



2021

Together for change – Wind for a sustainable future

SUSTAINABILITY REPORT 2021





WE ARE NORDEX

↗ GRI 102-2, 102-7

The development, manufacturing, project management, and servicing of wind turbines in the onshore sector is the core competence and passion of the Nordex Group and its more than 8,600 employees around the globe. Founded in 1985, we have more than 35 years of experience in harnessing the wind. Our comprehensive product portfolio focuses on onshore turbines in the 4 to 6.X MW+ class, offering solutions for markets with limited space and regions with limited grid capacities. Our Delta4000 series, the first in the world to introduce a flexible rating as part of its core design philosophy and operational strategy, features high-yield wind turbines that enable many years of efficient electricity generation from wind energy in almost all geographical and climatic conditions.

The Nordex Group has installed more than 38.8 GW of wind energy capacity in over 40 markets, and in 2021, generated revenues of EUR 5,444 million. At production facilities in Brazil, Germany, India, Spain and the US, the Group produces nacelles, rotor blades, and concrete towers. We continuously optimize our supply chain and ensure an optimal combination of low costs and high quality in order to further decrease the cost of energy (COE).

As a manufacturer of innovative onshore wind turbines, we work with our customers to continually increase the share of renewable energies in the global energy mix. Sustainability is the core of our business model, and we are convinced that sustainability is essential not only to the commercial future of the Nordex Group, but also for preserving our environment for future generations.

For this reason, we at the Nordex Group pursue a holistic approach above and beyond our business model, which is reflected in our sustainability strategy titled 'Together for change - Wind for a sustainable future'. This strategy is the foundation of our actions and encompasses the central themes of sustainability for the period 2022-2025 and beyond. The Nordex Group has summarized these themes in seven strategic focus topics: Sustainable Products, Climate Change and Decarbonization, Environmental Protection, Fair and Attractive Employer, Occupational Health and Safety, Responsible Sourcing and Business Ethics, Compliance and Integrity. In this Sustainability Report, we offer a detailed account of our environmental, social, governance, and economic activities.

SUSTAINABILITY IN NUMBERS

Selected key figures of our sustainability performance in 2021.

4,774

employees, including all members of the Management Board, completed a course on preventing corruption in 2021
2020: 3,358

16%

share of women
2020: 16%

17%

share of female leaders/managers¹
2020: 13%

3.2

Lost Time Injury Frequency (LTIF) – Group level
2020: 3.9

58.9

Mt CO₂e avoided in 2021
2020: 46.1 Mt CO₂e avoided

46%

reduction in carbon emissions in our own operations (scopes 1+2) per installed MW, 2021: 2,214 kg CO₂e emissions
2020: 4,135 kg CO₂e/MW

13%

reduction in energy consumption by installed capacity
2021: 17,910 kWh/MW
2020: 20,634 kWh/MW

37%

less waste production by installed capacity (kg/MW)
2021: 3,205 kg/MW
2020: 5,053 kg/MW

5,444

sales revenues 2021 in EUR million
2020: EUR 4,650.7 million

6.68

GW installed capacity 2021
2020: 5.46 GW

4.4

customer satisfaction in the Sales and Service area (scale 1-6, 6 = best)
2020: 4.4 (only Sales)

240

conducted audits of Nordex-specific component suppliers as well as construction and service-related suppliers
2020: 142

¹ Includes women position on M1 to M4 level: All management positions are evaluated with MERCER according to the IPE (International Position Evaluation) methodology.

TOGETHER FOR CHANGE – WIND FOR A SUSTAIN- ABLE FUTURE

Nordex Group’s highly efficient wind power systems are making a major contribution to climate-friendly energy generation today. Our new Sustainability Strategy 2025 clearly signals that the Nordex Group is prepared to do its part to fight climate change.



Reference to section in the report or to other Nordex publications



Link to external internet sources

Information on components of the Non-financial Group Report (NFR) is indicated by a line next to the text section.

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FOREWORD BY THE MANAGEMENT BOARD

➤ GRI 102-14



José Luis Blanco
Chief Executive Officer (CEO)

Dear Readers,

Around 60 million tonnes of CO₂e were saved worldwide last year thanks to the Nordex Group's wind turbines. We calculated scope 4 emissions for the first time so we can more precisely quantify our active contribution to achieving global climate goals. Scope 4 emissions are the carbon emissions that were avoided by using our products.

In 2021, we once again did our part to push ahead in ending the fossil fuel age. But the outcomes of the 26th UN Climate Change Conference in Glasgow show that even more needs to be done to achieve the goal of limiting the global temperature rise to 1.5°C. Phasing out coal power globally and reinforcing our commitment to the global green energy transition are essential to reaching this goal.

The global energy transition is what drives and motivates the Nordex Group every day. Now that we have reached the milestones in our Sustainability Strategy 2019 to 2021, including switching our own electricity consumption to 100% renewable energy, we are looking farther into the future. Our new Strategy 2025 will focus even more on key levers, especially:

- › further reducing carbon emissions
- › continuously improving our progressive corporate culture
- › further strengthening ethical standards in our supply chain
- › optimizing our products for the long term

Foreword by the Management Board



Dr. Ilya Hartmann
Chief Financial Officer (CFO)

Our new strategy creates more transparency across the board and sets concrete targets to achieve. For example, we are planning on defining our binding contribution to the 1.5°C climate target and have joined the Science Based Targets initiative (SBTi), which supports participating companies by providing target-setting methods and detailed guidance based on the latest climate science. We also want to lower our lost time injury frequency (LTIF) rate to below 1.5 (per million hours worked) by 2025 and ensure a commitment to responsible and ethical conduct in our supply chain.

The core of our new strategy involves continuously improving and optimizing our products. We aim to make our rotor blades fully recyclable by the year 2032. By 2025, we want to reduce the carbon footprint of our turbines by 25% while maintaining a high level of customer satisfaction. Our newest turbine, the Delta4000/6.X, which we presented during the reporting year, will help us with this by supplying green energy even more efficiently thanks to its higher nominal output.



Patxi Landa
Chief Sales Officer (CSO)

Our strategy development process was shaped by active cooperation and open-ended discussions with our many internal and external stakeholders. We are especially grateful for the significant contribution made by our dedicated employees, as well as our customers, investors, and suppliers.

Society will face major challenges in the coming years. Our new Strategy 2025 clearly signals that the Nordex Group is prepared to do its part to fight climate change and make this planet livable for generations to come.

We were able to install 6.7 GW of green energy in 2021, even though the COVID-19 pandemic continued to dominate many aspects of our life and work. We especially want to thank you, our employees, for your contributions, diligence and dedication. Every day, your valuable work helps us fulfill our goal of expanding the use of renewable energies. We look forward to continuing this journey together with you and all of our other stakeholders.

Sincerely yours,
the Management Board

Hamburg, March 2022

1.5°C

We will define science-based targets (SBTs) in line with 1.5°C target ambition

José Luis Blanco
Chief Executive Officer (CEO)

Dr. Ilya Hartmann
Chief Financial Officer (CFO)

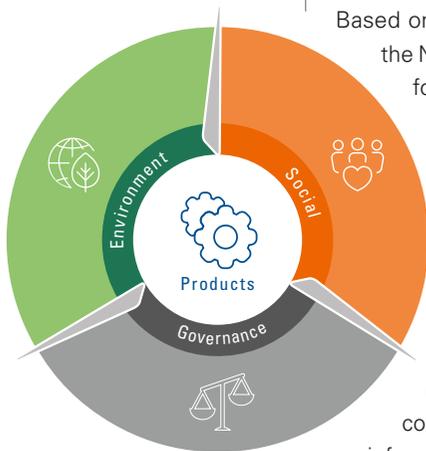
Patxi Landa
Chief Sales Officer (CSO)

Highlights 2021

Special projects fostering and representing sustainability performance

Sustainability Strategy 2025

Based on a comprehensive materiality analysis, the Nordex Group developed its new strategy for 2025 with various internal and external stakeholders. The strategy focuses on seven topics which are underpinned by 'smart' targets and specific measures. The new strategy, entitled 'Together for change – Wind for a sustainable future', serves as our compass and reflects our integrative approach: Let's work together on implementing the measures to achieve our targets – and contribute to a future worth living! For more information see p. 18.



SBTi¹ commitment and path to climate neutrality

As a manufacturer of wind turbines, the Nordex Group contributes to the achievement of the 1.5°C target in two ways: it develops and installs wind turbines around the world to increase green electricity, and it is working to reduce its own carbon footprint. In 2021, the company set the goal to become climate-neutral (scopes 1 and 2) by 2023. The Nordex Group also committed itself to the Science Based Targets initiative (SBTi) in the reporting year and will subsequently define science-based targets (SBTs) in 2022 in line with the global 1.5°C target. For more information see p. 48.



Establishment of a Diversity and Inclusion (D&I) Council

The Nordex Group is a global company which brings together people from 90 nations, different backgrounds, and different age groups. We are truly diverse, but we still have work to do in some areas, such as improving the balance of women and men at the Company. The D&I Council is responsible for empowering women and underrepresented employees, developing measures, and tracking our performance in fulfilling our vision of diversity and inclusion. For more information see p. 66.

Global Alliance for Sustainable Energy was formed

A group of global leaders from across the renewable energy value chain and the sector's innovation ecosystem launched a new organization. This alliance aims to ensure that renewables are wholly sustainable for people and the planet, and it is leading the just transition away from fossil fuels. The Nordex Group is proud to be one of the 17 founding members. The partners are united in their shared vision for the sustainability of the renewables industry and the need to take concrete, collaborative action, and have come together to create the Global Alliance for Sustainable Energy. For more information see p. 32.



Stakeholder Roundtable

In 2021, we held a Stakeholder Roundtable via video conference with various customers, suppliers, and one investor. This was part of our stakeholder engagement while developing the Nordex Sustainability Strategy 2025, which was launched at the end of 2021. Parallel to our online employee survey and several internal and external expert interviews, the roundtable format is intended to help highlight common sustainability interests among our most important external stakeholders. It also creates and raises awareness of the different stakeholder requirements faced by the Nordex Group. For more information see p. 18.

EcoVadis Gold Standard

In May, the Nordex Group was awarded an EcoVadis Gold Medal in recognition of our successful sustainability efforts. To receive this medal, companies must achieve a total score between 66 and 73 points (2021: 66 points). In the previous EcoVadis rating (2019), we scored 43 points. The latest result puts the Nordex Group in the top 3% of all general industrial machinery manufacturers assessed by EcoVadis. For more information see p. 27.



¹ SBTi = Science Based Targets initiative. For more: <https://sciencebasedtargets.org>

ABOUT THIS REPORT

[GRI 102-45, 102-46, 102-49, 102-50, 102-52, 102-54](#)

Sustainability reporting is more than just a legal requirement for the Nordex Group. It is a demonstration of the transparency we value when it comes to sustainability performance, improvement tracking, and measures relating to material issues. Such reporting also involves analyzing the gaps, challenges, and opportunities we are facing as a global company and our entire industry. Each annual report helps the Nordex Group to grow further and have a greater impact on sustainability.

CONTENT AND STRUCTURE

This Sustainability Report provides detailed information on our environmental, social, and governance (ESG) performance. Part II, Strategy and Management, looks at how we embed sustainability in our organization, offers an overview of our current ratings awards and EU taxonomy disclosures. We also evaluate the achievements of our Sustainability Strategy 2019 to 2021 and look ahead to our new Sustainability Strategy 2025. The report additionally discusses the progress we have made towards other Sustainable Development Goals and describes our stakeholder management structure. Part III, Contribution to Sustainability, reflects our Sustainability Strategy 2025 and is structured around ESG topics and our core competence, our products. Our latest materiality analysis identified seven main topics

which are structured in the following as chapters where we summarize our current sustainability-related developments, activities, and key figures. Most of the topics have been carried over from previous years but were further developed or now include sub-topics. Some new topics were analyzed and given their own sub-chapters: Climate Change and Decarbonisation, as well as Business Ethics, Compliance, and Integrity. Finally, we detail the progress we made in the third year of our Sustainability Strategy 2019 to 2021. The last section of the report, Further Information/Appendix, contains the GRI Index, audit information, explanations, and abbreviations.

