies partially □ Explain □

Extent of compliance with corporate governance recommendations

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies X Complies partially □ Explain □

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies X Complies partially □ Explain □ Not Applicable □

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies X Complies partially □ Explain □

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies X Complies partially □ Explain □

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies X Complies partially □ Explain □ Not Applicable □

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.

e) Internal control and information systems to be used in order to control and manage he aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies X Complies partially □ Explain □

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies X Complies partially □ Explain □

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies X Complies partially □ Explain □

48. That large-cap companies have separate nomination and remuneration committees

Complies □ Explain X Not Applicable □

Explanation:

The Board of Directors of SIEMENS GAMESA is composed of ten members, from which four are qualified as independent, following the recommendations of the Good Governance Code of Listed Companies. Most of the members of the Appointments and Remunerations Committee of SIEMENS GAMESA (composed of four members) hold the qualification as independent. Three of the four independent members of the Board of Directors belong to this Committee. In case it was decided to divide into two different committees the current Appointments and Remunerations Committee, the composition of both committees would be almost identical.

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies X Complies partially □ Explain □

50. **That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:**

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies X Complies partially □ Explain □

51. **That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.**

Complies X Complies partially □ Explain □

52. **That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:**

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and the minutes be made available to all directors.

Complies X Complies partially □ Explain □ Not Applicable □

53. **That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.**

Complies X Complies partially □ Explain □

Extent of compliance with corporate governance recommendations

54. That the minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies X Complies partially □ Explain □

55. That environmental and social sustainability policies should identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies X Complies partially □ Explain □

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies X Explain □

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies X Complies partially □ Explain □

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

Extent of compliance with corporate governance recommendations

And, in particular, variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies X   Complies partially ☐   Explain ☐   Not Applicable ☐

59. That The payment of the variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies X   Complies partially ☐   Explain ☐   Not Applicable ☐

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results

Complies X   Complies partially ☐   Explain ☐   Not Applicable X

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies X   Complies partially ☐   Explain ☐   Not Applicable ☐

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies X   Complies partially ☐   Explain ☐   Not Applicable ☐

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies X   Complies partially ☐   Explain ☐   Not Applicable ☐

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of

or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies X Complies partially ◻ Explain ◻ Not Applicable ◻

H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensible and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

   SIEMENS GAMESA has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

   a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. SIEMENS GAMESA voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.

   b) "Global Reporting Initiative (GRI)", which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. SIEMENS GAMESA acceded voluntarily as of December 14, 2005.

   c) “Caring for Climate: The business leadership platform”, promoted as an initiative of the UN Global Compact. Its goal is the involvement of businesses and governments in taking action on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. SIEMENS GAMESA acceded voluntarily as of June 18, 2007.

   d) "Women empowerment principles", established by the UN Global Compact and UN Women, are a set of principles on how to promote gender equality and the women’s empowerment in the workplace, marketplace and community. They represent a primary vehicle for corporate compliance on gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals. SIEMENS GAMESA acceded voluntarily as of December 22, 2010.

   e) “European Diversity Charter”, is an initiative by the European Commission to foster diversity and inclusion as well as to develop and implement related policies. By signing this Charter, SIEMENS GAMESA voluntarily commits to (i) include the principles on equal opportunities and respect for diversity among the values of the company; (ii) move forward in the construction of a diverse workforce promoting the inclusion of people with different profiles (regardless of their gender, sexual orientation, race, nationality, ethnic origin, religion, beliefs, age, disability, etc.); (iii) avoid any kind of discrimination (either direct or indirect) in the workplace; (iv) establish mechanisms to allow the harmonization of the work life with the family and personal life of all the employees.

SIEMENS GAMESA acceded voluntarily to the “Diversity Charter” in Spain, one of the 26 charters in Europe - on behalf of the other European venues - as of November 3, 2014.

f) “Paris Pledge for Action”, an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. SIEMENS GAMESA voluntarily adhered to this initiative on December 4, 2015.

g) “Science Based Targets” (SBTi), a joint international initiative of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition, with the aim of reducing carbon emissions in a measurable manner and to a sufficient level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. SIEMENS GAMESA voluntarily joined this initiative on September 12, 2018. In August 2020, the Science Based Targets initiative verified that SIEMENS GAMESA’s emission reduction strategy is aligned with what climate science says is required to meet the 1.5°C trajectory.

h) “Global Framework Agreement on Social Responsibility”, driven by the global union federation IndustriAll, promotes best labor, social and environmental practices. By signing, SIEMENS GAMESA pledged to adhere to the United Nation’s core human rights as well as fundamental labor conventions concerning freedom of association and collective bargaining, forced labor, child labor and exploitation and discrimination, to treat unions positively and commit to constructively cooperate with workers and their representatives, as well as to promote the implementation of this agreement among its suppliers, subcontractors and business partners. The first Global Framework Agreement was signed by former Gamesa in 2015. The new agreement was signed by IndustriAll, Spanish trade unions and SIEMENS GAMESA’s representatives on November 26, 2019, and remains the only one of its kind in the renewable energy industry.

i) “Business Ambition for 1.5ºC – Our Only Future”, a campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition, calling on companies to commit to ambitious emissions reduction targets through the Science Based Targets initiative (SBTi) to hold off some of the worst climate impacts, and avoid irreversible damage to our societies, economies and the natural world. SIEMENS GAMESA reaffirmed its commitment to meet the United Nation’s climate targets by signing the pledge during COP25 in Madrid on December 11, 2019.

j) “Target Gender Equality”, is a gender equality accelerator program for participating companies of the UN Global Compact. The program is to help companies setting and reaching ambitious corporate targets for women’s representation and leadership, starting with Board and Executive Management levels. Companies participating in Target Gender Equality can deepen the implementation of the UN’s Women’s Empowerment Principles and strengthen their contribution to Sustainable Development Goal 5.5, which calls for equal women representation, participation and leadership in business globally. SIEMENS GAMESA voluntarily joined the program on July 24, 2020. SIEMENS GAMESA has participated in the first edition of the same and has established ambitious business objectives to have a female representation of 25% of the general staff and 25% of women in management positions by 2025, as well as to adopt measures to address the barriers that hinder gender equality in the organization.

k) “Teleworking Charter” (“*Charter del Teletrabajo*”), initiative of the Foundation *Más familia* in cooperation with the Social Rights and 2030 Agenda Ministry of the Spanish Government, is a commitment letter that the companies and institutions voluntarily sign in order to promote a clear commitment with the culture of work flexibility and teleworking; the respect for environment, diversity and inclusion and the recognition of and education on the benefits of a flexible culture. SIEMENS GAMESA acceded voluntarily on April 20, 2021.

l) “Business Network for the LGTBI Diversity and Inclusion” (“*Red Empresarial por la Diversidad e Inclusión LGTBI*”), is a non-profit association that brings together more than 100 companies committed to promote an inclusive and respectful atmosphere regarding LGTBI people. SIEMENS GAMESA voluntarily joined the association on October 1, 2020.

m) “Call to Action for Shipping Decarbonization”, an initiative developed by the “Getting to Zero Coalition”, launched in conjunction with the UN General Assembly. The initiative calls for action for shipping decarbonization and collaboration across the maritime ecosystem, including with governments and international regulators. SIEMENS GAMESA voluntarily joined this call for action on Wednesday, 22 September 2021.

In relation to the Code of Good Tax Practices of July 20, 2010, it is stated that the Board of Directors of SIEMENS GAMESA approved its adherence thereto at its meeting of February 22, 2017, and on March 21, 2017 the Company was officially included in the list of companies adhering to the Code of Good Tax Practices. Furthermore, in compliance with the provisions of the Annex to said Code and of the Proposal for reinforcing good financial transparency practices among companies adhering to the Code of Good Tax Practices, on September 24, 2021 SIEMENS GAMESA voluntarily chose to submit to the Spanish Tax Authority (*Agencia Estatal de Administración Tributaria*), as part of its relationship of cooperation, the “Annual Tax Transparency Report” for the financial year running between October 1, 2019 and September 30, 2020. In the report, among others, the Company has informed that, in February 2020, SIEMENS GAMESA received the Certificate on the Spanish standard on tax compliance UNE 19602 from AENOR (well-known independent certifying firm) certifying SIEMENS GAMESA’s tax compliance management system, particularly applicable in the context of the management systems and tax risks control.

Regarding the “Annual Tax Transparency Report” for the financial year running between October 1, 2018 and September 30, 2019 (filed on July 9, 2020), the Company met Spanish Tax Authority representatives on February 25, 2021 in order to analyze its content and in March 2021 the Company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity.

This Annual Corporate Governance Report was approved by the Board of Directors of the Company in its meeting held on November 23, 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ **No X**

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

Annual Report on Remuneration of Directors

of Listed Companies

2021

SIEMENS Gamesa
RENEWABLE ENERGY

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE: 30-09-2021

Tax Identification No. A01011253

Company name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (BIZKAIA)

NOTICE:

i) The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.

ii) Due to rounding, numbers presented throughout this Annual Report on Remuneration of Directors may not adjust precisely to the numbers or total amounts, or to those provided in other related documents and percentages may not precisely reflect absolute figures.

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity.

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

1. Current director remuneration policy applicable to the year in progress.

The General Meeting of Shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A. ("Siemens Gamesa", or the "Company") held on March 17, 2021 approved a new "Policy of Remunerations of Directors of Siemens Gamesa Renewable Energy, S.A. 2022-2024" (hereinafter the "Policy 2022-2024" or the "Policy of Remunerations 2022-2024") with the favourable vote of 97.75%. This new Policy 2022-2024 is aligned with the provisions of the Spanish Companies Act ("LSC") (as amended due to the transposition of Directive (EU) 2017/828 as regards the Encouragement of Long-term Shareholder Engagement Directive), and is effective for the financial years ending 30 September 2022, 30 September 2023 and 30 September 2024 (Siemens Gamesa's financial year starts on October 1st of each calendar year and ends on September 30 of the immediately following calendar year). The Policy 2022-2024 is available on our corporate website (www.siemensgamesa.com).

The Policy of Remunerations 2022-2024 of Siemens Gamesa is based on the following principles:

a) Balance and prudence.

b) Alignment with the practices required by shareholders and investors.

c) Transparency.

d) Competitiveness of the remuneration policy, in terms of both structure and overall amount, in order to attract, motivate and retain key professionals.

e) Alignment with the Company's strategic objectives.

f) Alignment with the remuneration established by comparable companies (external equity).

g) Remuneration policies and practices guarantee non-discrimination on grounds of gender, age, culture, religion or race (internal equity).

h) Relationship with effective dedication to position.

i) Link with responsibility and performance of duties as directors.

j) Maintenance of a reasonable balance among the various components of fixed remuneration (short-term) and variable remuneration (annual and long-term) reflecting an appropriate assumption of risks combined with the achievement of defined objectives, linked to the creation of long-term sustainable value.

k) Absence of variable remuneration components for non-executive directors in order to secure their full independence.

l) Offering an incentive without affecting the independence of directors. This takes the form of a fixed monthly allowance and an attendance fee.

m) Consideration of the terms and conditions of Company employees in order to determine the remuneration policy.

The Policy of Remunerations 2022-2024 to be applied during financial year 2022 was approved by the General Meeting of Shareholders in 2021, containing the principles and foundations described above, which are consistent with the Company's corporate governance policy.

2. Specific determinations for both the remuneration of directors in their capacity as such and for the performance of executive duties.

In relation with specific determinations, both of the remuneration of directors in their capacity as such and for the performance of their executive duties, the Board of Directors and the Appointments and Remunerations Committee (the "ARC") of Siemens Gamesa will apply the provisions of the Policy of Remunerations 2022-2024 during current financial year on its terms as approved by the shareholders at the General Meeting of Shareholders.

