2020

Key Facts of Sustainability
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FOREWORD BY THE MANAGEMENT BOARD
While the pandemic understandably dominated headlines worldwide in 2020, the global community still needs to continuously focus on fighting climate change, one of the biggest challenges of our time and for generations to come.

At Nordex, we aim to achieve this goal not just by increasing the efficiency and sustainability of our products, but by pursuing a holistic approach covering all aspects of our business.

Sustainability is not only the core of our business, but also highly relevant to our financial transactions. We therefore welcome the fact that our financial partners like banks and investors also increasingly see this aspect as being of highest importance.

The green recovery approach to the ongoing pandemic in many countries clearly shows the ever-increasing significance of green energy. It is therefore more important than ever before, both for us and for our customers, that we continue to focus on the sustainable and efficient production of our turbines.
WE ARE NORDEX
5 FACTS TO KNOW ABOUT
135kt CO₂e
Are avoided by a single N149/4.0-4.5 turbine over its 25-year lifetime

6.5g CO₂e
Are emitted per kWh electricity generated according to our Life Cycle Assessment of a wind farm with Delta4000 turbines

5,461
Installed Capacity 2020 in MW
- 2019: 3,090 MW

4,650.7
Sales Revenues 2020 in EUR million
- 2019: EUR 3,284.6 million

8,527
Employees in 2020 at the reporting date
- 2019: 6,880 employees

4,650.7
Sales Revenues 2020 in EUR million
- 2019: EUR 3,284.6 million
SUSTAINABILITY REPORTING 2020

Please click here for our Sustainability Report 2020 (SR 2020)
You can find our German version here: Nachhaltigkeitsbericht 2020
This document is a concise summary of the Key Facts contained in our Sustainability Report 2020 and communicates our progress on predefined targets.

The key facts are broken down according to our five strategic fields of action:

- Product Responsibility
- Employee Responsibility
- Responsibility along the Supply Chain
- Environmental Management & Resource Efficiency
- Responsibility for Society

It also integrates our highlight this year, the Corporate Carbon Footprint analysis, as well as our contribution to the Sustainable Development Goals of the United Nations (SDGs).
SUSTAINABILITY TARGETS OF OUR SUSTAINABILITY STRATEGY (2019-2021)
<table>
<thead>
<tr>
<th>Fields of Action</th>
<th>Material topic</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Responsibility</td>
<td>Cost of Energy (COE)</td>
<td>Continuously reduce cost of energy</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>Achieve a satisfaction rating of more than 4 (1=very unsatisfied; 6=very satisfied)</td>
</tr>
<tr>
<td>Employee Responsibility</td>
<td>Occupational Safety</td>
<td>Reduce accidents to a Lost Time Injury Frequency (LTIF) of less than 3.5 per 1 million working hours (new target 2020)</td>
</tr>
<tr>
<td></td>
<td>Leadership Culture</td>
<td>Further strengthen leadership culture and values; continue established programs and processes for employee development; promote diversity in the Company</td>
</tr>
<tr>
<td>Responsibility along the Supply Chain</td>
<td>Supply Chain</td>
<td>Optimize the supplier due diligence process</td>
</tr>
<tr>
<td>Environmental Management &amp; Resource Efficiency</td>
<td>Waste</td>
<td>Avoid and reduce waste by 10%</td>
</tr>
<tr>
<td></td>
<td>Hazardous Substances</td>
<td>Reduce hazardous substances and minimize their hazard potential</td>
</tr>
<tr>
<td></td>
<td>Energy &amp; Greenhouse Gas Emissions</td>
<td>Procure 100% of the electricity we consume from renewable energy sources</td>
</tr>
<tr>
<td></td>
<td>Environmental Life Cycle Assessment</td>
<td>Improve the environmental footprint of wind turbines</td>
</tr>
<tr>
<td>Responsibility for Society</td>
<td>Educational Support</td>
<td>Support education initiatives in the region of our sites</td>
</tr>
</tbody>
</table>
Nordex's turbines are providing clean and safe energy in more than 40 countries around the globe.

2020 Target Achievement

✅ Cost of Energy (COE)
The Nordex Group was again able to achieve its goal of ongoing reductions in the cost of energy.

✅ Customer Satisfaction
An analysis of the Service Area in the reporting year resulted in an overall satisfaction rate of 4.4. In the Sales Area, we also achieved an overall satisfaction rate of 4.4.

The Life Cycle Assessment (LCA) of a wind farm with Delta4000 turbines shows that only 6.5 g CO₂e are emitted per kWh electricity generated.