Together with the Nordex Group's 2021 Annual Report, which is published simultaneously, the 2021 Sustainability Report provides a comprehensive picture of the Company's current situation, detailing the relevant financial and non-financial key figures.

The 2021 Sustainability Report was prepared in accordance with the 'Core' option of the Global Reporting Initiative's (GRI) Standards.

REPORTING PERIOD AND SCOPE

This Sustainability Report covers the 2021 financial year, i.e. the reporting period from 1 January to 31 December 2021. This is the sixth time Nordex

has reported on its sustainability activities in this form, and the Company will continue to update and publish its sustainability-related information annually. The disclosures made in this Sustainability Report generally apply to all Group companies as included in the Nordex Group's basis of consolidation.

As in the previous year's report, we have narrowed the focus of the environmental indicators and concentrated on the sites that are particularly important for Nordex's progress in terms of climate and environmental KPI reporting. Therefore, the consumption key figures, explained in the chapters on [Climate Change and Decarbonization and Environmental Protection](#), relate to the Nordex Group's active production sites in Brazil, Denmark, Germany, India, Mexico and Spain, as well as to all office sites with 80 or more employees. In accordance with the materiality principle, we report on all sites that, due to their size and business activities, have a significant influence on the reporting data. Compared to the 2020 report, the following changes occurred within the scope of the 2021 report:

At the start of 2021, two new sites began operating in Spain: a concrete tower production site in Motilla del Palancar, and an additional office in Pamplona. Two further production sites commenced operation

About this Report

Reporting scope: ● old ● new	Production Sites			Offices
	Nacelle	Rotor Blade	Concrete Tower	
Brazil	●		● ●	●
Denmark		● ¹		
Germany	●	●		● ●
France				●
India	● ● ²	●		
Mexico		● ³		
Spain	● ●	●	●	● ● ● ●
USA				●

¹ Rotor Blade Technology Center
² Additional top-box factory supplying the existing nacelle plant
³ As of July 2021, the operational control of this site was handed over to a tier-1 supplier.
 Reported key performance indicators (KPIs) thus only refer to data for the first half of the reporting year.

REMARKS ON THE SEPARATE CONSOLIDATED NON-FINANCIAL REPORT

The Nordex Group’s separate consolidated Non-financial Report (hereafter: ‘Non-financial Report’), published in compliance with the statutory requirements of the German Act to strengthen Non-financial Disclosures by companies in their Management and Group Management Reports (Gesetz zur Stärkung der nichtfinanziellen Berichterstattung der Unternehmen in ihren Lage- und Konzernlageberichten, CSR-RUG), is embedded in this Sustainability Report. Statements relating to the Non-financial Report are clearly identified by a line to the left of the respective text. An overview of the statements made in the Non-financial Report as required by Sections 315c in conjunction with Sections 289c to 289e of the German Commercial Code (Handelsgesetzbuch, HGB), as well as links to the respective sections in this Sustainability Report, are provided in the table below.

The description of the aspects required by the HGB is based on the structure of the GRI management approaches. This is applied in the description of the materiality analysis (GRI 101: Foundation) as well as in the management approaches to ‘Anti-corruption and bribery matters’, ‘Respect for human rights’, ‘Product Responsibility’, ‘Employee matters’ and ‘Environmental matters’ (GRI 103: Management Approach). The GRI Index on p. 112 ff. refers to the corresponding reports sections for the explanations of the GRI indicators. The disclosures on meeting the GRI indicators represent additional information and are not part of the consolidated Non-financial Report.



More information on risk management is provided in the Nordex Annual Report 2021 from p. 56

in Chennai, India. The Nordex Group has started to produce rotor blades as well as top boxes that are specifically manufactured to supply the nacelle plant in Chennai. In mid-2021, the Nordex Group commissioned another concrete tower plant in Uibaí, Brazil. In contrast, the tower plant in Lagoa do Barro had ceased production by the end of 2020 and is thus no longer included in our environmental reporting. A similar situation applies to Nordex’s rotor blade facility in Matamoros, Mexico, where operational control was transferred to one of our suppliers in July. The environmental KPIs for this plant therefore refer only to the first and second quarter of 2021.

In addition to the Company’s own production sites, there are also supplier production sites where Nordex Group employees are assigned to oversee quality and production. In 2021, these included a blade production site in India and a rotor hub and drive train production site in China. Based on the same process model, work at various suppliers’ concrete tower production operations continues at various production facilities in India, Mexico, and South Africa. These sites are outside the scope of this report.

In accordance with Art. 8 (2) of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation), and amending Regulation (EU) 2019/2088, the Nordex Group discloses three key figures for its economic activities: The share of revenues (turnover), operating expenses (OpEx) and capital expenditures (CapEx) considered environmentally sustainable according to the EU taxonomy.

External audit of the Non-financial Report

The contents of this Sustainability Report were reviewed in accordance with Section 171 (1) of the German Stock Corporation Act (Aktengesetz, AktG) by the Nordex Supervisory Board. The Non-financial Report integrated into this Sustainability Report was additionally audited by the independent auditing firm of PricewaterhouseCoopers (PwC) in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000, revised) in a limited assurance engagement. The auditor's Independent Practitioner's Report is provided on pages 118. Reporting under the requirements of CSR-RUG on risks that are significant to our business performance, position and financial result is an integral part of risk reporting in the Nordex Group Management Report, as stipulated by German Accounting Standard No. 20 (GAS 20). In accordance with the principle of double materiality, these risks were analyzed for highly probable, serious impacts on the aspects established by CSR-RUG (environmental, social and employee matters, corruption and bribery, and human rights). In our opinion, taking into account the countermeasures, there were no material net risks to the Company's

business performance, position or financial result that would very probably have a serious, negative impact on these aspects.

Events after the balance sheet date

In the context of the war in Ukraine and the reviews announced by the Nordex Group regarding the shut-down of production facilities in Rostock (Germany) and La Vall d'Uixó (Spain) (for more information see the annual report, p. 70) after the balance sheet date (31 December 2021), potential non-financial risks and further effects on our business activities may arise which could not be conclusively assessed at the time of reporting.

Non-financial Report Index

Disclosures required by CSR-RUG	Corresponding report sections
Description of the business model	About the Nordex Group, Group Management Report
Product responsibility	Sustainable Products
Environmental matters	Climate Change and Decarbonization, Environmental Protection, Sustainable Products
Employee matters	Fair and Attractive Employer, Occupational Health and Safety
Social matters	This aspect was found not to be material in the materiality analysis.
Respect for human rights	Responsible Sourcing; Business Ethics, Compliance and Integrity
Anti-corruption and bribery matters	Business Ethics, Compliance and Integrity

The reportable disclosures are contained in the individual chapters and marked with a line.

Cross references

Cross references to statements beyond the scope of the Group Management Report and/or the Consolidated Financial Statements represent additional information and are not part of the Non-financial Report.

Interrelations with the amounts shown in the Consolidated Financial Statements

No interrelations with the amounts shown in the Consolidated Financial Statements were identified that require statutory reporting.

ABOUT THE NORDEX GROUP

➤ GRI 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-18, 201-1

OUR PRODUCTS AND SERVICES

As a wind power pioneer, the Nordex Group has been driving the development of the onshore wind sector with cutting-edge products since its foundation in 1985. We focus on the development, production, and installation of complete wind turbine systems, including control software and key components. Turbine nacelles and hubs are mainly assembled at our own facilities. We develop the rotor blades in-house, and a significant number of the required blades are manufactured at our own production plants. The remainder are manufactured by contractors according to Nordex specifications. We procure components such as gearboxes, generators and inverters from external

suppliers, the majority of which are long-term partners. Towers are produced as steel or steel-concrete hybrid constructions by various suppliers. The Nordex Group also uses its own concrete tower design and related manufacturing technology, which enables it to deliver the most cost-competitive tower options, particularly for major projects in Spain and emerging countries like Brazil. This manufacturing technology at the production sites is operated either by Nordex itself or by our contractors.

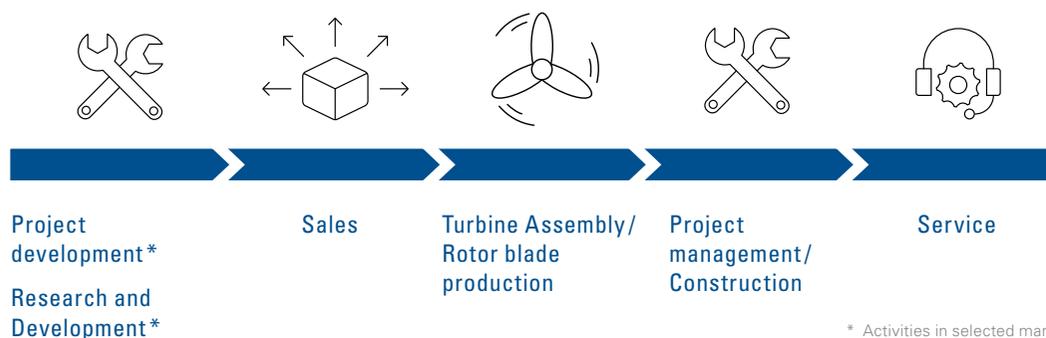
The latest product type of our bestselling and proven Delta4000 series, the N163/6.X, takes us into the 6 MW+ class. Our Delta4000 product portfolio now

includes seven different product types in the 4 MW, 5 MW, and 6 MW+ classes. This offers a variety of solutions for all wind conditions at wind farms operating in Europe, North and South America, and Australia. To date, the Nordex Group has installed turbines with a combined nominal output of over 38.8 GW across a total of more than 40 countries.

While the Nordex Group headquarters strives for overall excellence and sets global standards, our regional offices provide customer proximity and local perspectives. On-site project advisory and operational services are managed by these local branches, which are the direct point of contact for our customers. Information is constantly exchanged between our headquarters and subsidiaries, enabling our customers to benefit from the latest research and development results and current market analyses.

The Service area of the Nordex Group ensures the reliable and economical operation of our high-performance wind turbines for customers. We have around 320 service points worldwide. Via this network, we provide services directly to the wind farms that have been installed and handed over to the customer. Our service contracts ensure and optimize the electricity production yields of Nordex customers by maximizing availability. Nordex Service offers customers a wide

The value-adding structure of the Nordex Group at a glance





First N163/5.X turbine in the citizen wind farm Janneby, Germany

range of services, including complete solutions with 24-hour remote monitoring, preventive maintenance, and customer training to complete modernization of our wind turbines.

The Nordex Group offers standardized service contracts with different scopes of service. The contracts have terms of up to 25 years, and in selected cases even up to 35 years. Our flexible service packages ensure that there is always an option to suit the specific needs of our customer's project, including individual solutions. Services such as spare parts deliveries and customer training are also offered separately.

At the end of 2021, the Nordex Group's Service organization was supporting around 9,765 wind turbines worldwide with a total nominal output of 27 GW.

In selected markets, the Nordex Group also operates as a project developer for wind farms. It therefore has experience in the upstream value chain ('greenfield development'). The current project pipeline focuses on non-European activities, particularly in Latin America, South Africa, and India. Going forward, Nordex plans to gradually re-establish its European project development business.

OUR OWNERSHIP AND CUSTOMERS

The listed holding company Nordex SE has its registered office in Rostock, Germany. The majority of Nordex SE shares (66.4%) are in free float. Its largest shareholder is the listed Spanish company Acciona S.A., which has been a strategic anchor investor since Nordex acquired Acciona Windpower in 2016. Acciona S.A. currently holds an equity interest of 33.6% in Nordex SE. Our company's headquarters are located in Hamburg, Germany, where our corporate functions are based along with parts of our Development, Global Sourcing, Project Management, Service and Sales departments. The German facilities for nacelle assembly and rotor blade production are based in Rostock. Other production sites are located in Brazil, Denmark, India, Mexico (only first and second quarter, later handed over to our blade supplier, TPI Composites), and Spain. In the reporting period, the Group operated Sales and Service offices in around 30 countries, mainly in Europe, North and South America, as well as in other selected markets such

as India, Pakistan, South Africa, and Australia. Nordex Group customers are primarily wind farm developers and operators. These include both large and medium-sized, and often international, utility companies and independent power producers (IPP), as well as additional customer groups such as medium-sized project developers, municipal utility companies and community wind farms or energy cooperatives. The Group's customer base also includes an increasing number of industrial captive producers and financial investors, such as insurance companies and pension funds. These groups invest in the development and acquisition of wind farms to cover the electricity demand of their ongoing operations (industry, trade) or to generate a financial return on their installations (financial investors).