The application of the Policy of Remunerations 2022-2024 regarding the director remuneration system of Siemens Gamesa rules that for financial year 2022:

<u>For non-executive directors</u>

a) Non-executive directors will be paid a fixed annual allotment in cash for belonging to the Board of Directors and, if applicable, an additional fixed remuneration for belonging to or chairing the committees of the Board of Directors (the "Committees").

b) The non-executive directors of Siemens Gamesa may receive attendance fees for attending meetings of the Board of Directors and of its Committees.

c) In addition to the above amounts, if a lead independent director (*consejero coordinador*) (the "Lead Independent Director") is appointed during the current financial year, this person may receive an additional cash allotment in order to suitably remunerate the additional dedication required by the position.

d) The non-executive chair (the "Chair") of the Board of Directors will only receive a specific fixed cash allotment, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

e) The non-executive vicechair (the "Vicechair") of the Board of Directors will only receive a specific fixed allotment in cash, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

f) Directors may receive, as part of their fixed remuneration (i.e. for the sake of clarity, this would not be variable remuneration tied to performance metrics), shares of the Company, which may be delivered annually or at the end of the director's term of office, said delivery being in any case subject to the shares being held until cessation in office as directors, by application of the provisions of the Good Governance Code of Listed Companies ("GGCLC") of the Spanish Stock Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV"). In any case, and in compliance with the requirements set forth in section 219 of the LSC, the delivery of the shares shall require a corresponding resolution of the shareholders acting at a General Meeting of Shareholders, which must include the maximum number of shares that may be assigned in each financial year to this remuneration system, the value of any shares taken as a reference and the duration of the remuneration system. The amount allocated to the share remuneration system shall in any case be included within the maximum amount of remuneration of the directors in their capacity as such, which is currently set at three (3) million euros, approved by the shareholders at the General Meeting of Shareholders, or any amount approved by the shareholders at subsequent General Meetings of Shareholders. As at the date of preparation of this Report, no decision has been submitted to approval of the General Meeting of Shareholders regarding payment in shares to Directors as part of the remuneration in their capacity as such.

g) Non-executive directors may receive premiums paid by the Company for policies purchased from insurance companies to cover death and disability.

Pursuant to article 45.3 of the By-Laws of Siemens Gamesa (the "By-Laws"), the shareholders acting at the General Meeting of Shareholders held on 8 May 2015 approved a maximum limit of 3 million euros to be paid by the Company to the group of directors in their capacity as such, and this limit has remained unchanged since then. The Company does not consider presenting the amendment of said limit to the 2022 General Meeting of Shareholders.

For executive directors

In accordance with the Policy of Remunerations 2022-2024 and as set out in his contract, the remuneration of the Company's CEO (*consejero delegado*) (the "CEO") includes the following elements of remuneration: (i) fixed remuneration in cash, (ii) annual variable remuneration and long-term variable remuneration subject to clawback and malus provisions, (iii) remuneration in kind, (iv) long-term savings schemes, and (v) indemnification and post-contractual non-competition agreements. The CEO will not receive the remuneration applicable to the other directors or fees for attending meetings of the Board of Directors, so the CEO's remuneration is limited to the items described above.

3. Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

The governing bodies that participate in the design of the Remuneration Policy are the Board of Directors and the ARC. Pursuant to article 14 of the By-Laws of Siemens Gamesa and in accordance with applicable law, the shareholders acting at a General Meeting have the power to approve or amend the Policy of Remuneration of Directors.

As provided by the By-Laws and the current Regulations of the Board of Directors (the "Board Regulations") and in accordance with the LSC, the Company's Board of Directors shall make the following decisions as regards the Remuneration Policy:

- Decisions regarding the remuneration of directors, always within the framework of the By-Laws and the applicable Policy of Remuneration of Directors approved by the shareholders at the General Meeting.

- Approval of the terms and conditions of the contracts of directors with executive duties.

- Setting the remuneration of directors for the performance of executive duties.

Pursuant to the regulations of the ARC (the "ARC Regulations"), additionally to the duties determined by the LSC, the ARC shall have the following powers in relation to determining, approving and applying the Policy of Remuneration of Directors:

a) Report on the Policy of Remuneration of Directors on occasion of the proposal thereof by the Board of Directors to the shareholders at the General Meeting of Shareholders.

b) Propose to the Board of Directors the system and amount of annual remuneration of the directors (within the limit set by the shareholders at the General Meeting of Shareholders) and Top Management, as well as the individual remuneration and the other basic terms of the contracts of the executive directors, including any compensation or severance payable in the event of termination of the contractual relationship.

c) Report, among others, on:

   - The proposal of the CEO regarding the basic terms of the contracts of Top Management, and particularly regarding the structure and amount of their remuneration, including any compensation or severance payable in the event of termination of the contractual relationship, submitting such proposal to the Board of Directors. In the assessment of the variable components the ARC will in detail evaluate the fulfilment level of the elaborated criteria and objectives for its achievement (for further detail see section A.1.6).

   - Multi-annual general incentive systems and pension supplements.

   - Remuneration systems based on the listing price of the shares or which involve the delivery of shares or of option rights therein for directors, members of Top Management and other employees of the Company.

   - Documents to be approved by the Board of Directors for general dissemination regarding information on remuneration.

d) Endeavour to ensure compliance with the Policy of Remuneration of Directors and annually review the suitability and results thereof, reporting to the Board of Directors on the results of such review.

Additionally, the ARC proposes the Annual Report on Remuneration of Directors for approval by the Board of Directors and subsequent submission to a consultative vote of the shareholders at the General Meeting of Shareholders.

The ARC shall be composed of a minimum of three and a maximum of five non-executive directors, at least two of whom must be independent directors. The members of this Committee are appointed while endeavouring to ensure that they have the right knowledge and experience for the functions they are called on to discharge.

As at the date of preparation of this Report, the composition of the ARC is as follows:

Director	Position	Class
Mr Rudolf Krämmer	Chair	Independent
Ms Mariel von Schumann	Member	Proprietary
Mr Harald von Heynitz	Member	Independent
Mr Klaus Rosenfeld	Member	Independent

The CV and professional biography of the current members of the ARC is available on the corporate website (www.siemensgamesa.com).

In addition, Mr Salvador Espinosa de los Monteros Garde holds the position of non-member secretary of the ARC.

Siemens Gamesa's ARC shall meet as often as necessary to perform its duties, at the Chairman's behest, and at least three times per year. It will also meet when so requested by (i) at least two of its members, and (ii) whenever the Board of Directors so requests.

Resolutions are adopted by an absolute majority of the members present at the meeting of the ARC.

The ARC has had 8 meetings during financial year 2021 and met on 3 occasions during financial year 2022 until the date of preparation of this report.

4. Comparable companies for establishing the company's remuneration policy.

The Board of Directors shall pursue that the remuneration of its members, which must always be based on the general principles of the Remuneration Policy in force, is consistent with what is paid in the market at comparable entities.

The general principles that inspire Siemens Gamesa's remuneration policies contemplate, among other things, competitiveness in terms of both remuneration structure and amounts in order to attract, motivate and retain key professionals, and external fairness in order to achieve alignment with the remuneration established by comparable companies.

Siemens Gamesa's Policy of Remunerations 2022-2024 thus endeavours to ensure that the remuneration of its directors is consistent with the remuneration trends and benchmarks followed by companies that are comparable in size, activities or structure, such that they are aligned with best market practices.

In this regard, Siemens Gamesa has been using different remuneration studies prepared by various external consultants in order to understand trends in the remuneration of directors and members of top management for purposes of the design and subsequent application of the Company's remuneration policy. The segmentation standards used to determine the group of comparable companies of the various studies used by the Company along these lines have been the following, among others: stock market capitalisation, listed companies (i.e., Ibex-35 and European indices), business sector similar or comparable to that of Siemens Gamesa, and with an international or global scope in doing business.

Peer group used for remuneration purposes: Specifically, the companies selected as comparable companies included in both the remuneration studies related to the CEO and to the members of Top Management are the following, among others: Acciona, Centrica, Ferrovial, HeidelbergCement, Legrand, National Grid, Nexans, Osram Licht, Sandvick, Schaeffler, Schindler, SKF, Veolia Environment and Vestas Wind Systems.

5. Information on whether any external advisors took part in this process and, if so, their identity.

During financial year 2021, Garrigues has provided external advice to the Company in relation with (i) the drafting of the Policy of Remunerations 2022-2024 approved at the General Meeting of Shareholders held on March 17, 2021; (ii) the Long-Term Incentive Plan for the period from financial year 2021 through 2023,which was approved by the General Meeting of Shareholders held on March 17, 2021, and (iii) advice related to the contracts of the CEO and certain Top Managers. Furthermore, the Company has considered reports of the remuneration consultant Willis Towers Watson regarding the analysis of the external benchmarking in comparable industries of the total remuneration of the CEO and the Top Managers.

6. Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

As set out in Section 11 of the Policy 2022-2024, following a proposal from the ARC, Siemens Gamesa's Board of Directors may approve the application of temporary exceptions to the remuneration policy, which shall in any event be limited to those exceptional situations in which it is necessary to disapply the policy in order to serve the long-term interests and sustainability of the Company as a whole or in order to ensure its viability. The remuneration components of the CEO referred to in sections 5.1 and 6.1 of the Policy 2022-2024 shall be the only components subject to exception and the allocation of guaranteed extraordinary remuneration shall be avoided.

The procedure to be followed by the ARC in the event of occurrence of any circumstances that justify the application of said temporary exceptions shall be to issue a report assessing the circumstances and specific types of remuneration which would be subject to modification. The ARC may obtain the opinion of an external third party in order to prepare the report. In view of the conclusions of the report, the ARC would prepare, if applicable, the proposal for exceptional application to be submitted to the Board of Directors.

In any event, the Company shall take into consideration the general principles contained in the Policy of Remunerations 2022-2024 and shall provide adequate information in the corresponding Annual Report on Remuneration of Directors regarding the exceptional situation that has led the Board of Directors to approve the application of the temporary exception, as well as the component or components that are subject to such an exception.

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

1. Relative importance of the variable items of remuneration as compared to fixed items (remuneration mix).

As provided by the Policy of Remunerations 2022-2024, only the executive directors (now the CEO), will participate in variable remuneration systems. This is compliant with Recommendation 57 of the GGCLC of the CNMV, pursuant to which variable remuneration should be limited to the executive directors.

The system of remuneration for the CEO contemplates a variable component intended to encourage his commitment to the Company and its strategic plan, linking his remuneration to the creation of value for shareholders as well as the sustainable achievement of strategic objectives, such that it is aligned with best remuneration practices.

The Company's intent is to design competitive remuneration packages that allow attracting and retaining top professionals, while establishing a link between remuneration, results and objectives for the Company and the Siemens Gamesa group of companies (the "Group").

The variable remuneration system for the CEO currently includes two variable components: (i) annual variable remuneration designed and reviewed on an annual basis , and (ii) the long-term variable remuneration which is designed on a three year basis. The objectives for both are set in advance and the achievement thereof is based on the results obtained and approved by the Board of Directors.

This variable remuneration system is flexible and is appropriately responsive to the results achieved. Regarding the weight of the CEO's variable remuneration in his total remuneration, depending on the target goal achievement, variable remuneration (annual and long-term) may be higher than the fixed components of remuneration. As described in more detail below, in a scenario of 100% target goal achievement overall, the weight of the fixed remuneration would represent one third, the annual variable remuneration one third and the long-term variable remuneration another one third, all of the total remuneration (fixed, annual variable and long-term variable).

The determination of the variable remuneration for the CEO is linked to the achievement of a combination of specific, predetermined and quantifiable qualitative and quantitative targets that are aligned with the corporate interest and in line with the strategic plan of Siemens Gamesa, as well as the results of the Company.

Specifically, the following is taken into account to determine the relative relevance of the variable remuneration items compared to the fixed items ("Remunerative Mix"):

- **Fixed remuneration** in cash amounting for 2022 to 717,500 euros,

- **Annual variable remuneration** (hereinafter "**AVR**") amounting to 717,500 euros for achieving 100% of the pre-established targets. The AVR of the CEO is linked to the level of achievement of pre-established targets, both financial and non-financial, defined at Group and individual levels with the possibility of increasing his AVR up to a maximum of 200% (i.e., 1,435,000 euros) in case of extraordinary performance and over-achievement of such pre-established targets. This will not change for financial year 2022.