Minimum amount of g CO₂e/kWh in the energy carrier

<table>
<thead>
<tr>
<th>Energy Carrier</th>
<th>g CO₂e/kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordex Delta4000 submit</td>
<td>6.5</td>
</tr>
<tr>
<td>Wind (on/off shore)</td>
<td>16</td>
</tr>
<tr>
<td>Photo-voltaic</td>
<td>63</td>
</tr>
<tr>
<td>Gas</td>
<td>433</td>
</tr>
<tr>
<td>German Electricity Grid Mix (2018)</td>
<td>527</td>
</tr>
<tr>
<td>Hard Coal</td>
<td>873</td>
</tr>
<tr>
<td>Lignite</td>
<td>1,054</td>
</tr>
</tbody>
</table>

Click here for a #NordexInsight on LCA with Franziska Möller.
2020 Target Achievement

✅ Occupational Safety
We achieved our target (LTIF <5) and reduced the Group-wide LTIF to 3.9 by the end of 2020.

➔ Leadership Culture
Despite Covid-19, 70% of all managers completed the globally standardized “Trust. Listen. Lead.” training program which communicates our values and leadership principles.

- 3,526 Employees took part in a Compass Dialog
  2019: 2,600
- 8,527 Employees
  2019: 6,880
- 3,008 New onboardings
  2019: 2,000
- 70% Training rate of our “Trust. Listen. Lead.”- training program*
  2019: 80%
- 3,054 Employees attended Technical Training Center courses*
  2019: 3,400
- 3.9 Lost Time Injury Frequency (LTIF) – Group level
  2019: 4.6
- 86 Nationalities working at Nordex
  2019: 73
- 16% Share of women
  2019: 16%

* Due to the Corona pandemic the training rates decreased. Trainings had to be cancelled at the beginning and virtual sessions had to be arranged first.
RESPONSIBILITY ALONG THE SUPPLY CHAIN
Nordex engages in Wind Europe’s working group ‘Sustainability in the Supply Chain’ and aims to further improve sustainable supply chain standards in the wind energy sector.

**2020 Target Achievement**

- **Supply Chain**
  - We revised and harmonized the supplier qualification process in the reporting year.

**Share of sourcing expenditures with suppliers with their head office or production sites in Europe**
- 2019: 56%
- 2020: 54%

**Conducted audits of Nordex-specific component suppliers as well as construction and service-related suppliers**
- 2019: 188
- 2020: 142

**Supplier content of origin in %**

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>29.5</td>
<td>26.7</td>
</tr>
<tr>
<td>Europe (excluding Germany and Spain)</td>
<td>16.4</td>
<td>14.7</td>
</tr>
<tr>
<td>Africa</td>
<td>8.9</td>
<td>2.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>8.7</td>
<td>6.8</td>
</tr>
<tr>
<td>China</td>
<td>8.6</td>
<td>11.4</td>
</tr>
<tr>
<td>Spain</td>
<td>7.9</td>
<td>14.7</td>
</tr>
<tr>
<td>America (excluding Brazil)</td>
<td>7.7</td>
<td>8.8</td>
</tr>
<tr>
<td>Brazil</td>
<td>7.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>5.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Australia</td>
<td>0.0</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*Differences to totals may arise from rounding off.*
ENVIRONMENTAL MANAGEMENT & RESOURCE EFFICIENCY
Environmental Management

**20,634**
Energy consumption by installed capacity (kWh/MW)
2019: 28,096 kWh/MW

**5,053**
Waste production by installed capacity (kg/MW)
2019: 6,345 kg/MW

**4,135**
Greenhouse Gas emissions by installed capacity (kg CO₂/MW)*
2019: 5,182 kg CO₂/MW

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**2020 Target Achievement**

**Waste**
The volume of waste relative to installed output fell by 20% compared to 2019. However, due to the strong increase in 2019, this figure is still 21% higher than the 2018 baseline value.

**Hazardous Substances**
Nordex focused on completing our list of hazardous substances in Division Europe. Nordex excluded and substituted twelve hazardous substances on the basis of the Black and Grey Lists.

**Energy & Greenhouse Gas Emissions**
65.1% of the overall amount of purchased electricity was generated from renewable resources in 2020 (2019: 73.5%). For Division Europe, 100% of purchased electricity is sourced from renewables. However, mainly due to increased production output in Mexico, where the electricity grid mix was consumed in the reporting year, the share across the Group fell. Nordex remain committed to the goal of achieving 100% by the end of 2021.

**Environmental Life Cycle Assessment**
In 2019, we conducted a Life Cycle Assessment of a wind farm with our Delta4000 turbine. In 2020, we published an Environmental Product Declaration based on the study.

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The consumption key figures on this page relate to the Nordex Group’s active production sites as well as to all office sites with 80 or more employees.

Currently, around 85% to 95% of materials used in a wind turbine are **recyclable**.
The Corporate Carbon Footprint (CCF) analysis includes all greenhouse gas emissions that are directly and indirectly caused by a company along the whole value chain.

In 2020, Nordex conducted a comprehensive retrospective analysis of the Nordex Group’s corporate carbon footprint for 2019 that includes the entire upstream and downstream value chain.