OUR ECONOMIC PERFORMANCE

In financial year 2021, the Nordex Group generated sales of EUR 5,444.0 million (2020: 4,650.7 million). Prior unallocated sales and consolidation, the Projects segment contributed 91.4% and the Service segment 8.6% to Group sales. The net loss in the reporting year came to EUR -230.2 million.

90
nationalities working
at Nordex Group

As of the 31 December, 2021 reporting date, the Company had 8,658 employees worldwide. In financial year 2021, the Nordex Group's installed capacity was 6.7 GW, with 1,619 wind turbines being installed in 22 countries. The largest single markets by installed capacity were the USA, Turkey, Sweden, Norway, Germany, South Africa and France. As of the 31 December 2021 reporting date, the Group's total assets stood at EUR 4,107.6 million, of which EUR 1,062.4 million, or 25.9%, represented equity.

Longer-term borrowing mainly comprises a promissory note and a corporate bond. As a company with sustainable business practices, Nordex achieved certification of these financing instruments as 'green bonds' in accordance with the criteria of the Climate Bonds Initiative's Climate Bonds Standard Board.

To secure its operating bond/trade finance business, the Company also has access to an unsecured EUR 1.41bn credit facility certified as being sustainable, including an ancillary facility, which can be used to draw on bilateral bank loans. The pricing of this EUR 1.41bn facility is linked to the score of an ESG rating, which can lead to lower interest costs if further improvements are made to the ESG rating.

4,000

employees attended Technical Training Center courses



The key financial figures are provided in detail in the current Nordex Group Annual Report 2021

Financial data of the Nordex Group

in EUR million	2021	2020	2019
Sales	5,444.0	4,650.7	3,284.6
Gross revenue	5,051.7	4,345.5	3,871.4
Earnings before interest and taxes (EBIT)	-107.3	-61.8	-19.6
Free cash flow	-24.5	-120.4	-126.0
Capital expenditure	168.7	162.9	172.5
Consolidated net profit/loss for the year	-230.2	-129.7	-72.6
Cost of materials	-4,224.8	3,798.1	3,096.0
Staff costs	-473.7	434.0	360.7

[↗ GRI 201-1](#)

Direct economic value generated and distributed

in EUR million	2021	2020	2019
Direct economic value generated	5,440.0	4,286.4	3,286.3
Economic value distributed			
of which operating costs	4,685.3	3,973.3	3,482.8
of which employee wages and benefits	473.7	434.0	360.7
Payments to providers of capital	122.7	98.4	68.2
Payments to the government	6.4	22.6	47.3
Community investments	n/a	n/a	n/a
Economic value retained	151.9	-241.9	-672.7

[↗ GRI 201-1](#)

STRATEGY AND MANAGEMENT



SUSTAINABILITY MANAGEMENT

The Global Sustainability Management department is responsible for the Company’s strategic development regarding sustainability topics. The department is in constant contact with all areas of the Company to coordinate and manage sustainability measures and meet our stakeholders’ growing information requirements. Sustainability Management is assigned to the central Quality, Health,

Safety & Environment (QHSE) organizational unit, which reports directly to the Management Board. The objective of Sustainability Management is to efficiently implement the Nordex Sustainability Strategy. Its responsibilities include managing and communicating internal and external processes, coordinating different departments, and engaging in dialog with various stakeholder groups. The Management is informed of sustainability activities and developments on a monthly basis and provides strategic guidance. Updates on sustainability development at the Nordex Group are also part of the regular presentations to the Supervisory Board.

external communication and engagement to the next level and tackling our growing legal reporting obligations. The Sustainability Management department is additionally responsible for the Group-wide monitoring of environmental indicators, and for reporting to the Management Board and senior management on key environmental indicators and the implementation status of various measures on a quarterly basis.

Our Company-wide Global Sustainability Network, established and coordinated by the Sustainability Management department, is an important platform for discussing and driving cross-departmental sustainability issues. It enables us to share information more efficiently within the Nordex Group and with our stakeholders. Another goal of the network is to raise awareness of sustainability in the Company and to support and promote the development and implementation of our sustainability strategy.

The competencies of the Sustainability Management department were expanded in the reporting year, enabling us to broaden our activities and responsibilities. In light of the growing importance of a strategic approach to the climate crisis and related requirements from our stakeholders, we created a dedicated position for climate change and decarbonization as well as environmental reporting. A new position with a focus on product-related sustainability and life cycle assessments was also established to act as the interface with our Engineering department. Another new team member is responsible for communication, reporting, and local projects with the aim of taking our internal and



Evaluation of Sustainability Strategy 2019 – 2021

Since the beginning of 2019, the Nordex Group's Sustainability Strategy 2019 to 2021 has guided our actions regarding the environment, society, Nordex employees, and our partners and suppliers throughout the value chain. This strategy came to

a close with the 2021 reporting year. The table on the next page summarizes the objectives and the degree to which they have been achieved. Further information can be found in the individual chapters of this report.

Fields of Action	Material topic	Goals	2019-2021	2021 target achievement and explanation
Product Responsibility 	Cost of Energy (COE)	Continuously reduce cost of energy	✓	We significantly reduced our average cost of energy over the last three years. After high single-digit COE reductions in the first two years of the strategy, this was not achieved again in 2021 due to significant increases in commodity and logistics costs globally. These rising costs affect the whole wind industry. However, the COE program was able to soften the impact to a large degree for the Nordex Group.
	Customer Satisfaction	Achieve a satisfaction rating of more than 4 (1=very unsatisfied; 6=very satisfied)	✓	We confirmed a customer satisfaction rate of more than 4. Analyses of the Service and Sales departments in the reporting year resulted in an overall satisfaction rate of 4.4 for both areas.
Employee Responsibility 	Occupational Safety	Reduce accidents to a lost time injury frequency (LTIF) of less than 3.5 per 1 million working hours	✓	We achieved our goal, reducing the Group-wide accident frequency rate to 3.2 by the end of 2021 (2020: 3.9).
	Leadership Culture	Further strengthen leadership culture and values Continue established programs and processes for employee development Promote diversity in the company	✓	The share of managers who completed the Trust.Listen.Lead. Training increased, and a new Trust.Listen.Lead. Foundation Program was established to strengthen our leadership culture. We created and published Diversity and Inclusion and Human Rights policies and have planned further measures to promote diversity in our Company.
Responsibility in the Supply Chain 	Supply Chain	Optimize the supplier due diligence process	✓	We implemented a supplier due diligence process in the reporting year and are continuously updating it according to regulatory requirements. We also fully implemented a harmonized supplier qualification process.

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Fields of Action	Material topic	Goals	2019-2021	2021 target achievement and explanation
Environmental Management and Resource Efficiency 	Waste	Avoid and reduce waste by 10%	✓	Our relative waste generation decreased further in the reporting year. The Nordex Group has successfully reduced its waste generation per installed MW by 23% compared to 2018.
	Hazardous Materials	Reduce hazardous materials and minimize their hazard potential	→	Internal processes for evaluating new hazardous materials were optimized and a standardized Group-wide process was rolled out, incl. the implementation of Black and Grey lists. The Nordex Group focused on completing the list of used hazardous materials while excluding and substituting 26 identified materials based on the Black and Grey lists in the period 2019-2021. Overall, the number of registered hazardous materials (with label requirement) rose to 654 (2020: 613) due to the complete documentation. Building on this, we will continue to pursue the goal of reducing hazardous materials in our new strategy.
	Energy and Greenhouse Gas Emissions	Procure 100% of the electricity we consume from renewable energy sources	✓	By the end of 2021, we achieved our target of 100% green electricity procurement through various methods. A total of eleven production sites and offices have switched to green electricity. At our new rotor blades production site in India, The Nordex Group is partially meeting electricity demand through a renewable Power Purchase Agreement. All remaining sites are accounted for in the Group-wide procurement of energy attribute certificates (EACs) to ensure a full-coverage green electricity supply (45% of electricity consumption).
	Environmental Life Cycle Assessment	Improve the environmental footprint of wind turbines	✓	In 2019, we conducted the first comprehensive life cycle assessment (LCA) study of a wind farm equipped with our Delta4000 turbine. This study was used to analyze hotspots along the product life cycle and initiate countermeasures. The overall environmental footprint was reduced through continuous performance improvements.
Responsibility for Society 	Educational Support	Support education initiatives in the region of our sites	✓	In the three last reporting years we have supported education initiatives in Brazil, Pakistan, Turkey, South Africa, and several other locations.

✓ Target achieved → Measures planned

Our Sustainability Strategy 2025

↑ GRI 102-12, 102-13, 102-40, 102-42, 102-43, 102-44, 102-47

In the reporting year we developed the Nordex Sustainability Strategy 2025 in an integrative process involving our most relevant internal and external stakeholders. Based on a comprehensive materiality analysis, we identified seven particularly important sustainability topics that are reflected in the strategy and are underpinned by smart targets and specific measures. This new strategy enables the Nordex Group to meet legal requirements while also addressing the growing sustainability demands of our customers and investors and fulfilling our own high sustainability ambitions.

The new strategy, entitled 'Together for change – Wind for a sustainable future', serves as our compass and reflects our integrative approach: Let's work together on implementing the measures to achieve our targets – and contribute to a future worth living.

MATERIALITY ANALYSIS PROCESS

The Nordex Sustainability Strategy 2025 forms the framework for responsible action in all areas of the Company. In order to identify the material issues for the Nordex Group as well as sustainability-related trends and developments, and to find out to what extent our performance matches our potential and requirements in the opinion of external stakeholders, we conducted an extensive materiality review as part of a systematic process. We engaged with several stakeholder groups via different tools based on insights from desk research. This study involved, amongst others, the analysis of current and upcoming regulations, ESG ratings, benchmark of our peer group, and a media screening.

The materiality analysis entailed identifying internal and external core stakeholder groups and initiating an active dialogue with them.

To involve our external stakeholders, the Nordex Group's Global Sustainability Department hosted its first Stakeholder Roundtable via video conference. Various customers, suppliers, and an investor participated in the roundtable with a lively exchange of views on two main topics: sustainable products and responsible sourcing. The Company received valuable feedback on what is considered to be the 'minimum' and 'gold' standard here, which will help us stay competitive and set ambitious targets. Many of the issues important to our stakeholders were already on our radar. Thanks to our stakeholders' additional input and individual insights into their demands, we have now prioritized the following topics and initiated further dialog to ensure a continuous exchange.

Materiality analysis process and stakeholder engagement



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- › **Customers** specifically requested turbine-specific LCA calculations and an extended turbine lifetime. They also welcomed even more ambitious goals, such as SF6-free switchgears by 2025 and aligning targets with the SBTi to stay on track to meet the 1.5°C goal and reduce our customers’ scope 3 emissions.
- › **Investors** are concerned about smart sustainability target setting and the quantification of avoided emissions (scope 4). If possible, Nordex should pursue goals such as clear CO₂ targets and SBTi alignment to lower our portfolio temperature score.
- › **Suppliers** prioritize blade recycling and circularity, turbine lifetime extension, and quantifiable targets and key performance indicators (KPIs). Other topics are desirable as well, such as project-specific CO₂ footprints; setting ambitious, market-oriented targets early on; the full circularity of blades; and zero waste at production sites.

Stakeholders of the Nordex Group

↑ GRI 102-40



An employee survey identified occupational health and safety, climate change and decarbonization, business ethics, compliance and integrity, and environmental protection as the most important fields of action for the employee stakeholder group. Around 1,000 employees provided valuable input through the survey.

Another important element of our strategy development process involved several internal and external expert interviews conducted with the top management, as well as representatives of academia and WindEurope, the European Wind Association.

At the Nordex Group, we take the concerns of our stakeholders very seriously. It is important to us to continuously evaluate our measures and goals and align them with those of our stakeholders. We view this as a responsibility, but it is also a process of identifying risks and opportunities early on to ensure stable business development in the future. We see great potential in this dialog and believe that we are on the right track in the way we interact with our stakeholders. We will therefore continue and intensify this fruitful approach and work together to pursue our mutual goals.