- **Long-term variable remuneration:**

  - long-term variable remuneration as beneficiary of the **Long-Term Incentive Plan for the period of the financial years 2018 to 2020** (the "LTI Plan 2018-2020") approved by the General Meeting of Shareholders in financial year 2018 and amended in financial year 2019. According to the Regulations of the LTI Plan 2018-2020, the maximum number of shares to which the CEO might be entitled in case of over-achievement of the target goals to which its three cycles are linked ("Cycles") is 350,977 shares (82,000 for Cycle FY2018, 124,777 for Cycle FY2019 and 144,200 shares for Cycle FY2020). However, the number of stock awards (the "Stock Awards") granted to the CEO has been lower than the aforementioned maximum, 28,856 for the FY2018 Cycle, 67,380 for the FY2019 Cycle (during cycles FY2018 and FY2019 the CEO was the CEO of the Business Unit Offshore) and 79,164 for the Cycle FY2020 (out of which 47,126 correspond to his period as Offshore CEO and 32,038 correspond to his period as CEO of the group), respectively, which represents the maximum potential number of shares that the CEO could receive in case of maximum achievement of all of the pre-established targets for these Cycles. The value of the shares to be delivered to the CEO under each Cycle of this LTI Plan 2018-2020, cannot exceed in any case the lower of the following amounts: (i) three times the target Incentive assigned on each Cycle of the Plan or (ii) the result of multiplying by 1.7 the sum of the fixed remuneration in cash, the AVR and the target Incentive assigned on each Cycle of the Plan. The CEO must hold any shares received under the LTI Plan 2018-2020 until a holding requirement equal to two times his annual fixed remuneration for the FY2018 Cycle and two and one-half times his annual fixed remuneration for the FY2019 and FY2020 Cycles of the LTI Plan 2018-2020 is reached;

  - long-term variable remuneration as beneficiary of the **Long-Term Incentive Plan for the period of the financial years 2021 to 2023** (the "LTI Plan 2021-2023" and together with the LTI Plan 2018-2020 the "LTI Plans")) approved by the 2021 General Meeting of Shareholders. According to the Regulations of the LTI Plan 2021-2023, the maximum number of shares to which the CEO might be entitled in case of over-achievement of the objectives target goals to which are linked its three Cycles are linked is 166,218 shares (55,406 shares maximum in each of its three Cycles).The number of Stock Awards granted to the CEO for Cycle FY2021 has been 41,438, which is lower than the maximum for said Cycle in the Regulations of the LTI Plan 2021-2023. Stock Awards represent the maximum potential number of shares that the CEO could receive in case of maximum achievement of all of the pre-established targets for that Cycle FY2021. The value of the shares to be delivered to the CEO under each Cycle of this LTI Plan 2021-2023, cannot exceed in any case the higher of the following amounts: (i) three times the target Incentive assigned on each Cycle of the Plan or (ii) the result of multiplying by 1.7 the sum of the fixed remuneration in cash, the AVR and the target Incentive assigned on each Cycle of the Plan. The CEO must hold any shares received under the LTI Plan 2021-2023 until a holding requirement equal to two times his annual fixed remuneration for the three Cycles is reached.

  The "target" amount for the long-term variable remuneration for each Cycle of the LTI Plans is 100% of the fixed remuneration, but this long-term variable remuneration could reach, for Cycles FY2019 and FY2020 of the LTI Plan 2018-2020 and for the three Cycles (FY2021, FY2022 and FY2023) of the LTI Plan 2021-2023, up to a maximum of 200% of the fixed remuneration.

For purposes of calculating the long-term variable remuneration both for the 2018-2020 and for the 2021-2023 periods, it is taken into account (i) that this remuneration is linked to a three-year measurement period, and (ii) that it is linked to the achievement of certain requirements for each of the Cycles making up the LTI Plans.

2. Actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, accrual period and deferred payment period.

The remunerative principles of the new Policy of Remunerations 2022-2024 comply with the provisions of the LSC for capital enterprises and are in line with the principles and recommendations on director remuneration contained in the GGCLC published by the CNMV regarding alignment to the company's size, its economic situation, comparability, profitability and sustainability, as well as the avoidance of excessive risk-taking or rewarding poor performance.

Siemens Gamesa applies the following practices in this regard:

- Regular use of external advice.
- Deferred receipt of a significant portion of remuneration of the CEO for a sufficient time to confirm effective compliance with performance or other previously established conditions.
- Delivery of a significant portion of remuneration of the CEO in shares of the Company. The shares effectively received by virtue of the long-term variable remuneration plans should be retained until a specific amount of the annual fixed remuneration is reached.
- Establishing malus and clawback clauses applicable to long-term and annual variable remuneration of the CEO so that said remuneration may ultimately amount to zero.
- Regular review of alignment of total remuneration with that of comparable companies so that the Company ensures that its directors are competitively remunerated.
- In the case of the CEO, linking of payment of a significant portion of remuneration to the pre-determined and quantifiable economic and financial results of the Company, aligned with the corporate interest and in line with the Company's strategic plan.
- As a general rule, no advances or loans granted.
- No discrimination in terms of remuneration on grounds of gender, age, culture, religion or race. Siemens Gamesa's professionals are remunerated based on their professional background, dedication and responsibility assumed.
- No guaranteed increases in fixed remuneration or guaranteed receipt of any variable remuneration.

The measures to determine appropriate risk management and to promote the sustainability of Siemens Gamesa's results are the following:

<u>Annual variable remuneration:</u>

- As a general rule, there is no right to obtain guaranteed short-term variable remuneration, since there is a threshold of minimum compliance for each objective, below which such remuneration will not be paid.
- AVR has a set maximum payment amount.
- A variable remuneration system is designed on an annual basis for the annual variable remuneration and on a three-year basis for the long-term incentive plans, based on formal procedures for determining the amounts to pay to the CEO. The payment is contingent upon the achievement of a combination of specific, pre-determined and quantifiable qualitative and quantitative targets that are aligned with the corporate interest and in line with the strategic plan of Siemens Gamesa, as well as the results of the Company.
- At the beginning of each financial year, the ARC reviews the terms of the AVR system applicable to the CEO, including the structure, achievement scales, established objectives and weight of each of them, based on the strategy of the Company and the needs and status of the business. This review is then submitted to the Board of Directors for approval.

- The Policy of Remunerations contemplates the relevant "malus" clauses for the variable remuneration, which will apply during the term thereof until payment, and clawback clauses.

Long-term variable remuneration based on long-term incentive plans:

- There is no right to obtain guaranteed long-term variable remuneration and it is contingent upon achievement of set targets. No long-term variable remuneration will be paid below a minimum level of achievement of the targets to be set for each Cycle by the Board of Directors, after a report from the ARC.

- Long-term variable remuneration has a set maximum payment amount. In addition, the value of the shares to be received by the CEO deriving from each of the Cycles of the LTI Plans cannot exceed a certain amount.

- It is linked to the achievement of a combination of specific, predetermined and quantifiable quantitative and qualitative objectives. The weightings of the objectives will be determined by the Board of Directors for each of the Cycles of the LTI Plans, following the favourable report of the ARC.

- Pursuant to Recommendation 62 of the GGCLC of the CNMV, any shares delivered to the CEO under the LTI Plans will be subject to a holding period until reaching a certain number of shares. For the LTI Plan 2018-2020, the CEO must hold: (i) two times the annual fixed remuneration for the FY2018 Cycle, and (ii) two and one-half times the annual fixed remuneration for the FY2019 and FY2020 Cycles. For the LTI Plan 2021-2023, the CEO must hold two and one-half times the annual fixed remuneration for each of its three Cycles.

- The LTI Plans contemplate the relevant "malus" clauses, which will apply during the term thereof until payment, and clawback clauses, which will apply for three years following the end of each Cycle of the LTI Plans.

  The ARC will have the power to propose to the Board of Directors, the cancellation, reduction or return of the payment of multi-annual variable remuneration in supervening circumstances showing that the variable remuneration has accrued or been paid based on incorrect or erroneous information or data, or if it is subsequently shown that there are violations of the Company's internal rules or applicable law.

  In relation to the LTI Plan 2018-2020, the application of the foregoing provisions could take place upon the occurrence of any of the following circumstances: (i) regulatory sanctions or judicial convictions on grounds attributable to the director, (ii) serious breach of internal codes of conduct or policies approved by the Company, (iii) any other circumstances resulting in a subsequent adjustment of the parameters taken into consideration in the initial evaluation of the CEO's percentage achievement of the objective, or (iv) any other situation that entails an infringement of mandatory rules of the Company.

  In relation to the LTI Plan 2021-2023, the Company has incorporated to the referred Policy of Remunerations 2022-2024 a reinforced malus and clawback clauses which entitle the Board of Directors, following the proposal from the ARC to cancel, suspend, or return the payment of the annual variable remuneration as well as of any other incentive resulting from the Long-Term Incentive Plans ("LTIP") when extraordinary circumstances arise that adversely affect the income and/or the financial position of the Company, or that would be caused by the inappropriate conduct of the Director.

  The Policy of Remunerations 2022-2024 details as an example some of the circumstances under which such malus and clawback clauses may be applicable. Hence, the malus clause may be applicable, among others, under the following circumstances:

  a) Restatement of the Company's financial statements as a result of the Director's management, in relation to the financial year on which the annual variable remuneration is calculated, or to one of the years of a Cycle of a LTIP, except when the restatement is appropriate based on an amendment of accounting rules or standards.

  b) Qualified opinions appearing in the auditor's report issued for the financial year on which the annual variable remuneration is calculated, or for one of the years of a Cycle of a LTIP.

  c) If the Company has unplanned negative "net income" (adjusted by unforeseen impacts resulting from restructuring and/or mergers or acquisitions/disposals), in the financial year on which the annual variable remuneration is to be calculated, or in two consecutive years of measurement of the objectives for each Cycle of the LTIP, or in the last year of measurement of the objectives of each Cycle of a LTIP.

d) If the Company has a significant deviation from the budgeted “net financial debt” of the year on which the annual variable remuneration is to be calculated, or of the last year of the LTIP Cycle (considering as adjustments, where applicable, payments of dividends or mergers and acquisitions).

   References to “net financial debt” shall be interpreted according to the corresponding definitions of the Alternative Performance Measures used by Siemens Gamesa in its public financial reporting.

e) Regulatory sanctions or judicial convictions on grounds attributable to the Director.

f) Director’s serious breach of internal codes of conduct or policies approved by the Company or the Group.

g) Justified dismissal on disciplinary grounds or, in the case of commercial contracts, just for cause attributable to the Director at the Company’s request.

h) Any other situation that entails an infringement of mandatory rules of the Company by the Director

The clawback clause may be applicable, among others, under the following circumstances:

a) Restatement of the Company’s financial statements as a result of the Director’s management, in relation to the year for which the variable remuneration was paid, or to one of the years of a Cycle of the LTIP, except when the restatement is appropriate based on an amendment of accounting rules or standards.

b) When it appears that calculation and payment of annual variable remuneration or the settlement of one Cycle of a LTIP was based, in whole or in part, on information the serious inaccuracy or falsity of which is subsequently clearly demonstrated, or risks assumed during the year for which the variable remuneration was paid, or during one of the years of a Cycle of a LTIP materialise, or other exceptional circumstances not foreseen or assumed by the Company arise, that have a material adverse effect on the results of any of the years in the Look-Back Period.

c) Negative “net income”, as defined in the “malus” clause, in the three years following the payment of the annual variable remuneration or of the settlement of a Cycle of a LTIP attributable to management during the years in which the annual remuneration or the incentive were generated.

d) Regulatory sanctions or judicial convictions on grounds attributable to the Director.

e) Director’s serious breach of internal codes of conduct or policies approved by the Company or the Group.

f) Any other situation that entails an infringement of mandatory rules of the Company by the Director.

