

# Annual Corporate Governance Report

of Listed Companies

# 2021



**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:

## Capital structure

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

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

## Capital structure

<b>Total</b>	0.002	0.000	0.000	0.000	0.002	0.000	0.000
<b>Total percentage of voting rights held by the Board of Directors</b>						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:					
<b>Total percentage of voting rights held by the Board of Directors</b>					

**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 

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 

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 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
<b>Total:</b>	

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:

	%
<b>Estimated float</b>	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

#### 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

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

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 <input type="checkbox"/>	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 <input type="checkbox"/>	No X
	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
Describe how it is different from the regime provided in the Spanish Companies Act.		

General shareholders' meeting

% 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:

Date of General Meeting	Attendance data				
	% physical presence	% present by proxy	% distance voting		Total
			Electronic voting	Other	
03-17-2021	0.31	89.69	0.00	0.00	90.00
<b>Of which float:</b>	0.31	19.19	0.00	0.00	19.50
07-22-2020	0.63	86.92	0.00	0.00	87.55
<b>Of which float:</b>	0.63	19.85	0.00	0.00	20.48
03-27-2019	9.47	74.42	0.00	0.00	83.89

General shareholders' meeting

<b>Of which float:</b>	1.40	15.42	0.00	0.00	16.82
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#### 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

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

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

**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.

  
General shareholders'  
meeting

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:

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	5
<b>Number of directors set by the general meeting</b>	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 (see 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


  
**Company  
administrative  
structure**

Holt, Tim Oliver	External Proprietary	Vice Chairman	02-10-2020	07-22-2020	General Meeting
Krämmmer, 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

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**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.

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Company  
administrative  
structure

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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.

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**Total number of executive directors**

1

**Percentage of Board**

10.00

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**EXTERNAL PROPRIETARY DIRECTORS**

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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 Ángel	SIEMENS ENERGY AG	<p>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.</p> <p>Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada).</p> <p>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).</p> <p>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 &amp; Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls &amp; Distribution Business Unit in the Siemens Automation &amp; 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.</p> <p>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</p>

Company  
administrative  
structure

		and Portugal.
Dawidowsky, Tim	SIEMENS ENERGY AG	<p>Born in Husum (Germany), he currently holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Degree in Industrial Engineering and Business Administration by the Technical University of Berlin (Germany).</p> <p>Currently he holds the position as Senior Vice President of Project Excellence in Siemens Energy Global GmbH &amp; Co. KG.</p> <p>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 &amp; 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.</p> <p>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.</p>
Ferraro, Maria	SIEMENS ENERGY AG	<p>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.</p> <p>She holds a degree in Accounting from Brock University (Canada), and she is also a certified accountant by the Canadian Institute of Chartered Accountants.</p> <p>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.</p> <p>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.</p> <p>Ms. Maria Ferraro is member of the Advisory Board of the Technical University of Munich.</p>
Holt, Tim Oliver	SIEMENS ENERGY AG	<p>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.</p> <p>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.).</p> <p>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.</p> <p>He previously served as Chief Operating Officer (COO) of Siemens Gas &amp; 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 &amp; 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</p>



Company  
administrative  
structure

		been Board member of EthosEnergy Group Ltd.
		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.
von Schumann, Mariel	SIEMENS ENERGY AG	<p>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.</p> <p>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 &amp; 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.</p>
<b>Total number of proprietary directors</b>		5
<b>Percentage of Board</b>		50.00

### EXTERNAL INDEPENDENT DIRECTORS

<b>Name or company name of director</b>	<b>Profile</b>
Hernández García, Gloria	<p>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.</p> <p>She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory.</p> <p>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.</p> <p>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.</p> <p>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</p> <p>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.</p> <p>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.</p>
von Heynitz, Harald	<p>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.</p> <p>Graduated from the University of Munich (Germany) with a degree in Business</p>