About **90%** of survey respondents stated that it is important or very important to them to work for a company that contributes to climate protection and sustainable development through its business model.



One single Nordex Delta4000 can cover the average electricity requirements of around 5,000 four-person households.

Stakeholder engagement for Sustainability in 2021

Stakeholder Group	Ongoing engagement and involvement in the materiality assessment
Shareholders/investors/analysts	Conferences, calls, ongoing collaboration, stakeholder roundtable
Customers	Ongoing collaboration, stakeholder roundtable, fairs
Suppliers	Ongoing collaboration, stakeholder roundtable, fairs
Nordex employees	Online employee survey, internal website, news and action days
Nordex management	Monthly presentations, telephone interviews, workshops
Regulatory affairs	Desktop analysis
Science/research	Telephone interviews
Associations	Engagement in working groups, telephone interviews
Media	Desktop analysis

The insights from this process were summarized in a preliminary materiality matrix that was discussed, adapted, and confirmed in the first of two top management workshops. The working group we set up for this purpose comprised the Management Board and representatives from various Company units.

Our material topics

The following matrix displays all material topics and their evaluation from an inside-out as well as an outside-in perspective. The blue box shows the focus topics we want to engage with more intensively via sustainability targets and projects over the years to come.

The materiality process identified two new focus topics that are also part of our Sustainability Strategy 2025. First, while greenhouse gas (GHG) emissions were integrated in the environmental area in past years, Climate Change and Decarbonization is now a dedicated focus topic. Second, the topic of Business Ethics, Compliance and Integrity and was also rated very important for the Nordex Group. Some of the other focus topics were renamed or their scope was extended, but there were no further major changes.

In the second management workshop, the participants discussed and confirmed Nordex’s sustainability targets and measures which were developed in close collaboration with the responsible departments. The final strategy model is structured in line

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with the ESG (Environment, Social, Governance) framework. Nordex’s activities around the material topic of Sustainable Products represent the core of the strategy model. As a manufacturer of innovative onshore wind turbines, we aim to drive sustainability while continually increasing the share of renewable energies in the global energy mix.

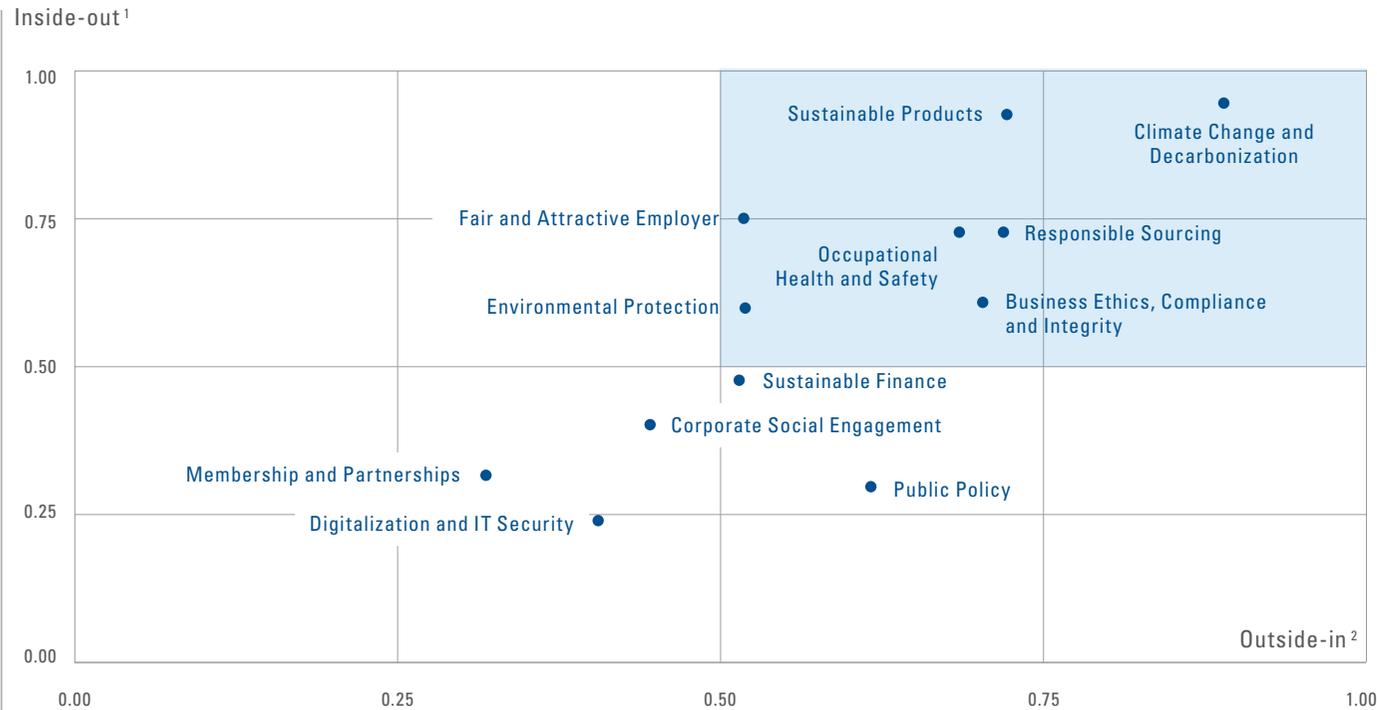
Impact and risk analysis

The effects of the Nordex Group’s business activities on the economy, the environment and society were examined in terms of their extent, probability and influenceability. As a company with international business activities, we are exposed to various risks as a result of our operations. For this reason, the Group has implemented a comprehensive risk management system designed to detect potential

negative deviations (risks) at an early stage, enabling us to take suitable countermeasures to avert any harm to Nordex and to avoid any impairment of our going-concern status. Further information on the objectives, organization and effectiveness of the Nordex Group’s risk management system can be found from p. 56 of the 2021 Annual Report. Details on risks and opportunities for each focus topic can be found in the individual chapters of this Sustainability Report. The analysis is based partly on the results of the materiality analysis, and partly on updated assessments made by the specialist departments.

Together for change – Wind for a sustainable future

Our new Sustainability Strategy 2025 addresses the focus topics we have identified for the coming years. We have set specific objectives for these topics to launch the next stage of consistent sustainable development in our Company. In the following chapters we present our approach, targets, measures, and developments relating to our focus topics.

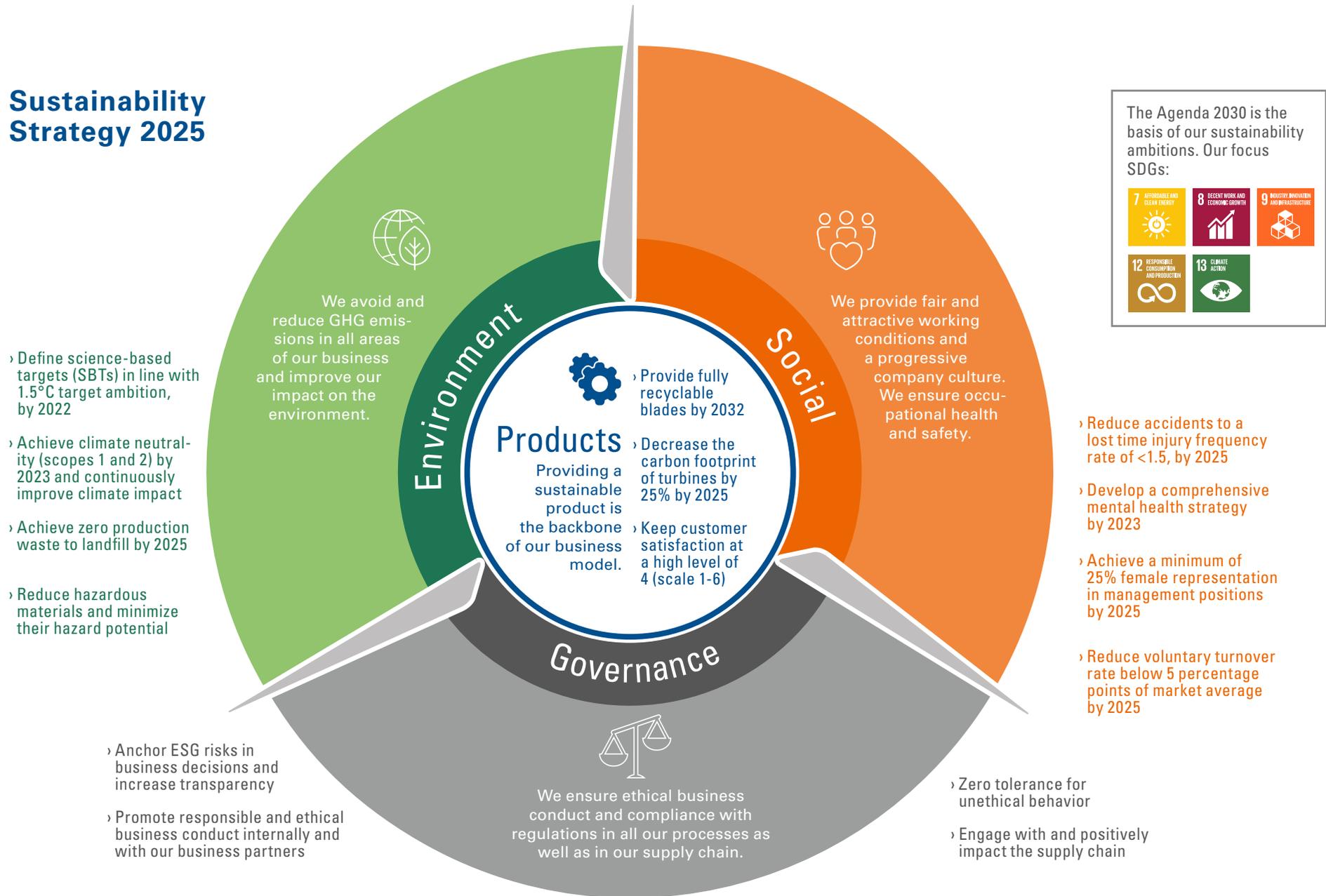


¹ Impact Nordex has on a particular topic through its business activities.

² Impact a material topic has on Nordex’s business activities (e.g., creating risks/opportunities).

Our most important focus topics of the Sustainability Strategy 2025

Sustainability Strategy 2025



The Agenda 2030 is the basis of our sustainability ambitions. Our focus SDGs:

7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	



Further information can be found here: sdgs.un.org

› Sustainable Development Goals

The Nordex Group is committed to the goal of sustainable development and actively contributes to the SDGs.



The objective of these targets is to steer our business into a sustainable future while contributing to the implementation of the United Nations' Sustainable Development Goals (SDGs) (see illustration). We focus on issues where we as a company can make a significant contribution, such as climate protection, sustainable consumption, and production, supporting affordable clean energy with our business model, promoting sustained economic growth and sustainable industrialization.

Sustainable Development Goals (SDGs)

At the heart of its Agenda 2030, the United Nations General Assembly adopted 17 global Sustainable Development Goals (SDGs) in 2015. The Nordex Group has integrated these objectives into its sustainability approach. We see our potential for influence particularly in the five SDGs 'Affordable and Clean Energy' (7), 'Decent Work and Economic Growth' (8), 'Industry, Innovation and Infrastructure' (9), 'Responsible Consumption and Production' (12) and 'Climate Action' (13), as our business activities can make a significant contribution to their achievement.

OUR CONTRIBUTION TO AND IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)



7 | Affordable and Clean Energy

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. The turbines already installed by the Nordex Group with a combined rated output of 38.8 GW ensure a reliable, forward-looking supply of electricity in over 40 countries worldwide that continues to expand year after year. Although we faced challenges in the supply chain due to increased raw

material prices and logistics bottlenecks in 2021, the successes in reducing the cost of energy in recent years have enabled wind energy to prevail over conventional generation capacities in economic competition. As part of our Sustainability Strategy 2025, we will consistently pursue an ongoing reduction in the cost of energy and a high level of satisfaction among our customers and investors.

In addition to delivering wind turbines to support affordable clean energy, we are getting to grips with goals and measures at the Group level to reduce our energy consumption through our own business activities as part of our Sustainability Strategy. In 2021, our relative energy consumption decreased by 13.2% to 17,910 kWh/MW (2020: 20,634 kWh/MW) (also see p. 49).