The ARC may propose to the Board of Directors that adjustments be made to the elements, criteria, thresholds, and limits of variable remuneration in view of exceptional circumstances due to extraordinary internal or external factors or events. It shall be for the Board of Directors, upon a prior report from the ARC and, if applicable, from the Audit, Compliance and Related Party Transactions Committee, to determine the application of the malus and clawback clauses and the amounts and concepts on which to apply the clauses.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

The shareholders acting at a General Meeting of Shareholders set the annual allotment that can be paid by the Company to all of its directors for their status as such, and the Board of Directors is responsible for distributing this amount among the various directors in the manner, time and proportion that it freely decides, and may reduce the amount if it so deems appropriate.

For these purposes, the shareholders acting at the General Meeting of Shareholders held on 8 May 2015 approved remuneration for the directors in their capacity as such, within the annual maximum limit of 3 million euros. This limit will remain in effect for so long as the shareholders do not resolve to change it. Pursuant to article 29 of the Board Regulations, the executive directors are excluded from said maximum limit. The Company does not consider proposing the amendment of said limit to the 2022 General Meeting of Shareholders.

Of such amount, the breakdown of fixed remuneration by position and responsibilities attributed to the directors approved by the Board of Directors for financial year 2022, which is unchanged from financial year 2019, is the following:

a) Chair of the Board of Directors: 250,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

b) Vice Chair of the Board of Directors: 150,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

c) Non-executive directors: 80,000 euros.

d) Lead Independent Director (none currently existing): additional 20,000 euros.

e) Additional remuneration for belonging to the various Committees:

	Audit, Compliance and Related Party Transactions Committee	Other Committees of the Board of Directors
Chair	80,000 euros	60,000 euros
Member	60,000 euros	40,000 euros

f) Fees for attending meetings of the Board of Directors and of its Committees:

	Board of Directors	Committees of the Board of Directors
Chair	2,000 euros per meeting	3,800 euros per meeting
Member	2,000 euros per meeting	2,000 euros per meeting

All of the amounts are established for the personal on-site or by video-conference presence of the director. In the case of attendance by approved remote means of communication, other than video-conference, the corresponding attendance fee would be 50% of the above amounts. If a proxy is granted, the right to the attendance fee would not accrue.

In addition, directors in their capacity as such are entitled to the remuneration in kind set forth in section A.1.5 as fixed components of their remuneration.

The amounts are accrued proportionally to the time the position is held.

According to the CNMV Report called “Remuneration Reports of directors of listed companies-Fiscal year 2020” (“CNMV Report”), the sum of the fixed remuneration, allowances, and remuneration for membership to Board’s committees for non-executive directors reaches a total of 196,000 euros for the 75 percentile (100,000 euros of fixed remuneration, 36,000 euros of allowances and 60,000 euros of remuneration for membership to Board’s committees). Therefore, the remuneration of the non-executive directors of the Company is aligned with the data published by the CNMV for financial year 2020, in the 75 percentile.

Three directors of Siemens Gamesa, two of them holding positions on the Managing Board of Siemens Energy AG and the third one a position in Siemens Energy Global GmbH & Co. KG, waived the receipt of the amounts indicated above and therefore do not receive any remuneration.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The executive directors receive annual fixed remuneration in cash for the performance of executive duties. The amount of the fixed remuneration of the executive directors is established by the Board of Directors, upon a proposal of the ARC, in a manner consistent with the level of responsibility within the organisation, trying to be competitive with other comparable entities, thus favouring the retention of key professionals, and can be revised annually taking into account the circumstances of each financial year of the Company.

The Board of Directors currently has only one executive director, the CEO.

The annual fixed remuneration in cash of the CEO during financial year 2022 will amount to 717,500 euros, same amount as in financial year 2021.

For the performance of executive duties, the Company also makes Social Security payments and he is entitled to the benefits set forth in section A.1.5.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Policy of Remunerations 2022-2024 contemplates certain remuneration in kind for the following items:

For the CEO

i) Use of a Company vehicle:

The Company gives the CEO the right to use a vehicle in accordance with the policy followed for top executives.

ii) Health and casualty insurance:

The CEO is the beneficiary of health and casualty insurance.

iii) Contributions for pension supplements through group life insurance:

This is a defined contribution plan that covers retirement, disability, death, dependence of the participant and exceptional liquidity situations (long-term unemployment, serious illness, etc.). The benefit consists of the right to receive cumulative contributions made on his behalf by the Company plus the returns generated as a result of the occurrence of any of the covered contingencies.

In case of the CEO's cessation in office with the Company for reasons other than the covered contingencies, the CEO will have the right to all of the accumulated balance, unless the termination of the contractual relationship occurs for any of the following reasons: (i) criminal conviction or regulatory sanction on grounds attributable to the participant; (ii) serious breach of the internal rules of Siemens Gamesa or of the Group, and (iii) fraudulent or grossly negligent conduct of the CEO in the performance of his duties.

The receipt of any compensation to which the CEO may be entitled due to the termination of his contractual relationship with the Company does not forfeit the right to receive the accumulated balance in the long-term savings system.

For financial year 2022, the annual contribution will amount to 166,500 euros, same amount as in financial years 2018, 2019, 2020 and 2021. This amount represents 23.2% of his fixed annual remuneration of the CEO. This amount, as already mentioned in the Annual Reports on Remuneration of Directors for financial years 2018, 2019, and 2020, is at the low market range for this position, according to the last analysis requested by the Company for such purpose to an external consultant. However, this amount will be subject to potential updates to the extent recommended by market circumstances, so that any increase will take into account the financial status of the Company and market standards with comparable companies obtained through a comparative analysis made by specialised outside consultants.

iv) Benefits for adaptation and stay in the host country (Spain): The CEO is entitled to certain benefits granted in concept of adaptation and stay in Spain (training in the Spanish language and a number of family travels until end of financial year 2022).

For all directors

i) Life insurance: Directors may receive premiums paid by the Company for policies purchased from insurance companies to cover death and disability benefits. Pursuant to the terms of the policy, the sum insured for each of the directors is 220,000 euros.

Without prejudice to the foregoing, the Policy of Remunerations 2022-2024 does not provide for the ability to include contributions to pension benefits systems for the non-executive directors.

ii) Civil liability insurance: Although this is not considered remuneration from a tax law perspective (and therefore, no specific amount is reported for this concept), all Directors benefit from an insurance covering for civil liability arising from the performance of their duties, on standard market terms and provided by the Company itself.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The CEO is the only director with a variable component in his system of remuneration.

As mentioned in section A.1.2 above, the variable remuneration system for the CEO currently includes two variable components linked to the achievement of specific and quantifiable objectives that are aligned with the corporate interest of Siemens Gamesa.

The Board of Directors, upon a proposal of the ARC, is responsible for setting these objectives for each financial year and for evaluating the level of achievement thereof at the end of the year.

The specific standards and objectives set for 2022 that are taken into account for determining the annual and long-term variable remuneration are the following:

Annual variable remuneration (AVR):

The AVR of the CEO represents a percentage of his annual fixed remuneration, calculated based on the achievement of a combination of predetermined and quantifiable quantitative and qualitative objectives, and is paid entirely in cash.

This AVR is determined pursuant to an achievement scale calculated based on 100% of annual fixed remuneration (if 100% of the pre-established objectives are met) and can reach a maximum amount of 200% (in the case of extraordinary performance and maximum over-performance of the pre-established objectives). It also includes a threshold below which no incentive at all is paid. The maximum level of the AVR target in financial year 2022 remains therefore at 200% (same level as in financial year 2021) in the case of the maximum achievement of the pre-determined targets.

The parameters used by Siemens Gamesa for calculating AVR are based on quantitative financial indicators, just like those most frequently used by listed companies, in accordance with the CNMV Report, and a non-financial indicator in compliance with Recommendation 58 of the CNMV's GGCLC.

At the beginning of each financial year, the ARC will review the terms of the variable remuneration system of the CEO, and specifically the maximum levels of remuneration, the established objectives and the weight of each of them, based on the strategy of the Company and the needs and status of the business. This review will then be submitted for the approval of the Board of Directors.

The level of achievement is determined based on indicators for achievement of the business and financial objectives of the Company and of the Group, and of the individual objectives of the CEO.

In order to calculate the AVR for the 2022 financial year, the Board of Directors has established, on the proposal of the ARC, the following performance indicators, weighting and minimum compliance thresholds for each of them:

- **70%** of the total AVR shall be calculated on the basis of the below described Group Financial and Non-Financial indicators measured at Group level; and

- the remaining **30%** of the AVR shall be calculated on the basis of individual indicators of the CEO, that shall be assessed by the Board of Directors at the proposal of the ARC that take into account his different responsibilities. The indicators are related, among others, to progress of wind turbine platform development, product competitiveness and ESG targets.

Group Financial and Non-Financial indicators (70% of the AVR)

For the purpose of calculating the payment coefficient obtained for each level of target achievement, a performance scale is determined for each metric which takes into account budgetary compliance in the case of financial indicators and which includes a minimum threshold below which no incentive is paid. In the case of 100% achievement of the target set, the target AVR will be paid and, in the case of maximum achievement of the targets, the maximum AVR (200% of the fixed remuneration) would be payable. Information is provided below in greater detail about the scales for achieving each of the targets and how the stipulated maximum is achieved:

			Pay Level % of Target			Measurement period
Performance Indicator	**Type of Indicator**	**Weighting**	**Minimum**	**Target**	**Maximum**	
EBIT pre PPA and I&R costs	Financial	50%	73%	100%	126%	2 Years (FY2021 and FY2022)
Free cash flow, (before interests and taxes)	Financial	20%	-10,000%	100%	10,000%	1 Year
Order Intake	Financial	20%	84.17%	100%	115.83%	1 Year
Total Recordable Injury Rate	Non-Financial	10%	120%	100%	80%	1 Year

- The **Financial indicators** are aligned with the Group's most relevant management metrics:

  - EBIT pre PPA integration & restructuring costs (I&R): EBIT excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from of the Purchase Price Allocation (PPA). The EBIT-pre PPA shall be calculated over a period of **two financial years** (2021 and 2022) and therefore the target is the aggregate of the EBIT pre PPA and I&R of financial year 2021 and 2022.

  - Free cash flow (before interests and taxes)

  - Order Intake

- The **Non-Financial indicator** is related to one of the Group's most important priorities which is Health and Safety, calculated on the basis of the Total Recordable Injury Rate (TRIR) ratio that describes the number of recordable injuries for every 1,000,000 hours during financial year 2022. Being an injury rate ratio, weighting shall be higher when TRIR is below the target and lower when above such target (i.e. if the TRIR is 120% above the target, no incentive will apply for this indicator).

Individual indicators (30% of the AVR)

Individual indicators of the CEO are related to critical business milestones related to product development and competitiveness and to progress in the sustainability plans, all of them critical for achieving long term success.

AVR shall be paid in arrears, for which reason the AVR for financial year 2022 will be paid in financial year 2023 net of taxes. The part of the AVR corresponding to the EBIT pre PPA and I&R costs performance indicator (i.e. 35% of the AVR) which is measured during financial years 2021 and 2022 being paid (net of taxes), where applicable, in financial year 2023.

In relation to the criteria and factors applied by Siemens Gamesa in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met, following the fourth quarter of each financial year the HR Department, specifically its Compensation and Benefits area for the Group Financial and Non-Financial Indicators, and the CEO Office for the Individual Indicators, are responsible for obtaining the required information from the corresponding areas or business functions, with the purpose of preparing an achievement proposal for each indicator, which will be validated by Internal Audit function prior to the Board of Directors' final assessment and approval upon proposal from the ARC, in the same meeting in which the financial statements will be formulated.

<u>Long-term variable remuneration:</u>

The Company also has two Incentive Plans (LTI Plans) currently in force and linked to achievement of long-term strategic objectives in order to retain the CEO and incentivise his motivation, thus maximising the value of Siemens Gamesa on a sustained basis over time.

The first one, the **LTI Plan 2018-2020**, was approved by the General Meeting of Shareholders held on 23 March 2018 for the period of financial years 2018-2020 and amended at the General Meeting of Shareholders held on 27 March 2019 for Cycles FY2019 and FY2020.