Company  
administrative  
structure

	<p>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.</p> <p>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.</p>
<p>Krämmmer, Rudolf</p>	<p>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.</p> <p>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.</p> <p>Mr. Krämmmer 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.</p> <p>Currently he is registered in own practice and engaged in voluntary work in his community.</p> <p>He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.</p>
<p>Rosenfeld, Klaus</p>	<p>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.</p> <p>After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany).</p> <p>Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014.</p> <p>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.</p> <p>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.</p> <p>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).</p>
<p><b>Total number of independent directors</b></p>	<p>4</p>
<p><b>Percentage of Board</b></p>	<p>40.00</p>

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  
administrative  
structure

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
<b>Total number of other external directors</b>			0
<b>Percentage of Board</b>			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
<b>Executive</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Proprietary</b>	2	2	2	4	40.00%	40.00%	33.33%	66.67%
<b>Independent</b>	1	1	1	2	25.00%	25.00%	20.00%	40.00%
<b>Other external</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	3	3	3	6	30.00%	30.00%	23.08%	46.15%

Company  
administrative  
structure

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

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 ambitious 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.



Company  
administrative  
structure

Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10
<b>A. General</b>										
<b>Administration, senior management and Corporate Governance (100%)</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Sectorial experience incl. Engineering and Manufacturing (50%)</b>	✓	✓		✓					✓	✓
<b>International capacity or experience in SGRE main markets (100%)</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Experience and expertise in strategy (100%)</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Accounting Audit and Risk Management incl. internal Controls (70%)</b>	✓		✓		✓	✓	✓	✓		✓
<b>Institutional, regulatory and legal/corporate governance (50%)</b>			✓		✓	✓	✓	✓		
<b>B. Specific</b>										
<b>Digitization and Information Technologies (50%)</b>	✓			✓	✓			✓	✓	
<b>Human resources, culture, talent and remuneration systems (70%)</b>	✓	✓		✓	✓	✓		✓		✓
<b>Corporate social responsibility and sustainable development (50%)</b>		✓	✓	✓	✓			✓		

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

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


 Company  
administrative  
structure

	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
Krämmmer, 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 activities
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

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:

<b>Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)</b>	3,621
<b>Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)</b>	0
<b>Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)</b>	215
<b>Pension rights accumulated by former directors (thousands of euros)</b>	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](http://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

Company  
administrative  
structure

<b>Number of women in senior management</b>	1
<b>Percentage of total senior management</b>	14%
<b>Total remuneration of senior management (thousands of euros)</b>	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 the year:

Yes

No

Description of amendment(s)





Company  
administrative  
structure

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.

Company  
administrative  
structure

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**



Company  
administrative  
structure

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.*

Company  
administrative  
structure

- *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  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

**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

	Age limit
<b>Chairman</b>	N/A
<b>Managing director</b>	N/A
<b>Director</b>	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

<b>Additional requirements and/or maximum number of years of office</b>	N/A
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Company  
administrative  
structure

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.

<b>Number of Board meetings</b>	19
<b>Number of Board meetings held without the chairman’s presence</b>	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:

<b>Number of meetings</b>	0
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Indicate the number of meetings held by each Board committee during the year:

<b>Number of meetings held by the Delegated Executive Committee</b>	20
<b>Number of meetings held by the Audit, Compliance and Related Party Transactions Committee</b>	26
<b>Number of meetings held by the Appointments and Remunerations Committee</b>	8

C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

<b>Number of meetings at which at least 80% of the directors were present in person</b>	19
<b>Attendance in person as a % of total votes during the year</b>	96.32%
<b>Number of meetings with attendance in person or proxies given with specific instructions, by all directors</b>	19
<b>Votes cast in person and by proxies with specific instructions, as a % of total votes during the year</b>	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 <sup>1</sup>	12/19	-	-	6/8
Ms. Mariel von Schumann	19/19	-	-	8/8

<sup>1</sup> 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

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

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](http://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.