In our Sustainability Strategy 2019 to 2021, we set a target of '100% green electricity by 2021'. We use various electricity procurement mechanisms to achieve this target. Wherever possible, Nordex sites have switched to green electricity supply contracts. This is not feasible at some sites, however, due to country-specific restrictions or leasing conditions. Therefore, as of financial year 2021, we are obtaining Energy Attribute Certificates (EACs) for all locations whose contracts cannot be switched over directly to green electricity sources, or whose switchover has not yet been completed. In the long term, we will continue our efforts to increase the positive impact of our electricity consumption, and we are looking into solutions that go beyond EACs and green electricity supply contracts. We plan to work with

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suppliers to reduce energy consumption and promote energy efficiency in the supply chain. This will involve developing a climate action plan on scope 3 GHG emission reduction, based on the assessments of our scope 3¹ GHG emissions.



8 | Decent Work and Economic Growth

The Nordex Group generated a direct economic value of 5,440.0 EUR million in 2021 (2020: 4,286.4). The economic value retained was 151.9 EUR million in 2021 (2020: –241.9) (see p. 13). Despite the economic challenges posed by the COVID-19 pandemic, we are generally satisfied with the development of our generated turnover and huge number of installed gigawatts (2021: 6.7 GW). However, we are strongly committed to improving our financial performance.

As of the reporting date (31/12/2022), we employ more than 8,600 people. By operating sites in Brazil, India, Mexico, and South Africa, we are creating jobs for the local population in emerging markets. We require full compliance with ethical guidelines such as the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Universal Declaration of Human Rights – not only internally, but also externally through our Code

of Conduct for Suppliers (see p. 91). We are also committed to diversity and gender-independent pay levels. We published a new Diversity and Inclusion and Human Rights Policy in 2021 for embedding the principle of equality, avoidance of workplace violence and sexual harassment. We also invest in the professional development of women and provide technology trainings (see, e.g., initiatives in Turkey, p. 89).

Safety culture also plays a special role at the Nordex Group, where to promote safety awareness and develop the qualifications of our employees we offer programs and training courses at all locations. Furthermore, we are committed to establishing a safety culture in the wind industry by participating in industry-specific initiatives.

We support the improvement of global resource efficiency in consumption and production by implementing a circular business model. We focus on life cycle assessments in an attempt to further reduce our own environmental impact, improve resource efficiency, and increase supply chain and resource security. We assess and mitigate the environmental impact of our products and services by tracking, reporting, and reducing resource consumption (also see statements on SDG 9, 12, and 13).



9 | Industry, Innovation, and Infrastructure

The Nordex Group contributes to SDG 9 by promoting sustainable industrialization through our business model (manufacture of clean and environmentally sound technologies), and offering employment in this sector. As a wind turbine manufacturer, the Nordex Group focuses on technology for generating electricity from wind in an efficient, environmentally friendly way. Our products and services are a relevant component in the design of sustainable energy infrastructures worldwide and contribute significantly to climate-friendly energy generation and achieved growth of 22% from 2020 to 2021 with regard to the installed GW. This places us amongst the top 3 global industry players with regard to order intake in the area of onshore wind turbines.

We strive to continuously improve our own resource efficiency in the manufacture and assembly of wind turbine components. This involves analyzing product life cycles and our entire product portfolio. We pay attention to material savings, recyclability, avoiding non-ecological and socially unjust materials, and using technologically efficient processes. We also go beyond this by participating in industry associations (such as Wind Europe), where we have worked

¹ Scope 3 includes emissions produced by third parties during the provision of services.

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together with the wider wind industry to support a landfill ban for blade waste as a way of promoting the reutilization and recycling of wind turbines and their components.

The Nordex Group develops, produces, sells, and installs onshore wind turbines for use in high-, moderate-, and low-wind locations worldwide. We therefore support the establishment of sustainable and resilient infrastructures in developing and emerging countries. As a member of the RenewAfrica industry initiative (see page 32), for example, we are one of 26 stakeholders supporting the expansion of renewable energies on a large scale in Africa and promoting sustainable development on the continent.

The efficiency of our systems is high and the technological standard is already very sophisticated. Still we are also working on scientific research programmes to further advance innovation. With regard to adaptation to climate change, for example, we are participating in a research project at the University of Hamburg (Cluster of Excellence Climate, Climatic Change, and Society [CLICCS]).



12 | Responsible Consumption and Production

The Nordex Group exerts a positive impact on SDG 12 since the production of wind turbines supports the energy transition towards renewable energies while respecting sustainable production and consumption patterns along their life cycle. Once connected to the grid, our wind turbines generate electricity for around 20 to 35 years, making a key contribution to the environmentally friendly electricity supply as part of the overall shift towards green electricity in the energy industry. Sustainability aspects play a key role for us in all phases of our wind turbines' life cycle – from development through responsible sourcing, production, and operation, to dismantling and recycling. Taking these aspects into account comprehensively within this process is a challenge, but also an opportunity for us.

To improve resource efficiency regarding material, water, and energy efficiency, we have established an environmental management system in accordance with ISO 14001 and an environmental reporting process. In addition to the annual Sustainability Report, we communicate key environmental indicators and the implementation status of measures to the Management Board and senior management on a quarterly basis. Through various measures we reduce the negative impact resulting from our environmental footprint and material consumption during

the production of the wind turbines: By intelligently reusing components and production resources from previous turbines in the Delta4000 product range to develop our latest model, the N163/6.X model, we were able to lower our resource use. In the future, we will keep a closer eye on the material and energy performance of our supply chain and promote improvements there.

In accordance with legal requirements, we regularly check whether material substitutions are possible to reduce the overall number of hazardous materials as well as their respective water hazard class, thus reducing the extent of any environmental damage. With established waste management and annual corporate carbon footprint analyses we track our waste generated and disposed of, emissions of air pollutants and GHG, water discharged, impacts of transportation and significant spills. By 2025, we have set further ambitious targets to reduce not only our product but also corporate carbon footprint (see p. 53).

Furthermore, with respect to human rights and other social challenges, we have implemented social standards in our Code of Conduct and are working on the mitigation of identified social risks in our supply chain. Given our extensive supplier base, we regularly review our supplier due diligence processes for optimization potential. Our new Sustainability Strategy 2025 is aimed at improving the supplier review process to ensure that we have the most competitive, sustainable, and reliable suppliers.

We discuss sustainability with our employees, customers, suppliers, partners, and other stakeholders as part of our daily business. Our new Sustainability Strategy has seen widespread participation (see p. 18), and this exchange has helped us find sustainable solutions and recognize new opportunities for improving the sustainability performance of our company and the entire industry.

Through donations, we also support different kinds of educational programs and projects around the world with a focus on renewable energies and health and safety (also see p. 88).



13 | Climate Action

Our product portfolio is designed to promote greener energy generation on a global level. All Nordex turbines running in 2021 avoided around 60 megatons (Mt) of CO₂e emissions in that same year. Constant innovation in wind turbine technology, including improvements in the environmental scorecard of our turbines, enables us to make an important contribution to SDG 13. Climate protection is also a top priority within the Company, as evidenced by the fact that, in 2021, we purchased as much as 100% of our electricity from renewable energy sources or obtained Energy Attribute Certificates (EACs) for all locations whose contracts cannot be switched over directly to green electricity. In 2021, our direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) decreased by 46% to 2,214 kg in relation to installed capacity. Since financial year 2019, we have regularly calculated Nordex's Corporate Carbon Footprint (CCF), where we disclose all relevant climate data, including scope 1 to 3 emissions (also see p. 47). The results of the most recent CCF, analyzed retrospectively for the financial year 2020, show that scope 3 emissions account for the vast majority of the Nordex Group's CCF.

Nordex's Sustainability Strategy 2025 includes long-term goals for counteracting climate change and its effects. While we focused on switching to 100% green electricity procurement (scope 2 emissions) in the previous Sustainability Strategy from 2019 to 2021, we are now addressing all emissions (scopes 1, 2, and 3). In keeping with our commitment to set science-based targets (SBTs) in late 2021. The greatest milestones in the next few years will include developing and defining SBTs in 2022 to reach the 1.5°C target, managing and adapting to climate risks and opportunities, and achieving climate neutrality (scopes 1 and 2) from 2023 onwards.

The Nordex Group has supported various educational initiatives around our sites to raise awareness of clean energy and climate action. We also collaborate with the University of Hamburg on climate change adaptation (see SDG 9, the Climate, Climatic Change, and Society [CLICCS] Excellence Cluster).

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The demand for ESG performance scores has grown significantly in recent years. Nordex’s Sustainability department regularly evaluates its ESG scores and uses the ratings to identify potential improvements in our sustainability management and communication. The ratings were additionally used to inform the materiality process, and they provide an opportunity to make our sustainability performance more visible externally and internally.

All of our ratings are good, either above or at least in line with the industry average. In 2021, we were particularly pleased with our strong improvement in the EcoVadis Sustainability Rating. EcoVadis is one of the leading solutions for monitoring sustainability in global supply chains. The Nordex Group was awarded a gold medal in recognition of its sustainability achievements. With 66 points, the latest result puts us in the top 3% of all general industrial machinery manufacturers assessed by EcoVadis, acknowledging our ongoing efforts to make sustainability an integral part of all our activities and to live sustainability throughout the Nordex Group.

The rating of ISS ESG, one of the world’s leading rating agencies in the field of sustainable investments, rated the Nordex Group with a ‘B’. Therefore, we continue to hold ‘Prime Status’, which is awarded to companies whose environmental and social activities are above the industry average.

The CDP (formerly the Carbon Disclosure Project) rating, which focuses on environmental impact, scored the Nordex Group with a ‘B-’ in the category of climate change in the reporting period. This is a slight downgrade from ‘B’ in 2020. However, we have identified climate change and decarbonization as a field to focus on, with a dedicated position and strategic targets and measures, we are very positive that we can improve the rating in 2022.

Pinpoint accuracy in rotor blade production in Rostock, Germany. In 2021, we produced rotor blades in Germany, India, Mexico, and Spain.



Nordex Sustainability Ratings

Ratings	Industry	Scale	Industry Average	Score
 ISS ESG <small>ethix • climate • oekom</small>	Machinery	A+ – D- A+ → best	C	B ¹ PRIME 19/12/2020
 CDP <small>INCLUSIVE INVEST ACTION</small>	RE Equipment	A – D A → best	C (Renewable Energy equipment sector)	B- 12/07/2021
 MSCI	Electrical Equipment	AAA – CCC AAA → best	BR	A 13/07/2021
 SUSTAINALYTICS	Electrical Equipment	Risk Rating 0 – 100 0 → best	43th place of 193 Companies	24.8/100 Medium 30/09/2021
 ecovadis	Manufacture of general-purpose machinery	1 – 100 100 → best	43/100 42 nd percentile	66/100 Gold status 31/05/2021

¹ Interest margin of one of Nordex financial instruments is tied to this rating.

EU TAXONOMY

The EU “Green Deal” comprises the ambitious goal of achieving CO₂ neutrality in Europe by 2050. To succeed in this, the EU Commission has defined a series of measures within the “Sustainable Finance” action plan to channel capital flows into environmentally sustainable activities. A core component is the EU Taxonomy Regulation 2020/852 (“Taxonomy Regulation”): This includes a uniform and legally binding classification system in order to classify economic activities as environmentally sustainable (= Taxonomy-aligned) activities.

The Taxonomy Regulation obliges companies that are required to prepare a Non-financial Statement in accordance with Section 289b (1) and Section 315b (1) of the German Commercial Code (HGB) to report on these economic activities; this also applies to the Nordex Group. For the 2021 financial year and for reporting from 01 January 2022 onwards, companies need to report their contributions to the first two environmental objectives: “Climate change mitigation” and “Climate change adaptation” (Art. 27 Para. 2a Regulation (EU) 2020/852). Requirements for the further environmental objectives will be defined in 2022. In addition, for the first time companies with a reporting obligation must disclose the proportion of taxonomy-eligible and non-taxonomy eligible economic activities in their total revenue as well as in their capital and operating expenses for the previous reporting year. Furthermore, the qualitative

information relevant to disclosure in Section 1.2 of Annex I to the Delegated Act (EU) 2021/2178 is required.