The second one**,** the **LTI Plan 2021-2023**, was approved by the General Meeting of Shareholders held on March 17, 2021 for the period of financial years 2021-2023.

The general characteristics of both LTI Plans are as follows:

- Beneficiaries: include the CEO, Top Management, certain Senior Managers and employees of the Siemens Gamesa Group, directed towards a maximum of 300 beneficiaries. In accordance with the Policy of the Company, no other member of the Board of Directors is a beneficiary of the LTI Plans.

- Duration, dates and terms: the LTI Plans have a duration of five years, divided into three independent Cycles, with a measurement period of three years for each Cycle (in which the level of achievement of the requirements and objectives established for the delivery of the shares will be determined):

  <u>LTI Plan 2018-2020:</u>

  - FY2018 Cycle: from 1 October 2017 to 30 September 2020.
  - FY2019 Cycle: from 1 October 2018 to 30 September 2021.
  - FY2020 Cycle: from 1 October 2019 to 30 September 2022.

  <u>LTI Plan 2021-2023:</u>

  - FY2021 Cycle: from 1 October 2020 to 30 September 2023.
  - FY2022 Cycle: from 1 October 2021 to 30 September 2024.
  - FY2023 Cycle: from 1 October 2022 to 30 September 2025.

  Shares will be delivered, if applicable, within sixty calendar days from the date on which the Company's Board of Directors formulates the annual accounts for the financial year in order to determine the level of achievement of the objectives for each Cycle ("Delivery Date").

  The LTI Plan 2018-2020 will end on the Delivery Date for the FY2020 Cycle (i.e. after the formulation of the accounts for financial year 2022) and the LTI Plan 2021-2023 will end on the Delivery Date for the FY2023 Cycle (i.e. after the formulation of the accounts for financial year 2025).

– Permanence requirement: a general requirement for collecting the incentive is the maintenance of an active relationship with the Siemens Gamesa Group on the respective Delivery Dates for each Cycle, without prejudice to each of the Plan's Regulations governing specific cases of partial interruptions in the provision of services and terminations of employment relationships for "good leavers".

– Assignment of Stock Awards: for each Cycle of the LTI Plans, the Company will allocate a certain amount to each beneficiary to serve as the basis for granting a certain number of Stock Awards that will serve as a reference to determine the final number of shares to be delivered to each beneficiary based on the level of achievement of the objectives established for each Cycle of the respective LTI Plans.

  In line with the foregoing, section C.1.a).ii) of this Report provides an individualised breakdown of the Stock Awards given to the CEO during the FY2021 Cycle, which would give the right, if applicable, to the delivery of a number of shares after the passage of three-year objectives measurement period.

- Objectives, weightings and levels of achievement for the **FY2018 Cycle**:

  - Earnings per share ("EPS") Ratio, with a weighting of 45%.
  - Relative Total Shareholder Return ("TSR") Ratio of Siemens Gamesa compared to the TSR of companies in the comparison group, with a weighting of 45%.
  - Corporate Social Responsibility ("CSR") Ratio, based on the presence of the Company on three international indices, with a weighting of 10%.

Metrics	Level of achievement							
	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment (Maximum)
EPS Ratio	<80%	0%	80%	50%	100%	100%	>120%	150%
TSR Ratio	<100%	0%	100%	50%	120%	100%	>140%	150%
CSR (presence on 3 indices)	Presence on 1 index or no presence	0%	Presence on 2 indices	50%	Presence on 3 indices	100%		

– Objectives, weightings and levels of achievement for the **FY2019 and FY2020 Cycles**:

  - TSR Ratio of Siemens Gamesa compared to the ISE Clean Edge Global Wind Energy Index, with a weighting of 40%.
  - TSR Ratio of Siemens Gamesa compared to the TSR of the company Vestas Wind System A/S, with a weighting of 40%.
  - Corporate Social Responsibility, with a weighting of 20%, which will be calculated taking into account the following three indicators, which will have an equal weighting:
    - Sustainability, linked to the position reached by the Company on the Dow Jones Sustainability Index.
    - Net Promoter Score (customer).
    - Employee Engagement.

Metrics	Level of achievement							
	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment (Maximum)
TSR Ratio vs. Index	<=80%	0%	> 80% < 100%	> 0% <100%	100%	100%	=>120%	200%
TSR Ratio vs. Vestas	<90%	0%	90%	50%	100%	100%	=>120%	200%

Metrics	Level of achievement											
	% achievement	Payment	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment	% achievement	Payment (Maximum)
CSR (3 indicators)	No improvement in any indicator	0%	No improvement in 2 indicators and improvement or continued improvement in 1 indicator	33%	Improvement or continued improvement in 2 indicators and no improvement in 1 indicator	67%	Improvement in 2 indicators and improvement or continued improvement in 1 indicator	100%	Improvement in 1 indicator and continued improvement in 2 indicators	150%	Continued improvement in 3 indicators	200%

– Objectives, weightings and levels of achievement for the **FY2021, FY2022 and FY2023 Cycles**:

- EPS Ratio, with a weighting of 20%.
- TSR Ratio of Siemens Gamesa compared to the TSR of the company Vestas Wind System A/S, with a weighting of 60%.
- Environmental, Social and Governance ("ESG") objectives, with a weighting of 20% for Cycle FY2021, which will be calculated taking into account the following three indicators, which will have its own weighting established by the Board of Directors. For Cycles FY2022 and FY2023 the ESG metrics and the sum of the weighting of the ESG metrics shall be determined by the Board of Directors, following a favorable report from the ARC, and said sum (DJSI, NPS and EE for the Cycle FY2021) shall not exceed 30 percent:
  - Sustainability - Dow Jones Sustainability Index ("DJSI").
  - Customer satisfaction – Net Promoter Score ("NPS").
  - Employee engagement ("EE").

Metrics	Level of achievement					
	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment (Maximum)
EPS Ratio	<67%	0%	100%	100%	>133%	200%
TSR Ratio vs. Vestas	<80%	0%	100%	100%	>120%	200%
ESG (3 indicators)	The Board of Directors will determine the minimum level below which no incentive associated with these metrics will be paid, as well as the maximum level from which the incentive can reach 200% of the incentive linked to them.					

– Maximum amount: at the General Meeting of Shareholders in financial year 2019, the shareholders increased the maximum number of Shares allocated to the LTI Plan 2018-2020, ultimately allocating a maximum number of 7,560,000 shares, representing 1.1% of the share capital of Siemens Gamesa. In relation to the LTI Plan 2021-2023 the maximum number of Shares allocated to it is 3,938,224 Shares, representing 0.58% of the share capital of Siemens Gamesa.

The number of Stock Awards granted to the CEO, Mr. Nauen, is 28,856 for the Cycle FY2018 (shares corresponding to these Stock Awards are already delivered as indicated below), 67,380 for the Cycle FY2019 (during cycles FY2018 and FY2019 the CEO held the position of CEO of the Business Unit Offshore), 79,164 for the Cycle FY2020 (out of which 47,126 correspond to his period as CEO of the Business Unit Offshore and 32,038 correspond to his period as CEO of the group), and 41,438 for Cycle FY2021, respectively. These figures only reflect the maximum potential number of shares to be received by the CEO in the case of maximum achievement of all the pre-established objectives for such Cycles but does not in any way mean that some or all of them will be delivered. The number of shares (if any) ultimately delivered will be calculated based on the level of actual achievement of the objectives to which the delivery is subject. On January 26, 2021, as communicated to the Spanish Stock Market Commission, the CEO received, after applying the applicable withholding tax, 12,895 shares for Cycle FY2018 of the LTI Plan 2018-2020; at the date of submission of this Report no share has been yet delivered to the CEO by virtue of any of the rest of the Cycles of the LTI Plans.

– Malus and clawback clauses: The LTI Plans include the relevant *malus* clauses, which will apply both during the term of each of the LTI Plan's Cycles and during the period of time from the end of each Cycle until the actual delivery of the shares, and claw-back clause, which will apply for three years after each of the Delivery Dates of the LTI Plans. These clauses could cause a reduction, cancellation, suspension or return of the shares to be delivered under certain circumstances, as determined by the Board of Directors from time to time according to the stipulations of each of the LTI Plans.

– Holding rules: according to the terms applicable to each of the LTI Plans, the CEO and the Top Management who are beneficiaries must hold the net shares actually received under each Cycle of the LTI Plans until reaching, for so long as they provide services within the Group, a number of shares equal to:

- In the case of the CEO, two and one-half (2.5) times his annual fixed remuneration (two times his annual fixed remuneration for the shares corresponding to the FY2018 Cycle of the LTI Plan 2018-2020).

- In the case of Top Management, one and one-half (1.5) times their annual fixed remuneration (one times their annual fixed remuneration for the shares corresponding to the FY2018 Cycle of the LTI Plan 2018-2020).

A.1.7 Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

The Policy of Remunerations 2022-2024 provides that the CEO may be the beneficiary of contributions to benefits systems with respect to Social Security, pensions or payments of life insurance and capitalisation premiums.

Pursuant to section A.1.5 of this Report, the CEO is entitled to receive contributions for pension supplements through group life insurance. The contributions made to this system during financial year 2021 are described in section B.9 of this Report.

A.1.8 Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

The Policy of Remunerations 2022-2024 does not provide for severance payments to the non-executive directors in the event of termination of their duties as director.

The contract of the CEO provides for making the severance payments explained as follows and in section A.1.9 below.

The contract of the CEO provides in certain cases for the payment of consideration for: (i) compliance with the post-contractual non-competition clause, (ii) breach of the duty of prior notice, (iii) termination of the contractual relationship with the Company due to the decision thereof, provided that it is not due to wilful or grossly negligent conduct by the CEO in the exercise of his duties that causes damage or harm to the Company, and (iv) termination of the contract by decision of the CEO based on a serious and culpable breach of the Company.

More details regarding these clauses and consideration are provided in section A.1.9 below regarding the terms of the CEO's contract.

A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

Pursuant to the LSC and the internal rules of the Company, the Board of Directors, upon a proposal of the ARC, is responsible for approving the main terms of the contracts of the executive directors (including any compensation or severance payments for termination) for the performance of their executive duties.

The contract governing the performance of the duties and responsibilities of the CEO is commercial in nature.

Set forth below, and in accordance with the provisions of sections 249 and 529 *octodecies* of the LSC, is a description of the main terms and conditions of the CEO's contract, which are those typically included in these types of contracts based on customary market practices, in order to protect the legitimate interests of the Company:

a) Term: the contract has an indefinite term.

b) Exclusivity: there are rules on exclusivity in the professional relationship unless expressly authorised by the Board of Directors after evaluating exceptional cases.

c) Prior notice period: in case of termination both by the CEO and by the Company, the party desiring to terminate the contractual relationship must notify the other at least three months in advance of the date on which the termination is to be effective. In case of a breach of the duty to provide prior notice, the breaching party must indemnify the other in an amount corresponding to the annual fixed remuneration of the CEO approved for the financial year in question, pro-rated based on the period of the breach.

d) Severance: in case of termination of the contractual relationship by the Company, the severance payment will be equal to one year of fixed cash remuneration of the CEO. There will be no severance payment if the termination occurs as a result of wilful or grossly negligent conduct by the CEO in the performance of his duties that cause damage or harm to the Company.

   No severance payment is provided if the contract is terminated by the own free will of the CEO. If the CEO decides to terminate his relationship with Siemens Gamesa due to a serious and culpable breach by the Company (and such breach is declared in a final judgment by a competent Court), he shall be entitled to receive the same severance payment as that indicated for cases of termination by the Company, or the severance payment to which he is legally entitled if greater.

e) Post-contractual non-compete: the post-contractual non-compete clause provides that after termination of the contract and for a period of one year thereafter, the CEO may not directly or indirectly provide services, whether for his own or for another's account, either himself or through third parties, to Spanish or foreign companies that involves actual or potential effective competition with the companies of the Siemens Gamesa Group.

   As compensation, Siemens Gamesa undertakes to compensate the CEO with an amount equal to the annual amount of his fixed cash remuneration, payable 50% on termination of the contract with the Company and the remaining 50% upon the passage of six months from the termination.