Company  
administrative  
structure

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](http://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](mailto:info_accionista@siemensgamesa.com) for minority shareholders and [irsg@siemensgamesa.com](mailto: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

**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

**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

No

	Company	Group Companies	Total
<b>Amount invoiced for non-audit services (thousands of euros)</b>	300	137	437
<b>Amount invoiced for non-audit work/Amount for audit work (in %)</b>	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

**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
<b>Number of consecutive years</b>	8	8
	Individual	Consolidated
<b>Number of years audited by the current audit firm/number of years in which the company has been audited (in %)</b>	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

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.

Company  
administrative  
structure

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  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

Director's name	Nature of the situation	Observations
N/A	N/A	N/A

Company  
administrative  
structure

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

Company  
administrative  
structure

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.

<b>Number of beneficiaries</b>	89
<b>Type of beneficiary</b>	<b>Description of the agreement</b>
CEO, Top Management, Managers, and Employees.	<p><b>CEO (1 agreement):</b> 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.</p> <p><b>Top management (6 agreements):</b> 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.</p> <p><b>Managers and Employees (82 agreements):</b> 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</p>

Company  
administrative  
structure

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	
		YES	NO
<b>Body authorising the clauses</b>	X		
<b>Are these clauses notified to the General Shareholders' Meeting?</b>		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
Krämmmer, Rudolf	Member	Independent
<b>% of executive directors</b>		25%
<b>% of proprietary directors</b>		50%
<b>% of independent directors</b>		25%
<b>% of other external directors</b>		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](http://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
Krämmmer, Rudolf	Member	Independent
<b>% of proprietary directors</b>		25%
<b>% of independent directors</b>		75%
<b>% of other external directors</b>		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](http://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.

<b>Names of directors with experience</b>	von Heynitz, Harald
	Ferraro, Maria
	Hernández García, Gloria
	Krämmmer, Rudolf
<b>Date of appointment of the chairperson</b>	February 12, 2020

### APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position	Category
Krämmmer, Rudolf	Chairman	Independent
Rosenfeld, Klaus	Member	Independent
von Heynitz, Harald	Member	Independent
von Schumann, Mariel	Member	Proprietary
<b>% of proprietary directors</b>		25%
<b>% of independent directors</b>		75%
<b>% of other external directors</b>		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](http://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 %	
<b>Delegated Executive Committee</b>	0	0.00%	0	0.00%	N/A		N/A	
<b>Audit, Compliance and Related Party Transactions Committee</b>	2	50.00%	2	50.00%	1	33.33%	2	66.67%
<b>Appointments and Remunerations Committee</b>	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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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

Risk management  
and control systems

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


 Risk management  
and control systems

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

Risk management  
and control systems

Stavro Holding I AB	Sales of goods finished or not by Siemens Gamesa Renewable Energy A/S	49,003
Tromsø 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
Tromsø 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](http://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

No

The significant shareholder SIEMENS ENERGY AG owns indirectly 67.071% of the share capital of Siemen 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

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.

**3°. 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.

**4°. 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 also performs scenario analysis on different climate change scenarios to prepare itself for such potential climate risk situations.
- SGRE continuously reviews its 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

Internal risk management and control systems related to the process of publishing financial information (ICFR)

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.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- 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.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- *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.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- 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 the following, 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:

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- 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 of 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:**



Extent of compliance  
with corporate  
governance  
recommendations

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

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.



Extent of compliance with corporate governance recommendations

Complies       Complies partially       Explain       Not Applicable

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       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       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       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       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



Extent of compliance  
with corporate  
governance  
recommendations

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 the 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.



Extent of compliance  
with corporate  
governance  
recommendations

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



Extent of compliance  
with corporate  
governance  
recommendations

**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 1.5°C – 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

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

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



## 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)

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Miguel Mijangos Oleaga

November 24, 2021