The Nordex Group supports the Taxonomy Regulation as an important step towards a sustainable transformation of the economic system. For the 2021 reporting year we are presenting the assignation and the proportion of our taxonomy-eligible activities.

Many criteria of the environmental objectives of the Taxonomy Regulation are also included as topics embedded in the Nordex Group’s Sustainability Strategy. We included the “Do No Significant Harm” (DNSH) criteria of the Taxonomy Regulation in our materiality analysis process, which forms the foundation of our new Sustainability Strategy 2025. In our Sustainability Strategy we focus on the topics of Climate Protection and Decarbonization, Environmental Protection, and Sustainable Products, among others. In these areas we have also set ourselves ambitious goals for reducing greenhouse gas emissions, climate-change adaptation, the circular economy and wind turbine recycling, water efficiency, and reducing hazardous materials.

We see Nordex’s business activities making the greatest contribution to the first environmental goal, “Climate change mitigation”. At the same time, we are also contributing to “Climate change adaptation”,

for instance in product development by adapting our wind turbines to extreme climatic conditions. But in order to avoid a double count we assign this contribution exclusively to the first environmental objective.

Our activities and assessment of taxonomy eligibility

In this Sustainability Report we publish the required information on Nordex’s taxonomy-eligible turnover, operating expenses (OpEx) and capital expenditure (CapEx) of the Nordex Group’s business activities in accordance with Article 8 Para. 2 of the EU Taxonomy Regulation for the environmental objectives of “Climate change mitigation” and “Climate change adaptation”.

In our financial reporting, at the Nordex Group we distinguish our reporting between “Projects” and “Service” business segments. “Projects” comprises all activities related to the development, production, construction and commissioning of wind turbines. The “Service” segment comprises services and products for existing turbines after handover to the customer, in particular technical services such as maintenance, the remote monitoring of wind farms, as well as the repair and technical development of existing turbines. In both segments we carry out activities that can be assigned to two EU Taxonomy activities as currently defined in the following table:

EU Taxonomy

Assignment of Nordex's main business activities to the EU Taxonomy

EU Taxonomy activity	Description	NACE Code	Allocation to Nordex Segment	Climate Protection	Climate Adaptation
3.1 "Manufacture of renewable energy technologies"	Production of rotor blades, nacelles and concrete towers for the manufacture and assembly of wind turbines	C28 C.28.11 ("manufacture of turbines")	Projects (proportionally)	✓	✓
7.6 "Installation, maintenance and repair of renewable energy technologies"	Provision of services for remote monitoring, preventive maintenance, and customer training as well as modernization, set-up and operationalization of wind turbines wind farm system planning and project development business	C28 C.28.11 ("manufacture of turbines") F42 F42.22 ("Installation of wind energy plants")	Projects (proportionally) Service	✓	✓

Supporting activities

We have included further economic activities from the Climate Delegated Act as Taxonomy-capable which, if viewed strictly, are not directly associated with activities 3.1 and 7.6 and thus our core business activities, but have an indirect and/or "supportive" effect on our revenues. The activities result in "supportive" investment expenditures and overheads and are considered individually as a service under

CapEx and OpEx. These include, for example, part of our vehicle fleet for administrative staff, and the lease of buildings for our administration:

- › 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- › 7.7 Acquisition of and ownership of buildings

Our non-Taxonomy eligible activities

The core of our business activities corresponds to the Taxonomy-eligible activities of the Taxonomy Regulation. Certain individual items of turnover, CapEx and OpEx cannot be directly attributed to EU Taxonomy activities, even if in the broader sense they serve to maintain Nordex's overall business activity. These items include administrative activities such as Sales and Distribution, Human Resources, and Real Estate Management.

Totals (absolute / proportions)

	Total (in EUR million)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of non-Taxonomy eligible economic activities (in %)
Revenue	5,444.0	99.99	0.01
CapEx	221.1	94.86	5.14
OpEx	74.7	92.40	7.60

Turnover:
99.9%
 eligible

Our KPIs and accounting principles

Key Performance Indicators (KPIs) include revenue, CapEx and OpEx. For the 2021 reporting year, the share of KPIs of Taxonomy-eligible and non-Taxonomy eligible economic activities was calculated in accordance with Article 8 Para. 2 of Regulation (EU)2020/852.

The Consolidated Financial Statements are prepared in accordance with Section 315e of the German Commercial Code (HGB) to the International Financial Reporting Standards (IFRS). All IFRS standards and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) that are binding for the 2021 financial year are also relevant for the Consolidated Financial Statements items included in the calculation of the KPIs. The IFRS accounting and valuation principles apply equally to these items (see Notes to the Consolidated Financial Statements page 103).

Turnover KPI

For the proportion of Taxonomy-eligible turnover these revenues are considered in relation to the Nordex Group's total turnover

The key figure denominator of the turnover KPI is based on the turnover reported in the income statement. Nordex's revenue mainly comprises income from the manufacture and installation of wind turbines, as well as income from servicing wind turbines.

The proportion of Taxonomy-eligible revenue therefore originates from the "Projects" and "Service" business segments and forms the numerator of the revenue KPI (see Segment Report, p. 122 to the Annual Report 2021).

The proportion of Taxonomy-eligible turnover was determined based on the definition of the EU Taxonomy Regulation (Article 8 Para. 2a of Regulation (EU)2020/852) and the supplement to Regulation (EU) 2020/852, Annex I. The numerator of the revenue KPI is defined as the net revenue generated by the products and services related to the Taxonomy-eligible economic activities.

99.9% of Nordex's business activities are Taxonomy-eligible.

CapEx KPI

The proportion of Taxonomy-eligible investment expenditure was determined based on the definition of the EU Taxonomy Regulation (Article 8 Para. 2c of Regulation (EU) 2020/852) and the supplement to Regulation (EU) 2020/852, Annex I). The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by total investment capital expenditure as defined in the EU Taxonomy (key figure denominator).

At the Nordex Group, the key figure denominator of the investment capital expenditure KPI consists of the following items:

- › Additions to property, plant and equipment, under IAS 16.73,
- › Additions to intangible assets, under IAS 38.118,
- › Additions to leased assets, under IFRS 16.53 (see Statement of changes in property, plant and equipment and intangible assets, Annual Report 2021, page 158).

Contrary to Nordex's usual definition, the definition of CapEx considered here also includes the additions of "right-of-use" assets, under IFRS 16.

The numerator was determined based on the internal organizational structure and consists of the following categories of the EU Taxonomy (supplement to Regulation (EU) 2020/852, Annex I):

- (a) capital expenditure that relates to assets or processes associated with taxonomy-aligned economic activities

CapEx:
94.86 %
 eligible

(c) capital expenditure that relates to the acquisition of production from taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon or reduce greenhouse gas emissions.

On this basis, an assignment was made to activities 3.1 and 7.6 as well as to the supporting activities 6.5 and 7.7. Organizational units to which activities cannot be unequivocally assigned are not Taxonomy-eligible. Capital expenditure that relates to category c) can be clearly identified by the internal organizational structure, thus avoiding double counting.

The Nordex Group's CapEx expenditures are 94.86% Taxonomy-eligible.

OpEx KPI

The proportion of operating expenses was determined based on the definition of the EU Taxonomy Regulation (Article 8 Para. 2b of Regulation (EU) 2020/852) and the supplement to Regulation (EU) 2020/852, Annex I.

At the Nordex Group, the expenditure that forms the basis for the OpEx KPI consists of the following items:

- › Operating expenditure for non-capitalized internal activities in relation to research and development (see Annual Report 2021, page 131),
- › Leasing expenses from current leases, under IFRS 16.5 (see Annual Report, page 148),
- › Leasing expenses from the rental of leased assets of low value,
- › Operating expenses related to repair and maintenance activities (see Annual Report, p. 147).

The "OpEx" KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total operating expenditure, as defined by the EU Taxonomy (key figure denominator).

The numerator was determined based on the internal organizational structure and consists of the following categories of the EU Taxonomy (supplement to Regulation (EU) 2020/852, Annex I):

- (a) operating expenditure that relate to assets or processes associated with taxonomy-aligned economic activities,
- (c) operating expenditure that relates to the acquisition of production from taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon manner or reduce greenhouse gas emissions.

On this basis, an assignment was made to activities 3.1 and 7.6 as well as to the supporting activities 6.5 and 7.7. Organizational units to which activities

cannot be unequivocally assigned are not Taxonomy-eligible. Operating expenditures related to category c) can be clearly identified by the internal organizational structure, thus avoiding double counting.

The OpEx of the Nordex Group are 92.4% Taxonomy-eligible.

Internal processes and outlook

In order to determine the Taxonomy eligibility of our business activities, the Sustainability department assumed a coordinating role and set up a working group consisting of members from various departments that include Global Sustainability, Accounting, Controlling, Investor Relations, Corporate Development, and Risk Management. In addition, we commissioned consultancy by external experts to ensure the correct and unified interpretation of the legal requirements.

The review of EU Taxonomy requirements regarding the DNSH criteria was launched in cooperation with other departments during the reporting period. The Nordex Group is also active in VDMA and WindEurope Working Groups on the application and interpretation of the EU Taxonomy Regulation.

OpEx:
92.4 %
 eligible

MEMBERSHIPS AND PARTNERSHIPS

Nordex is a member of various international and sector-specific associations. As members of management or steering committees, we play an active role in the following organizations:

- › VDMA PS (Specialist Power Systems Association of the Mechanical Engineering Industry Association)
- › WindEurope
- › GWEC (Global Wind Energy Council)
- › FEE (France Energie Eolienne)
- › SAWEA (South African Wind Energy)
- › CEA (Camara Eolica Argentina)
- › Global Alliance for Sustainable Energy

The following associations and technical bodies are also particularly relevant to us:

- › ACP (American Clean Power Association)
- › FGW (Federation to Promote Windpower and other Renewable Energies)
- › ABEEolica (Associação Brasileira de Energia Eólica)
- › AEE (Asociación Empresarial Eólica)
- › AWEA (American Wind Energy Association)
- › TUREB (Turkish Wind Energy Association)
- › ANEV (Associazione Nazionale Energia del Vento)
- › PSEW (Polish Wind Energy Association)
- › AMDEE (Asociación Mexicana de Energía Eólica)

WindEurope

The Nordex Group is also actively involved in the cross-industry Sustainability Working Group coordinated by WindEurope, the European wind association, with the goal of exchanging experience and progressing together. Important topics that are tackled here are responsibility in the supply chain as well as recycling and circularity.

Global Alliance for Sustainable Energy

The Nordex Group is proud to be one of the 17 founding members of this alliance, which is redefining sustainable energy and working to ensure the renewables sector becomes a 100% sustainable industry. The alliance brings together utility companies from diverse geographies, wind power, and the solar PV industry, as well as industry associations and innovation partners. The alliance was officially launched with a joint press release and digital launch event in September 2021, and the technical working groups have started their collaboration. The working groups are focusing on the topics of net zero and decarbonization, circularity, human rights, and water footprint. Nordex is actively involved in all working groups and is co-chair of the working group on circularity.

Collaboration with the University of Hamburg

Since the beginning of 2020, the Nordex Group has also been collaborating with the University of Hamburg as part of the 'Climate, Climatic Change, and

Society (CLICCS)' excellence initiative. In this long-term partnership, we are involved in the sub-project 'Decarbonization: Global Research on Effects in Enterprises and Societies (D°GREES)', addressing, among other things, the definition of science-based emissions reduction targets in accordance with the Paris Climate Agreement and the development of strategies for achieving these targets.

Res4Africa Foundation

In 2020, the Nordex Group and 26 stakeholders from the financial, industrial, and development sectors joined together in RenewAfrica, an initiative that aims to expand renewable energies on a large scale in Africa and to promote sustainable development on the continent. In 2021, the work of RenewAfrica was integrated into the RES4Africa Foundation. We are thus now a Res4Africa participant.

Res4Africa supports Africa's just energy transition to ensure access to affordable, reliable, sustainable, and modern energy for all. It brings together a network of European and African members from the clean energy sector and high-level international partnerships. Res4Africa contributes to the achievement of SDG 7, 'Affordable and clean energy', and ensures a constant dialogue between the most relevant energy stakeholders willing to mobilize investments in clean energy technologies.