The CEO also has an obligation not to compete with the Company in his capacity as a director of Siemens Gamesa upon the terms governing said obligation for directors of the Company in the LSC and in the Regulations of the Board.

f) Duty of confidentiality: the contract of Siemens Gamesa's CEO includes a duty of confidentiality deriving from the duty of loyalty established by the LSC, and also covers when the director ceases to hold the position.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

The directors of Siemens Gamesa have not earned any supplementary remuneration for services rendered during financial year 2021 and no such supplementary remuneration is foreseen in financial year 2022.

A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Policy of Remunerations 2022-2024 does not provide for the provision of loans, advances or guarantees by the Company in favour of the non-executive members of the Board of Directors.

The executive directors have not earned any remuneration for this item during financial year 2021.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There is no provision for any supplementary remuneration to be paid by the Company o by any other entities of the Group to any of the members of the Board of Directors for the current financial year 2022.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to a policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

The General Meeting of Shareholders of Siemens Gamesa held on March 17, 2021 approved a "Policy of Remunerations of Directors of Siemens Gamesa Renewable Energy, S.A. 2022-2024" which is applicable to the financial years ending in September 2022, September 2023, and September 2024.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/20210317-sgre-poltica-de-remuneraciones-2022-2024-english-def.pdf?la=en-bz&hash=CEAC2858BD426E3FF2B971D8EF0B97A1913215E2

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

The consultative voting of the Annual Report on Remunerations of Directors of financial year 2020 received the favourable vote of 96.99% of the votes cast at the General Meeting of Shareholders held on 17 March 2021, upon the terms set forth in section B.4.

The proposal of the Board of Directors regarding the approval of the new Policy of Remuneration of Directors 2022-2024 was submitted to a binding vote and received the favourable vote of 97.75% of the votes cast at the aforementioned General Meeting of Shareholders.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The Policy of Remunerations applied during financial year 2021 was the "Policy of Remunerations of Directors of Siemens Gamesa Renewable Energy, S.A. 2019-2021" approved by the shareholders at the General Meeting of Shareholders of 27 March 2019 and amended at the General Meeting of Shareholders of 22 July 2020, which has been applied during the financial years ended in September 2019, September 2020 and September 2021 (the "Policy 2019-2021" or the "Policy of Remunerations 2019-2021"). Specifically, the process followed to apply the Policy of Remunerations 2019-2021 during financial year 2021 and to determine the individual remuneration reflected in section C of the Report is the following:

1. Executive directors: in accordance with their respective contracts and with the Policy of Remunerations 2019-2021, the CEO has earned the remuneration during financial year 2021 that is described in section B.6 of this Report.

2. Directors in their capacity as such (non-executive): the individual remuneration of the non-executive directors is described in section B.5.

The most significant actions, issues and decisions made by the ARC and the Board of Directors during financial year 2021 in accordance with the powers described in subsection 3 of section A.1 are described below:

- As regards the annual variable remuneration of the CEO: (i) the ARC proposed the annual variable remuneration for financial year 2020 (based on the individual level of achievement of the annual performance targets and the weightings previously established by the Board of Directors); and (ii) the ARC proposed standards for the annual variable remuneration of the CEO for financial year 2021, establishing the objectives, the weighting of the metrics and the scale to apply to the achievement of each of them. All of this was approved by the Board of Directors.

- Furthermore, the ARC in compliance with the duties, set out in its Regulations, of regular review of the Policy of Remunerations to verify its consistency with the short-, medium- and long-term situation and strategy of the Company, proposed the Board of Directors a new Policy of Remunerations of Directors for the period 2022-2024 that the Board of Directors proposed to approval of the shareholders at the 2021 General Meeting of Shareholders.

- The ARC performed the analysis of and provided a favourable report on the Annual Report on Remuneration of Directors for financial year 2020, which was subsequently approved by the Board of Directors.

- The ARC, assisted by the law firm Garrigues, prepared and submitted to the vote of the General Meeting of Shareholders the proposal of a Long-Term Incentive Plan for the period for financial year 2021 to 2023, which was finally approved by such General Meeting of Shareholders on March 17, 2021.

The ARC met on eight occasions during financial year 2021 in order to make the decisions described above.

During financial year 2021, Garrigues has provided external advice to the Company in relation with (i) the preparation of the new Policy of Remunerations 2022-2024 approved at the General Meeting of Shareholders held on March 17, 2021; (ii) the Long Term Incentive Plan for the period between the financial years 2021 and 2023, which was approved by the General Meeting of Shareholders held on March 17, 2021; and (iii) advice related to the contracts of the CEO and certain Top Managers. Furthermore, the Company has considered reports of the remuneration consultant Willis Towers Watson regarding the analysis of the external benchmarking in comparable industries of the total remuneration of the CEO and the Top Managers.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

No deviations have occurred from the procedure established for the application of the remuneration policy during the financial year 2021.

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or to ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions have been applied to the remuneration policy during the financial year 2021.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

According to the Policy of Remunerations 2019-2021, Siemens Gamesa applies the following practices to reduce exposure to excessive risks:

- Defer the receipt of a significant portion of the remuneration of the CEO.
- Deliver a significant portion of the remuneration of the CEO in shares of the Company.
- Establish malus and clawback clauses applicable to variable remuneration. Subject to the applicable law, the ARC has the power to propose to the Board of Directors the cancellation or return of the payment of the CEO's variable remuneration in supervening circumstances showing that the variable remuneration has accrued or been paid based on incorrect or erroneous information or data, or if it is subsequently shown that there are violations of the Company's internal rules or applicable law.
- Regularly review the alignment of total remuneration with that of comparable companies.
- Link the payment of a significant portion of the remuneration to the economic/financial results of the Company.

The Board of Directors, upon a proposal of the ARC, is also responsible for evaluating the level of achievement of the objectives to which the variable remuneration is linked, after validation thereof by the Internal Audit function.

Furthermore, the measures to ensure that the Policy of Remunerations 2019-2021 takes into account the long-term results of Siemens Gamesa are:

- Total compensation of the CEO is made up of different items of remuneration that mainly consist of: (i) fixed remuneration, (ii) annual variable remuneration, and (iii) long-term remuneration.
- The variable remuneration for the CEO is intended to encourage his commitment to the Company and its strategic plan, linking his remuneration to the creation of value for shareholders as well as the sustainable achievement of strategic objectives, such that it is aligned with best remuneration practices.

  Furthermore, there are no guaranteed variable components to the extent that, if the metrics do not reach a minimum achievement threshold, the variable remuneration associated to such metric will be zero.

  The relative importance of the variable remuneration of the CEO is due to the fact that, when combined with the annual variable remuneration and long-term variable remuneration based on the level of achievement of the objectives established for the accrual thereof, they could be more significant than the fixed components of remuneration.
- The LTI Plan 2018-2020 and the LTI Plan 2021-2023 are recorded within a multi-annual framework to ensure that the process of evaluation is based on long-term results and the achievement of the Company's strategic objective.
- Any shares delivered to the CEO under the LTI Plans are subject to holding periods as described in sections A.1.2 and A.1.6

B.3 Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

1. How the remuneration accrued and consolidated during the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

In accordance with the provisions of the Policy of Remunerations 2019-2021, the remuneration earned by the directors in financial year 2021 was as follows:

- During financial year 2021, the non-executive directors received the amounts determined in the Policy of Remunerations 2019-2021 and described in section B.5, both for belonging to the Board of Directors and the various Committees, and for any fees for attending meetings of the Board of Directors and its Committees.

- In addition, the insurance premiums paid to cover death and disability benefits described in section B.14 of this Report has been considered as remuneration in kind for all Directors.

- The total amount earned by all of the (non-executive) directors in their capacity as such during financial year 2021 was 1,692 thousand euros, complying with the annual total maximum limit of 3 million euros approved by the shareholders at the General Meeting of Shareholders held on 8 May 2015, and contemplated in the Policy of Remunerations 2019-2021.

- In financial year 2021 the current CEO earned: (i) a fixed component of 717,500 euros, (ii) the benefits described in section B.6, (iii) an amount in cash in relation to annual variable remuneration described in section B.7, which will be paid during financial year 2022, (iv) the pension supplement contributions by means of group life insurance pursuant to the provisions of section B.9, and (v) the amounts corresponding to the premiums paid for death and disability coverage described in section B.14. The Company has also made his Social Security payments for the performance of executive duties.

  Additionally, the CEO has been assigned during financial year 2021 a number of Stock Awards under the FY2021 Cycle of the LTI Plan 2021-2023, as described in section B.7 and reported in section C.1.a).ii) of this Report, that represent the total amount of Stock Awards assigned to the CEO.

The remuneration accrued and consolidated during the financial year 2021 is aligned with the driving principle of the Mission, Vision and Values of the Siemens Gamesa Group is its commitment to the sustainable creation of value in the performance of all of its activities for society, its professionals, its customers, its suppliers, its shareholders and other stakeholders. The vision of Siemens Gamesa is to be the global leader in the renewable energy industry, driving the transition towards a sustainable world. Our values "results orientation", "customer focus", "innovativeness", "impactful leadership", "ownership attitude" and "valuing people" are the foundation on which our culture is based. In this regard, the ultimate goal of the remuneration policy is to help develop the Mission, Vision and Values of the Siemens Gamesa Group such that the remuneration of the Company's directors is in line with the dedication, effort and responsibility assumed, taking into consideration the Company's desire to be a global leader.

The remuneration policy also represents the instrument that contributes to provide the leadership ecosystem that the Company needs in order to make sure that it can count on the best leaders so that it is able to fulfil the objectives of its business strategy, taking at all times into account the principles set out in the policy.

2. Relationship between remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in the directors' remuneration.

Siemens Gamesa's Policy of Remunerations 2019-2021 and its application in financial year 2021 have promoted sound risk management while the fulfilment of business objectives. The remuneration policy applicable to the Board of Directors is based, amongst other, on the principles of balance, prudence and alignment with the Company's strategic objectives.

Other key principle in the applied Company's Policy of Remunerations 2019-2021 is the maintenance of a reasonable balance among the various components of fixed remuneration (short-term) and variable remuneration (annual and long-term), reflecting an appropriate assumption of risks combined with the achievement of defined objectives linked to the long-term creation of sustainable value.

During financial year 2021 the remuneration structure for the CEO guaranteed an adequate mix between fixed remuneration, annual variable remuneration and long-term variable remuneration. The annual variable remuneration for the financial year 2021 used four measurement parameters based on quantitative financial, results, business and safety indicators and individual targets associated to leadership effectiveness and to the progress of LEAP, the acceleration program launched by Siemens Gamesa with the goal of achieving long-term success based on three pillars, Innovation, Productivity and Operational Excellence. The specific objectives determined for each of these parameters were designed considering the Company's budget 2021 and long-term outlook and, in this sense, support that the Company's results and objectives will be met in the medium and long term.

The short- and long-term variable remuneration systems include elements that consider potential variations in the results of the Company, such as:

- Defined achievement scales for each objective based on the results achieved by the Company. Therefore, any change in the short- or long-term performance of the Company will affect the level of achievement of the objectives and directly affect the amount of variable remuneration to which the CEO may be entitled. In addition, no incentive at all will be paid below a minimum level of achievement of the objectives, for which reason variable remuneration would in no case be guaranteed. Section A.1.6 provided more detail regarding the minimum thresholds of achievement of the objectives established by the Company for the short- and long-term variable remuneration systems in effect as at the date of preparation of this Report.

- The annual or long-term variable remuneration systems will only accrue once the Board of Directors, upon a proposal of the ARC, has evaluated level of achievement of the objectives to which the variable remuneration is linked, after validation thereof by the Internal Audit function.

- Furthermore, the long-term variable remuneration contemplates an obligation of the CEO to maintain ownership of a certain number of shares equal to two times his fixed remuneration for the FY2018 Cycle and two and one-half times his annual fixed remuneration for the FY2019 and FY2020 Cycles of the LTI Plan 2018-2020.