Since the beginning of 2020, the Nordex Group has a long-term collaboration with the University of Hamburg as part of the ‘Climate, Climatic Change, and Society (CLICCS)’ excellence initiative, which among other things addresses the definition of science-based emission reduction targets in accordance with the Paris Climate Agreement.

135 kt CO₂e are avoided by a single N149/4.0-4.5 turbine over its 25-year lifetime.
Background: Scope of Greenhouse Gas (GHG) Emissions

What are Scope 1, Scope 2 and Scope 3 emissions?

**Scope 1: Caused by Nordex directly**
Fuel consumption by company cars, trucks & commercial vehicles. Direct consumption of oil, gas & diesel fuel to generate electricity

**Scope 2: Caused by Nordex indirectly**
Indirect emissions due to purchased electricity and district heating

**Scope 3: Caused by Nordex indirectly**
Indirect emissions occurring in the up- and downstream value chain
RESPONSIBILITY FOR SOCIETY

Further Information
Page 88 ff., SR 2020
Taking on Corporate Social Responsibility at local level is part of the way we see and understand ourselves.

**South Africa Project**

Nordex accompanied its market entry with its Nordex Education Trust.

This foundation has a 20% stake in Nordex Energy South Africa and supports disadvantaged population groups and projects in the fields of school, education, and sports, culture and community work by providing scholarships and grants for study.

**Research project NEW 4.0**

Nordex is engaged in a partnership with the Hamburg University of Applied Sciences (HAW Hamburg).

To conduct research under realistic conditions, a wind farm with five Nordex turbines was put into operation.

As part of a cooperation under the project NEW 4.0, a lithium-ion battery storage unit was set up here.

**Industry Initiative RenewAfrica**

Africa needs energy in order to grow and renewable energies are the most sustainable and cost-efficient way of ensuring access to energy.

RenewAfrica is an initiative launched by the RES4Africa Foundation with the support of 26 stakeholders, including Nordex. The initiative aims to expand renewable energies on a large scale in Africa.

**2020 Target Achievement**

Educational Support

In the reporting year, we supported education initiatives in Brazil, Pakistan, and South Africa, as well as several other locations.

Some examples of our CSR initiatives
SUSTAINABLE DEVELOPMENT GOALS
By operating sites in Brazil, India, Mexico and South Africa, we create jobs for the local population in emerging markets.

As a supplier of innovative onshore wind turbines we make a sustainable contribution to steadily increasing the share of renewable energies in the global energy mix.

With our product portfolio we contribute to the promotion of greener energy generation on a global level.

Our business can make a SIGNIFICANT CONTRIBUTION!

The UN Agenda 2030 adopted 17 global Sustainable Development Goals (SDGs) in 2015.

Nordex has integrated these objectives into its sustainability approach and sees potential for influence particularly in three SDGs:

- Affordable and Clean Energy
- Decent Work and Economic Growth
- Climate Action
GOOD TO KNOW

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ESG-Rating Scores
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Standards and Certificates

The Nordex Group has implemented the following standards:

<table>
<thead>
<tr>
<th>Environmental Management</th>
<th>ISO 14001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Cycle Assessment</td>
<td>ISO 14040/14044</td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>ISO 45001/OHSAS 18001</td>
</tr>
<tr>
<td>Energy and Management</td>
<td>ISO 50001***</td>
</tr>
</tbody>
</table>

Memberships and Organizations

Nordex is a member of various international and sector-specific associations. We play an active role in the following organizations:

- WW Global Leadership Program
- SAWEA
- France Energie Eolienne
- Wind Europe
- American Clean Power
- VDMA

Furthermore, Nordex is engaged in a partnership with the University of Applied Sciences (HAW Hamburg) and University of Hamburg.

** ESG = Environmental, Social, Governance
*** Only Rostock, all other standards are Group-wide.

ESG*-Rating Scores

<table>
<thead>
<tr>
<th>Scale</th>
<th>Nordex Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+ (best) to D-</td>
<td>B Prime**</td>
</tr>
<tr>
<td>A (best) to D</td>
<td>B</td>
</tr>
<tr>
<td>AAA (best) to CCC</td>
<td>A</td>
</tr>
<tr>
<td>Risk Rating 0 (best) to 100</td>
<td>24.6/100 – Medium</td>
</tr>
<tr>
<td>1-100 (best)</td>
<td>66/100 Gold</td>
</tr>
</tbody>
</table>
1 Nordex (2020): LCA of a Nordex Windfarm with Delta4000 Turbines

2 German Federal Environment Agency (2021): Aktualisierung und Bewertung der Ökobilanzen von Windenergie- und Photovoltaikanlagen unter Berücksichtigung aktueller Technologieentwicklungen, Abschlussbericht

3 German Federal Environment Agency (2019): Emissions scorecard of renewable energies. Joint agreement on emissions avoided in 2018


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