Wind
EUROPE



Global Alliance for
Sustainable Energy

CLUSTER OF EXCELLENCE
CLIMATE, CLIMATIC CHANGE,
AND SOCIETY (CLICCS)

OUR SUSTAINABILITY CONTRIBUTION



OUR PRODUCTS



Providing a sustainable product is the backbone of our business model. Over the past years, we already reduced the carbon footprint of our wind turbines. For 2022, we plan to continue this path and have set ambitious goals on our agenda for further improving product sustainability.



Main Targets	Baseline 2021	Status	
Provide fully recyclable blades by 2032	–	New target	○
Decrease carbon footprint of turbines by 25% by 2025	6.5g CO ₂ e/kWh	New target	○
Keep customer satisfaction at a high level of 4 (scale 1–6)	4.4 (Sales) 4.4 (Service)	Continued target	○

For further details see p. 44

Sustainable Products

Economic and Environmental Efficiency and Circularity

➤ GRI 304-2

MANAGEMENT APPROACH

The role of renewables, especially wind power, has increased globally in recent years. Green electricity generated from these sources helps reduce carbon emissions arising from conventional electricity generation, which contributes significantly to global warming. High-performance wind turbines play a key part in this positive development: At the Nordex Group, we design sustainable, safe, and high-quality wind turbines, thus ensuring that our customers are satisfied with our products and services.



Life cycle assessment (LCA) study Delta4000

Around
60 Mt of CO₂e
 emissions avoided through all Nordex turbines running in 2021

Once connected to the grid, our wind turbines generate electricity for around 20 to 35 years, making a key contribution to the environmentally friendly electricity supply as part of the overall shift towards green electricity in the energy industry. A single large Nordex wind turbine with installed generating capacity of 6.5 MW can meet the average annual electricity requirements of around 5,000 four-person households.

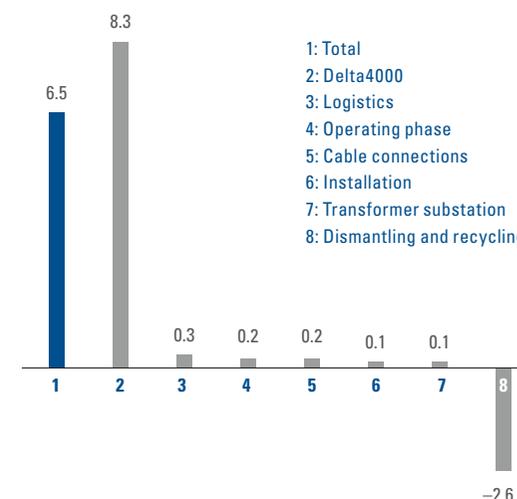
Globally, the Nordex Group has installed many thousands of wind turbines, with a combined nominal power capacity of 38.8 GW. These turbines provide clean, safe electricity in more than 40 countries around the globe.

Since green electricity from Nordex’s wind turbines takes the place of electricity from other (non-renewable) sources, wind farms have a positive impact on the environment because their technology avoids greenhouse gas emissions. All Nordex turbines running in 2021 avoided around 60 Mt of CO₂e emissions in that same year – this is more than an entire country such as Portugal emits over a whole twelve months (Portugal 2020: 41 Mt CO₂e)¹.

Onshore wind is not only economically feasible, it also has a very low specific carbon footprint, making it one of the most competitive energy sources for electricity production. In our latest life cycle assessment (LCA) study for the Delta4000 turbines according to ISO 14040/44, we found that 6.5 g CO₂e/kWh are emitted over a turbine’s entire life cycle². We continue to use the LCA methodology for

evaluating the environmental impact of our products in order to identify optimization potential and track improvements.

Climate impacts of the wind farm in g CO₂e/kWh



¹ CO₂e emissions: Carbon dioxide equivalent emissions; calculation based on wind-farms commissioned in the past 20 years, from 2002 to 2021, using the results from our LCA study (6.5 g CO₂/kWh) as average for all Nordex turbines. As a reference, the carbon intensity for global electricity production was taken from the International Energy Agency (IEA), which was 475 g CO₂/kWh in 2019.

² The LCA study was not part of the audit by PwC, but was externally audited by DEKRA.

Our Products



Environmental Product Declaration (EPD)

Based on this LCA study, we also created an Environmental Product Declaration (EPD) that includes even more environmental information and KPIs¹.

Our stakeholders are increasingly expecting fully sustainable products, and the Stakeholder Roundtable we organized during the development of our Sustainability Strategy 2025 was an ideal opportunity for our key stakeholders to frame and explain their respective requirements.

Across all management levels, we have committed ourselves to the goal of producing green electricity. Recycling issues such as intelligent waste management, material recycling, and resource circularity are considered interdisciplinary topics in the Nordex Group and are reflected in the Sustainability Strategy 2025.

CHALLENGES, RISKS, AND OPPORTUNITIES

In times of increasing inflationary pressure due to rising commodity and logistics costs, we strive to minimize the impact of rising prices by developing even more powerful and profitable turbines for the economical generation of electricity.

One challenge is the ongoing push to ensure rotor blade circularity and the economical and technological development to make this a reality. Another challenge is to find an adequate replacement for switchgears containing sulfur hexafluoride (SF6), a potent greenhouse gas, for all voltage levels and

required switchgear variants. We cooperate with our suppliers here to find solutions that meet technical and customer requirements.

MEASURES 2021

The high priority given to sustainability in developing and manufacturing our wind turbines is why we regularly review our core processes and use of materials for areas of optimization potential. A core strategic objective of product development was to achieve an annual reduction in cost of energy (COE) by a high single-digit percentage. We committed to this goal in our Sustainability Strategy 2019 to 2021. The COE is calculated based on the total sum of a wind farm's project costs over its entire life, divided by the electricity the wind farm generates after commissioning. After high single-digit COE reductions in the first two years of the strategy, this could not be achieved again in 2021 due to the significant increases in commodity and logistics costs globally. These rising costs affect the whole wind industry, but the COE program was able to soften the impact to a large degree for the Nordex Group.

In 2019, we conducted the first comprehensive life cycle assessment (LCA) study of a wind farm equipped with our Delta4000 turbine. This study was used to analyze hotspots along the product life cycle and initiate countermeasures. The overall environmental footprint was reduced through continuous performance improvements.

Product development

As one of the pioneers in the wind industry the Nordex Group continuously strives to design, build, and service ever more competitive wind turbines. Our goal is to serve the world's growing energy demand with renewable, environmentally friendly electricity and thus support the green transformation of the energy industry. Based on the experience of more than 3.6 GW in operation and over 11 GW in construction of the Delta4000 turbine, this platform is the backbone of our ongoing development efforts. After the successful launch of the Delta4000 5MW+ class in 2020, we now presented the N163/6.X turbine at the Husum Wind fair in September 2021. With the N163/6.X, we maintained our modular approach to using systems and technologies that have a proven track record while simultaneously making changes that significantly reduce the cost of energy and are necessary for handling a higher rating.

¹ The EPD was not part of the audit by PwC, but was independently verified by ICMQ.

Our Products

Lower material use and efficiency gains through modularization

Since the Delta4000 turbine is designed to serve the global market, we pay special attention to harmonization and the modularity of components. By intelligently reusing components and production resources from previous turbines in the Delta4000 product range to develop the N163/6.X, we were able to lower our resource use. We harmonize the parts and components on the Delta4000 platform wherever possible and economically feasible. This facilitates material handling and stock-keeping at the different production locations worldwide and in the service phase. Based on this common platform, we use different subassemblies to produce either a 4.X, 5.X or a 6.X MW turbine with the desired lifetime for the specific project.

Reduction in Cost of Energy

In the last ten years, the cost of energy (COE) for wind power has fallen by around 70%, making it the most competitive source of energy together with utility-scale solar PV. Put simply, the COE from wind turbines can be lowered in two ways: by reducing costs (cost-down measures) and by increasing our wind turbines' productivity (value-up measures).

In 2021, we were once again able to apply different cost-down and value-up measures. These helped soften the impact of inflationary pressure on rising costs, as described above. Even after this negative impact, the COE of wind power remains the lowest of any source of energy.

The use of the Delta4000 5.X generator frame for our 4.X turbines is one example of a cost-down/ harmonization measure. A cost-down was achieved thanks to economies of scale and less complexity in materials handling.

Another big contributor was the evolution of the certified lifetime extension approach of our Delta4000 turbines from up to 30 years to now up to 35 years of lifetime. Given that the amount of materials used remains almost the same while the service life is extended considerably, the increase in electricity generated results in a significant reduction in the COE and environmental impact.

We have also released new power modes with a higher rating for the Delta4000 turbines with 4.X or 5.X ratings, followed by the release of the N163/6.X, which has a higher rating that enables it to further reduce the COE.

Alongside these standard approaches to COE reductions, the COE program is also developing methods that are only indirectly linked to the turbines themselves. These include improvements to logistics planning to ensure that parts can be transported even more efficiently by rail, road, and sea. Optimizations here include improved part arrangement and storage on the vessel itself, like the stacking of blades and towers, which increases the number of components that can be transported using the available shipping space.

Expanded range of applications for Nordex turbines worldwide

Our Delta and Delta4000 turbines are in high demand in northern countries, as they can be operated without a problem at sites with average temperatures as low as -20°C . The tried and tested Nordex Cold Climate Package helps to develop profitable cold climate sites. In the cold climate variant (CCV), the turbine has an extended operating range and is ready for operation at an outside temperature of as low as -30°C .

70%

cost of energy (COE) reduction
for wind power in the last ten years.

Our Products

Our effective, advanced anti-icing system, which we continued to enhance in 2021, heats the most aerodynamically important surfaces of the rotor blades as required and reduces ice build-up in an energy-efficient way. This technical optimization delivers higher energy yields at sites with frequent ice formation on the rotor blades. The key aspect of the enhancement was to simplify the system and extend the heated rotor surface.

We have also developed an option for most of the Delta4000 turbines for sites with particularly high average temperatures that ensures a consistently high yield despite hot ambient temperatures by using larger passive coolers. With this, we are adapting our turbines to changing climate conditions.

Digital sustainability

Digitalization is an important topic in all industries, affecting all functions and impacting several aspects of sustainability. It is about collecting data in a centralized way and with easy accessibility. This avoids redundant infrastructures and unnecessary effort, thus reducing resource needs.

To achieve this, the Nordex Group initiated a program to develop a new data acquisition and management platform called Nordex OS, which has also been integrated into wind farms. Meanwhile, Nordex OS – SCADA EDGE is the next-generation SCADA for local supervisory control and data acquisition on site. This allows for continuous improvement in service and turbine design.

Nordex's Predict to Prevent (P2P) program is just one example of avoiding downtime through event prediction. It also demonstrates that our efforts are both ecologically and economically relevant. This has already resulted in savings in the millions per year.

Nordex's digital portfolio prepares customers to meet the demands of a sustainable power grid, fast reaction times, easy data provision, and flexible implementation in the operators' different business models.

Repair and refurbishment in Service

We expanded our repair and refurbishment activities for turbine components in the reporting year. Our uptower repair concepts enable us to fix or replace more and more defective parts directly in the nacelle without the need for a large crane. Up to 50 trucks are needed to transport a conventional crane to a site. By repairing components uptower, we avoid CO₂e emissions as well as the damage that can happen to vegetation when clearing the crane pad to assemble and operate the crane.

If a component cannot be repaired directly on site, we remove it from the turbine and transport it to one of our repair facilities. In addition to several existing workshops for electrical components, we started to operate our own repair center for mechanical components in the reporting year. Wherever possible, we use a self-hoisting crane to exchange components, since self-hoisting cranes can be transported in a single 40-foot container and require significantly less space on site compared to conventional cranes.

At the repair facility, we analyze defective components, refurbish them if possible, and commit to a new parts warranty period. We have dedicated repair processes in place for major and non-major components to ensure the refurbished parts meet our technical and quality standards. This approach reduces material consumption and ensures that no materials are wasted. Particularly considering the current raw material and logistics crisis, this helps us to ensure high turbine availability as well as short delivery times for our customers.