- All variable remuneration of the CEO is subject to malus and clawback clauses, which, if applicable, would allow the ARC, subject to the applicable law, to propose to the Board of Directors the cancellation or return of the payment thereof.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	611,969,429	89.84

	Number	% of votes cast
Votes against	17,228,713	2.82
Votes in favour	593,586,593	96.99
Blank ballots	0	0
Abstentions	1,154,123	0.19

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The breakdown of fixed remuneration by position and responsibilities attributed to the directors in their capacity as such approved by the Board of Directors for financial year 2021 was the following:

a) Chair of the Board of Directors: 250,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

b) Vice Chair of the Board of Directors: 150,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

c) Non-executive directors: 80,000 euros.

d) Lead Independent Director (none currently existing): additional 20,000 euros.

e) Additional remuneration for belonging to the various Committees:

	Audit, Compliance and Related Party Transactions Committee	Other Committees of the Board of Directors
Chair	80,000 euros	60,000 euros
Member	60,000 euros	40,000 euros

f) Fees for attending meetings of the Board of Directors and of its Committees:

	Board of Directors	Committees of the Board of Directors
Chair	2,000 euros per meeting	3,800 euros per meeting
Member	2,000 euros per meeting	2,000 euros per meeting

All of the amounts are established for the personal on-site or by video-conference presence of the director. In the case of attendance by approved remote means of communication, other than video-conference, the corresponding attendance fee would be 50% of the above amounts. If a proxy is granted, the right to the attendance fee would not accrue.

In addition, directors in their capacity as such are entitled to the remuneration in kind foreseen in the Policy of Remunerations 2019-2021 as fixed components of their remuneration.

The amounts are accrued proportionally to the time the position is held.

The amount of individual remuneration earned by the directors in their capacity as such during financial year 2021, including the amount they receive for membership on the Committees of the Board of Directors and fees for attending the meetings of the Board of Directors and its Committees, was the following:

- Mr Miguel Ángel López Borrego: fixed remuneration of 250,000 euros in cash for chairing the Board of Directors and the Delegated Executive Committee, and 114,000 euros as fees for attending meetings of the Board of Directors and the Delegated Executive Committee.

- Ms Gloria Hernández García: fixed remuneration of 80,000 euros in cash for membership on the Board of Directors, fixed remuneration of 60,000 euros in cash for belonging to the Audit, Compliance and Related Party Transactions Committee, and 90,000 euros as fees for attending meetings of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee.

- Mr Harald von Heynitz: fixed remuneration of 80,000 euros in cash for membership on the Board of Directors, fixed remuneration of 120,000 euros in cash for chairing the Audit, Compliance and Related Party Transactions Committee and for belonging to the ARC, and 152,800 euros as fees for attending meetings of the Board of Directors, of the Audit, Compliance and Related Party Transactions Committee and of the ARC.

- Mr Rudolf Krämmer: fixed remuneration of 80,000 euros in cash for membership on the Board of Directors, fixed remuneration of 160,000 euros in cash for being a member of the Audit, Compliance and Related Party Transactions Committee, for chairing the ARC and for being a member of the Delegated Executive Committee, and 160,400 euros as fees for attending meetings of the Board of Directors, of the Audit, Compliance and Related Party Transactions Committee, of the ARC and of the Delegated Executive Committee.

- Mr Klaus Rosenfeld: fixed remuneration of 80,000 euros in cash for membership on the Board of Directors, fixed remuneration of 40,000 euros in cash for membership on the ARC, and 36,000 euros as fees for attending meetings of the Board of Directors and of the ARC.

- Ms Mariel von Schumann: fixed remuneration of 80,000 euros in cash for membership on the Board of Directors, fixed remuneration of 40,000 euros in cash for membership on the ARC, and 54,000 euros as fees for attending meetings of the Board of Directors and of the ARC.

The relative proportion of the fixed components considered for this purpose as the fixed remuneration for membership on the Board of Directors and its Committees, has been for each of the directors in their capacity as such, the following:

- Mr. Miguel Angel López Borrego: 68%
- Ms. Gloria Hernández García: 60%
- Mr. Harald von Heynitz: 56%
- Mr. Rudolf Krämmer: 60%
- Mr. Klaus Rosenfeld: 76%
- Ms. Mariel von Schumann: 68%

Finally, it should be noted that three directors of Siemens Gamesa (Mr. Tim Oliver Holt, Ms. Maria Ferraro and Mr. Tim Dawidowsky) who hold positions in Siemens Energy AG or in Siemens Energy Global GmbH & Co. KG, waived the receipt of the amounts indicated and do not receive any remuneration.

Pursuant to the foregoing, the total amount earned by all of the directors in their capacity as such in financial year 2021 amounted to 1,692,272.76 euros, which is a decrease of 189 thousands of euros over the total amount received by all directors in their capacity as such in financial year 2020.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

In financial year 2021, the only executive director has been the CEO and he earned the following fixed remuneration:

- The annual fixed remuneration of the current CEO (Mr Andreas Nauen) during financial year 2021 was 717,500 euros in cash.

- For the performance of executive directors’ duties, the Company makes Social Security payments, which have amounted to 12,820 euros during financial year 2021.

- In financial year 2021 the CEO received as benefits: the right to use a Company vehicle and the payment of medical insurance, life insurance premiums and house rental costs. The amount attributed to the CEO for these items during financial year 2021 was a total of 98,423.09 euros.

The total amount earned by the CEO in financial year 2021 for the previous items is 828,743.09 euros. This figure cannot be compared to the amount of the previous financial year, as the current CEO was appointed on 17 June 2020.

Additionally, the Company has made contributions for pension supplements in financial year 2021 through group life insurance, which amounted in financial year 2021 to 166.500 euros for the CEO. The amount of pension contributions is the same as in financial years 2018, 2019 and 2020.

Furthermore, as a supplement to the information supplied in section C.1.a).i), the amount attributed to the CEO in the "Salary" column includes (i) his annual fixed remuneration (717,500 euros), and (ii) the amount corresponding to the payment of Social Security (12,820 euros).

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems

As established in the Policy of Remunerations 2019-2021, only the CEO participated in variable remuneration systems during financial year 2021.

The variable remuneration system for the CEO includes two variable components:

(i) Annual variable remuneration (AVR):

Annual variable remuneration is linked to the achievement of quantitative and qualitative objectives.

In order to determine the amount to receive for AVR, a scale for achieving each objective is set that includes a minimum objective achievement level below which no incentive is paid.

The annual target variable remuneration of the CEO for an achievement level of 100% of the objectives established for financial year 2021 is equal to one year of his fixed remuneration. However, the CEO could receive two years of his fixed remuneration in the case of extraordinary performance and maximum over-performance of the pre-established objectives.

The objectives taken into account to determine the AVR of the CEO and the level of achievement during financial year 2021 were the following:

- EBIT pre-PPA and I&R costs, with a weighting of 35%. The EBIT-pre PPA shall be calculated over a period of two financial years (2021 and 2022) and therefore the target is the aggregate of the EBIT pre PPA and I&R of financial year 2021 and 2022, being paid. Therefore, the percentage of achievement of the objective cannot be calculated until end of financial year 2022 and will be reported in the Annual Remuneration Report of Directors of financial year 2022.

- Free cash flow, (before interests and taxes) with a weighting of 14%. 75% achievement of the objective.

- Order intake, with a weighting of 14%. 110% achievement of the objective, reaching an overall achievement for this objective of 15.40% due to overperformance.

- Total recordable injury rate, with a weighting of 7%. 0.00 % achievement of the objective.

- Individual indicators related to leadership effectiveness and to the progress of LEAP, the acceleration program launched by Siemens Gamesa with the goal of achieving long-term success based on three pillars, Innovation, Productivity and Operational Excellence, with a weighting of 30%. 27.91% achievement of the objective.

It is worth noting that none of the metrics and targets above have been modified in any manner, despite the exceptional crisis circumstances created by the covid-19 pandemic.

After evaluating the level of achievement of the foregoing, the Board of Directors, upon a proposal of the ARC, has approved an overall level of achievement of the AVR objectives during financial year 2021 of 34.27%. Based on this level of achievement, the CEO will receive the amount of 245,887.25 euros. This amount has not yet been paid.

Explain the long-term variable components of the remuneration systems

(ii) Long-term variable remuneration:

Deriving from his participation in the LTI Plan 2018-2020, the CEO received on January 26, 2021, after applying the applicable withholding tax, the amount of 12,895 shares corresponding to Cycle FY2018, as communicated to the Spanish Stock Market Commission. No share has been delivered yet to CEO deriving from his participation in the rest of the cycles of the LTI Plans.

The measurement period for targets corresponding to Cycle FY2019 ended on 30 September 2021 but the delivery date, as for all cycles of the LTI Plans at the end of its respective measurement period, is within sixty (60) calendar days from the date on which the Company´s Board of Directors formulates the annual financial accounts of the relevant financial year in order to measure the degree of achievement of the objectives of the relevant cycle. Regarding the measurement period of the targets for Cycles FY2020, FY2021, FY2022 and FY2023, they will not end until 30 September 2022, 30 September 2023, 30 September 2024 and 30 September 2025 respectively.

In any case, the shareholders acting at the Company's General Meeting of Shareholders resolved that the total number of shares allocated to the LTI Plan 2018-2020 would represent 1.1% of the share capital of Siemens Gamesa and the shares allocated to the LTI Plan 2021-2023 would represent 0.58% of said share capital, thus complying in both LTI Plans with the good governance recommendations (percentage of less than 5%).

For the Cycle FY2019, following 2021 financial year-end on 30 September 2021, the Board of Directors, based on the report received from the ARC, has verified during its session held on November 23rd, 2021 the degree of achievement of the objectives of the LTI Plan 2018-2020 for said cycle. Based on the results of these multi-year performance indicators, and pursuant to the associated scales of achievement and their respective targets and weightings, the level of achievement of the different multi-year performance indicators has been as follows: (i) Relative Total Shareholder Return ratio (TSR) of Siemens Gamesa compared to the ISE Clean Edge Global Wind Energy Index, with a weighting of 40%, 116% achieved reaching an overall achievement for this indicator of 72% due to overperformance.; (ii) Relative Total Shareholder Return ratio (TSR) of Siemens Gamesa compared to the TSR of the company Vestas Wind System A/S, with a weighting of 40%, 0.00% achieved; and (iii) Corporate Social Responsibility ratio ("CSR"), with a weighting of 20%, 100% achieved; which results in an overall achievement of 92% which implies the delivery of 30,995 shares to the CEO.

These shares have not been yet delivered. They would be delivered within sixty (60) calendar days from 23 November 2021, date on which the Company's Board of Directors has formulated the financial statements for financial year 2021, subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

In virtue of the participation of the CEO in Cycle FY2021 of the LTI Plan 2021-2023, detailed in section A.1.6, he was granted 41,438 stock awards. This figure only reflects the maximum number of shares to potentially be received by the CEO in the case of a maximum achievement of all preestablished objectives for each Cycle, without this implying in any way that all or part of them will be delivered. The number of shares to be finally delivered, when applicable, will be calculated in regard of the level of effective achievement of the objectives to which it is subject.

B.8 Indicate whether certain accrued variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the malus (reduction) or clawback clauses, why they were implemented and the years to which they refer.

During financial year 2021 no accrued variable components have been reduced or clawed back.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The CEO is entitled to receive contributions for pension supplements through group life insurance, which amounted to 166,500 euros in financial year 2021, same amount as in previous financial years (subject to pro rata calculation in financial year 2020, year on which he was appointed as CEO on 17 June 2020).

This is a defined contribution plan that covers retirement, disability, death, dependence of the participant and other exceptional liquidity situations (long-term unemployment, serious illness, etc.).

However, in case of the CEO's cessation in office with the Company for reasons other than the covered contingencies, the CEO will have the right to all of the accumulated balance, unless the termination of the contractual relationship occurs for any of the following reasons: (i) criminal conviction or regulatory sanction on grounds attributable to the participant; (ii) serious breach of the internal rules of Siemens Gamesa or of the Group, and (iii) fraudulent or grossly negligent conduct of the CEO in the performance of his duties.

The receipt of any compensation to which the CEO may be entitled due to the termination of his contractual relationship with the Company does not forfeit the right to receive the accumulated balance of the pension contributions.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

No indemnification or any other type of payment deriving from the early cessation or from the termination of the contract was accrued or received by directors during the financial year 2021.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

The only Executive Director in the Company is currently the CEO. The main conditions of his contract have been described in section A.1.9 of this Report.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

The non-executive directors of Siemens Gamesa have not received any supplementary remuneration during financial year 2021.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

There are no advance payments, loans or guarantees granted by the Company to its directors during financial year 2021.

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

In financial year 2021 the members of the Board of Directors have received remuneration in kind that corresponds to the amount of the premiums paid to cover death and disability benefits. The amount of the annual premiums were 17,424.28 euros in financial year 2021.

In addition, in financial year 2021 the CEO had the right to use a Company vehicle and to the payment of health insurance premiums and house rental costs (the later until September 2021).

To supplement the information provided, it is noted that the “Other items” column in section C.1.a).i) includes the above amounts.

Although this is not considered remuneration from a tax law perspective (and therefore, no specific amount is reported since financial year 2020 for this concept), all directors benefit from insurance coverage for civil liability arising from the performance of their duties, on standard market terms and provided by the Company itself.

Finally, the CEO is entitled to receive contributions for pension supplements through group life insurance, as described in section B.9.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

During financial year 2021 Siemens Gamesa has not made any payments to any third company in which directors might provide services in order to remunerate the services of any relevant Director to the Company.

B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, as when it is considered a related-party transaction or, especially when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C

During financial year 2021, the directors have not accrued any item of remuneration in addition to those described in this Report.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year n
Miguel Ángel López Borrego	Proprietary	From 01/10/2020 until 30/09/2021
Andreas Nauen	Executive	From 01/10/2020 until 30/09/2021
Tim Dawidowsky	Proprietary	From 01/10/2020 until 30/09/2021
Maria Ferraro	Proprietary	From 01/10/2020 until 30/09/2021
Gloria Hernández García	Independent	From 01/10/2020 until 30/09/2021
Harald von Heynitz	Independent	From 01/10/2020 until 30/09/2021
Tim Oliver Holt	Proprietary	From 01/10/2020 until 30/09/2021
Rudolf Krämmer	Independent	From 01/10/2020 until 30/09/2021
Klaus Rosenfeld	Independent	From 01/10/2020 until 30/09/2021
Mariel von Schumann	Proprietary	From 01/10/2020 until 30/09/2021

C.1 **Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.**

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Miguel Ángel López Borrego	250	114	0	0	0	0	0	2	366	295
Andreas Nauen	0	0	0	731	246	0	0	98	1,075	360
Tim Dawidowsky	0	0	0	0	0	0	0	0	0	0
Maria Ferraro	0	0	0	0	0	0	0	0	0	0
Gloria Hernández García	80	90	60	0	0	0	0	3	233	218
Harald von Heynitz	80	153	120	0	0	0	0	3	356	195
Tim Oliver Holt	0	0	0	0	0	0	0	0	0	0
Rudolf Krämmer	80	160	160	0	0	0	0	4	404	315
Klaus Rosenfeld	80	36	40	0	0	0	0	2	158	156
Mariel von Schumann	80	54	40	0	0	0	0	1	175	170

Observations

In relation with the amount attributed to the CEO, the “Salary” column includes (i) his annual fixed remuneration (717,500 euros), and (ii) the amount corresponding to the payment of Social Security (12,820 euros).

The column entitled “Other items” includes: (i) the amount of premiums for life insurance obtained by the Company for the benefit of all the remunerated directors including the CEO, with a total cost of 17,424.28 euros, and (ii) the remuneration in kind of the CEO in the total amount of 98,423.09 euros (including 2,351.52 euros related to the premium for life insurance for the CEO, which is included in the aforementioned 17,424.28 euros).

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Long-Term Incentive Plan for the financial years 2018 to 2020	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Andreas Nauen	FY2019 Cycle	67,380	67,380	0	0	30,995	30,995	22.17	687	36,385	0	0
	FY2020 Cycle	79,164	79,164	0	0	0	0	0	0	0	79,164	79,164

Name	Long-Term Incentive Plan for the financial years 2021 to 2023	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Andreas Nauen	FY2021 Cycle	0	0	41,438	41,438	0	0	0	0	0	41,438	41,438

Observations

Regarding the CEO the number of stock awards granted for each of the two remaining Cycles of the LTI Plan 2018-2020 and for the Cycle FY2021 of the LTI Plan 2021-2023 as informed in section A.1.2 of this Report, are (i) 67,380 for the Cycle FY2019 (during Cycle FY2019 Mr Nauen held the position of CEO of the Business Unit Offshore), (ii) 79,164 for the Cycle FY2020 (out of which 47,126 corresponding to his period as Offshore CEO and 32,038 corresponding to his period as CEO of the group) and (iii) 41,438 for the Cycle FY2021.

The Board of Directors of the Company has approved, on November 23, 2021 (i.e. outside the financial year 2021), an overall achievement of 92% of the Cycle FY2019 objectives of the LTI Plan 2018-2020 (see section B.7 of this Report), which will result in the delivery of 30,995 shares to the CEO. These shares have not been delivered to the CEO and the rest of beneficiaries yet. According to the Regulations of the LTI Plan 2018-2020, they must be delivered within sixty (60) calendar days from November 23, 2021, date on which the Company's Board of Directors has formulated the financial statements for financial year 2021, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

In the absence of the share price on the delivery date as the shares of the Cycle FY2019 have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading sessions prior to the end date of the Cycle FY2019 (30 September 2021) and the 20 trading sessions following that date. This price was 22.17 euros per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratios ("TSR") objective for Cycle FY2019.

The information included in this section C.1.a) ii) regarding the Cycle FY2019 shares to be awarded to the CEO differs from Note 19 of the Individual Report and Note 30 of the Consolidated Report, which form part of the financial statements for financial year 2021, as these shares were not delivered yet to its beneficiaries and therefore they cannot be considered Compensation received.

The Note 19 of the Individual Report and the Note 30 of the Consolidated Report for financial year 2021 also differ from this section C.1.a) ii) as they include the market value at the delivery date of the shares of the Cycle FY2018 delivered to the CEO during financial year 2021 (35.74 euros per share, amounting a total of 567 thousand euros) and this information is not included in this Report as those shares were already accrued, although not delivered, in financial year 2020 and therefore they were included in the Annual Remuneration Report for Directors of financial year 2020 but with an amount of 375 thousand euro, calculated at that time with an estimated price per share of 23.61 euros based on the criteria used to measure compliance of the TSR target for the Cycle FY2018 as no share price on the delivery date was then available. The difference between both figures (192 thousand euros) is therefore exclusively grounded on the different share price used for its calculation.

The number of Stock Awards granted for the Cycle FY2020 of the LTI Plan 2018-2020 and for the Cycle FY2021 of the LTI Plan 2021-2023 indicates the maximum potential number of shares to be received by the CEO, in case of maximum achievement of all of the pre-established objectives for these Cycles (200%). The number of shares to be delivered for aforementioned Cycles FY2020 and FY2021 will ultimately depend on the level of achievement of the objectives of the LTI Plans.

iii) Long-term saving schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year n		Year n-1	
Name	Year n	Year n-1	Year n	Year n-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Andreas Nauen	0	0	167	48	0	215	0	48

iv) Details of other items

Name	Concept	Amount of remuneration (thousands of euros)
Miguel Ángel López Borrego	Life insurance premiums	2
Andreas Nauen	Life insurance premiums	2
	Health and casualty insurance	14
	House rental	67
	Vehicle	15
Tim Dawidowsky	Life insurance premiums	0
Maria Ferraro	Life insurance premiums	0
Gloria Hernández García	Life insurance premiums	3
Harald von Heynitz	Life insurance premiums	3
Tim Oliver Holt	Life insurance premiums	0
Rudolf Krämmer	Life insurance premiums	4
Klaus Rosenfeld	Life insurance premiums	2
Mariel von Schumann	Life insurance premiums	1

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Director 1										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
Name	Name of plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year n		Year n-1	
	Year n	Year n-1	Year n	Year n-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Director 1								

iv) Details of other items

Name	Concept	Amount of remuneration
Director 1		

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	EBITDA from vested shares or financial instruments	Remunera-tion by way of savings systems	Other items of remune-ration	Total in year n company	Total cash remunera-tion	Gross benefit of vested shares or financial instruments	Remune-ration by way of savings systems	Other items of remune-ration	Total in year n group	Total in year n, company + group
Miguel Ángel López Borrego	366	0	0	0	366	0	0	0	0	0	366
Andreas Nauen	1,075	687	167	0	1,929	0	0	0	0	0	1,929
Tim Dawidowsky	0	0	0	0	0	0	0	0	0	0	0
Maria Ferraro	0	0	0	0	0	0	0	0	0	0	0
Gloria Hernández García	233	0	0	0	233	0	0	0	0	0	233
Harald von Heynitz	356	0	0	0	356	0	0	0	0	0	356
Tim Oliver Holt	0	0	0	0	0	0	0	0	0	0	0
Rudolf Krämmer	404	0	0	0	404	0	0	0	0	0	404
Klaus Rosenfeld	158	0	0	0	158	0	0	0	0	0	158
Mariel von Schumann	175	0	0	0	175	0	0	0	0	0	175
Total:	**2,767**	**687**	**167**	**0**	**3,621**	**0**	**0**	**0**	**0**	**0**	**3,621**

D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of November 23, 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ **No X**

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY.S.A." WITH REGISTERED OFFICE IN ZAMUDIO (BIZKAIA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222 WITH EMPLOYER IDENTIFICATION NUMBER A-01011253,

HEREBY CERTIFY:

That the text of the management report for 2021 of SIEMENS GAMESA RENEWABLE ENERGY, S.A. authorized for issue by the Board of Directors at its meeting held on November 23, 2021 is the content of the preceding 322 sheets of unstamped paper, on the obverse only, and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The Directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

____

Mr. Miguel Ángel López Borrego
Chairman

On his own name and on behalf of the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky.

The Secretary non-member of the Board of Directors states for the records that the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Klaus Rosenfeld, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky do not stamp their signature on this document because they attended the meeting by telematic means. The Chairman of the Board of Directors, Mr. Miguel Ángel López Borrego, signs it on their respective behalf, under the express instructions given for this purpose by the aforementioned Directors.

Zamudio, November 23, 2021. In witness whereof.

Approval of the Chairman

Mr. Miguel Ángel López Borrego Chairman	Mr. Juan Antonio García Fuente Secretary of the Board of Directors

Auditor's report on the “Information related to the Internal Control Over the Financial Reporting (ICFR)” of SIEMENS GAMESA RENEWABLE ENERGY, S.A. for the year-ended 2021

Building a better
working world

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDITOR'S REPORT ON INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

(Translation of a report originally issued in Spanish. in the event of discrepancy, the Spanish-language version prevails)

To the Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.,

At the request of the Board of Siemens Gamesa Renewable Energy, S.A. (parent company) and subsidiaries (the Group), and in accordance with our proposal dated October 1, 2021, we applied certain procedures to the “Information related to the Internal Control Over the Financial Reporting (ICFR)” included in the Annual Corporate Governance Report (Section F, pages 73 a 85) of Siemens Gamesa Renewable Energy, S.A. for the fiscal year 2021, which summarizes the Group's internal control procedures in relation to annual consolidated financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that, apart from the quality of design and operability of the Group's internal control system as a far as annual consolidated financial information is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned consolidated financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated consolidated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's consolidated financial data described in the accompanying ICFR information for the year 2021. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Managements' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 3/2013 dated June 12, 2013, and subsequent modifications, being the last one Circular nº 3/2021 dated September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit, Compliance and Related Party Transactions Committee.

4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board Meetings, Audit, Compliance and Related Party Transactions Committee meetings, and other Group committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of article 540 of the consolidated text of the Spanish Companies Act and the CNMV Circulars, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Miguel Mijangos Oleaga

November 24, 2021