We have also continued to optimize our annual maintenance process towards an on-demand approach with the help of our Predict to Prevent (P2P) predictive maintenance program. For example, we no longer exchange pitch batteries or hydraulic oil at fixed intervals but instead based on their condition, which is constantly being monitored. This approach saves resources and reduces waste.

DISMANTLING AND RECYCLING OF WIND TURBINES

While progress in wind turbine technology is making electricity generation ever more efficient and is delivering higher energy yields, the dismantling of first-generation turbines is becoming increasingly important. This necessitates environmentally friendly and economically sustainable disposal, and wherever possible, the recycling of components and materials. In the reporting year, the Nordex Group proceeded with the dismantling and recycling of older wind turbines. The main challenge here is to disassemble and separate the individual components and

Our Products

materials. While this is generally the responsibility of the turbine owner, we believe that the Nordex Group needs to play an active role here given that it is the manufacturer. This is why we have been involved in a WindEurope working group, which had been set up to develop an industry standard for dismantling wind turbines. The document was also submitted to the International Electrotechnical Commission (IEC) with the aim of establishing an international standard. This process is already underway but will still take time until implementation.

Internal analyses and sector-internal calculations show that currently around 85% to 95% of materials used in a wind turbine are recyclable. To enhance recyclability further, we are focusing particularly on the composite materials used in rotor blades. Alongside existing methods such as material and thermal recycling in the cement industry, the wind power sector is investigating alternative methods in collaboration with WindEurope, the European Chemical Industry Council (CEFIC) and the Electronic Components Industry Association (ECIA).

As part of our Sustainability Strategy 2025, the Nordex Group also conducts internal Research and Development (R&D) projects to support the goal of producing recyclable blades in ten years' time, namely in 2032. We have already increased the amount of fully recycled polyethylene terephthalate (PET) foams and reduced the use of balsa wood and polyvinyl chloride (PVC) foams. Among other benefits, this prevents the emission of chlorine gas when incinerating blade waste.

To further increase material efficiency, a painted coating system was introduced for erosion protection on the leading edge of the rotor blades. This has dramatically reduced our maintenance and material effort and extended the lifetime of the blades.

The Nordex Group cooperates closely with blade material suppliers to inform them of customer demand for sustainable products and to cross-check and drive new developments from the suppliers.

REPOWERING

Repowering means replacing wind turbines that are close to or at the end of their specified lifetime with more efficient turbines. Due to technology improvements, wind farms today can generate more energy using fewer wind turbines, which means that wind farms can be smaller, and less land is needed.

Another option is to refurbish wind turbines to extend their lifetime. This process starts by analysing the performance of turbines about to reach their 20-year limit and calculating their actual remaining lifetime. If the analysis confirms that the turbine is fit to operate beyond year 20, provided some components are exchanged or overhauled, the license can be extended by up to ten years. Refurbishment is a form of repowering where the major components such as the existing foundation, tower and nacelle continue in service and others, such as the generator or blades, are replaced.

Repowering is relevant for all turbine manufacturers because new, tighter regulations restrict the development of completely new wind farms, while existing farms in many cases already occupy the prime locations with the highest energy generation potential. Repowering existing wind farms is a straightforward way of maximizing energy production and contributing to renewable energy targets while significantly increasing resource efficiency and thus lowering emissions per generated kilowatt-hour drastically. Spare parts from old turbines that have been dismantled can often be used in the maintenance of wind turbines still in service. In some cases, old turbines can also be sold to less developed wind markets to advance the transition to renewables there as well.

Repowering wind farms also involves engaging with the local people around the wind farm who already accept it because they understand the advantages and how to live with the wind farm.

The Nordex Group has identified high repowering potential over the years to come. However, the biggest challenge in connection with repowering in many countries is the lack of a specific regulatory framework, which makes it impossible to obtain the relevant permits in a fast process.

IMPACT ON BIODIVERSITY

The highly efficient wind power solutions of the Nordex Group can make an important contribution to mitigating climate change. However, the installation of wind farms can impact local flora and fauna. In order to protect the surrounding environment by avoiding or minimizing these effects as much as possible, potential negative impacts are analyzed prior to installation. At the request of the local public administration, we conduct an Environmental Aspects and Impacts Assessment for the different stages of a project, including construction and operation in accordance with the standards set by ISO 14001.

The first part of the assessment involves analyzing existing nature reserves to identify areas where wind power is not suitable. This drives location selection on a macro level. Such areas include national parks, most nature reserves, and animal protection sites.

Although we aim to avoid impacting the environment, the vegetation of a designated area might be affected and degraded as a result of preparing the land for the wind farm installation and setting up foundations, roads, general building works, and other artificial elements on site. To minimize these impacts, the developer usually applies what are known as placement principles while laying out a wind farm. These principles entail excluding construction work in areas with very high, high, or certain natural value and avoiding construction work in areas with low natural value. This limits the impact on protected areas, known natural values and cultural environments, as much as possible.

An example of the level of detail that goes into analyzing the impact on flora and fauna (e.g., birds and bats), as well as land use implications, can be found in the Environmental Product Declaration.

Turbine control systems to protect flora, fauna and local residents

To ensure turbines can be operated even on sites with an extensive regulatory burden, while still contributing effectively to the transition to greener energy, we offer customers a wide range of operating modes and add-on modules. This helps to minimize light and sound emissions and ensures compliance with building requirements and regulations.

For example, we can integrate needs-based obstruction lighting to minimize irritation due to blinking lights at night, a shadow flicker module to avoid shadow flickering effects on nearby dwellings, and special-purpose wildlife protection modules. These can be controlled individually to account for locally protected animal species and their behavior.

The Nordex Group also offers a wide range of sound-reduced modes. For example, the N163/6.X turbine is available with 16 sound-reduced modes ranging from ~106dB(A) down to 97dB(A). When operated at 104.5dB(A), the turbine still produces more than 6,200kW while its noise is equal to or below 40dB(A) at a distance of 500m. This noise level is comparable to a quiet public library or a whisper.

Customer Orientation and Product Quality

MANAGEMENT APPROACH

Our more than 35 years of expertise in manufacturing and maintaining our high-efficiency wind turbines help us to continuously optimize the performance, availability, and safety of our fleet. Reducing energy costs by minimizing downtime, maximizing yield, and thus reducing the environmental impact of our turbines is the guiding principle for everything we do throughout the life of our products.

Our customers' satisfaction is decisive to our business success. It is therefore fundamentally important for us to take account of our customers' perspectives, understand their needs, and continually adjust our range of products and services to meet the highest standards. We rely on ongoing, intensive customer dialog to manage customer satisfaction. For example, we use regular customer satisfaction surveys to manage our performance, and we involve our customers in stakeholder roundtables to optimize our sustainability strategy.

By involving our customers in this way, we also achieve a high level of interaction in our sustainability work and benefit from regular feedback.

CHALLENGES, RISKS, AND OPPORTUNITIES

In Sales, we are seeing growing customer requirements regarding ESG factors. For example, specific ESG aspects are sometimes connected to requests for proposals or included in contracts. Nordex's Sales department is working closely together with the Global Sustainability team to maximize our evaluation scores on ESG criteria and help our customers meet their own ESG targets.

MEASURES 2021

Achieving a high customer satisfaction rate of 4 (rather satisfied) on a scale from 1 to 6 (1=completely unsatisfied; 6=very satisfied) was our target in the Sustainability Strategy 2019 to 2021. In conclusion, we can say that we have achieved this target by reaching an overall customer satisfaction rate of 4.4 in both Service and Sales. Based on the feedback we regularly collect from our customers, we were able to define and implement appropriate measures to ensure customer satisfaction.

Survey of customer satisfaction in Sales and Service

2021 was an eventful and challenging year. It was marked by highly volatile costs for raw materials and logistics in our industry and others. From a commercial perspective, we decided to pass cost increases on to our customers. The initial reactions were not positive, but our customers eventually understood that original equipment manufacturer (OEM) margins need to improve, and that onshore wind energy is the most competitive source in many markets where there is room for higher offtake rates.

In terms of physical meetings with customers and events such as trade fairs, 2021 was busy compared to the previous year. We participated in many regional trade fairs and were thus able to meet our customers in person. For example, we were at Husum Wind 2021 in September, where our customers had the opportunity to visit the N163/5.X prototype on site, which was very well received. Most recently, we attended Electric City 2021 in Copenhagen and CLEANPOWER 2021 in Salt Lake City, where we had many valuable meetings with our customers.

Since we are seeing more requirements from our customers regarding ESG aspects, our sustainability team organized a Sustainability Stakeholder Roundtable. Some of our key customers took part in this roundtable. The objective was to encourage dialog between the different stakeholders and understand their requirements in order to incorporate them into Nordex's sustainability strategy and goals. Our stakeholders are particularly concerned with circularity

as well as life cycle assessments. We additionally included a new question in our sales survey in 2021, which asked our customers if they plan to include any ESG aspects in their requests for proposal or contracts. This will help us prepare ourselves in the best possible way for future requirements.

Customer satisfaction results (Sales area)

We conducted a global annual online survey with our customers at the end of 2021. The survey focussed on customers where a turbine supplier decision has been made for or against us as well as on customers with whom we interacted a lot in for instance negotiations or contract signatures. The customers were asked to share their experiences with our Sales department. Overall, 32% of them provided valuable feedback (2020: 28%). On a scale from 1 to 6 (1=completely unsatisfied; 6=very satisfied), our customer satisfaction score was 4.4 (2020: 4.4).

The survey also provided insights into individual aspects of our performance. For example, with a score of 4.9, our customers were 'largely satisfied' with the Nordex Group's sales efforts (2020: 4.9), such as the professional and reliable collaboration and the specific market and industry knowledge of our sales teams. Our customers generally feel well informed about the Nordex Group, and they highlight the fact that our employees are our customers' best source of information, as reflected in the score of 5.1 out of 6 (2020: 5.1). One important piece of feedback from our customers was that our offers were no longer as reliable compared to the previous year,

4.4

**Customer satisfaction score
(scale 1-6; Sales and Service survey 2021)**

Our Products

resulting in a rating of 4.1 out of 6 (2020: 4.3). We will focus on this topic in 2022 and try to satisfy our customers in this respect in particular.

Customer satisfaction results (Service area)

In our Service department we carried out a standardized online customer satisfaction survey, as we do every two years. This year's survey sample comprised Nordex Group Service customers globally, whereas the 2019 survey focused solely on the European market. This means the findings are not directly comparable.

In total, 47% of the customers that had been contacted participated in our survey and provided valuable feedback by rating our performance in several categories. In general, our customers were at least 'rather satisfied' with the services we provided and rated our overall performance with 4.4 on a scale from 1 to 6 (1 = completely unsatisfied, 6 = very satisfied).

As in 2019, our HSE performance was very well perceived by our customers, which is important to us because safety is our top priority and comes first in everything we do. Our customers once again valued the fact that they can quickly and easily arrange meetings with company representatives and that the meetings reliably take place. In addition, the quality of the work performed by our Service technicians was highlighted once more by our customers.

The areas with the biggest potential for optimization, according to the survey results, were documentation, spare parts, and communication relating to available upgrades. We have set up dedicated working groups which focus on defining and implementing improvements for each of these areas.

We additionally use the survey as the basis for active dialog with our customers. We are eager to discuss the results individually to understand how we can make further positive changes across the organization and discover what we need to do to improve the overall customer experience going forward.

For our next survey, we aim to further improve our overall rating, focusing especially on areas where we scored below average.

PRODUCT HEALTH AND SAFETY

↗ GRI 416/103, 416-1

For the Nordex Group, it is extremely important to do everything we can to ensure that our wind turbines are a safe place to work. This requires well-planned emergency escape and rescue routes, easily accessible systems, an on-board crane for exchanging components with a weight of up to one ton, as well as rapid and weather-protected access to the rotor hub. All of these aspects ensure a smooth maintenance process, including safe working conditions and reduced turbine downtimes. Additionally, we implement systems that constantly monitor and manage the turbines' operating status and the required safety parameters for each action and wind turbine.

We develop wind turbines in accordance with the requirements of the European Union Machinery Directive and all applicable national regulations, such as the German Equipment and Product Safety Act. Fundamentally, this also includes analyses of:

- › Environmental risks relating to operating materials, hazardous materials, sonic emissions, bird migration, bat protection, ice castoff, and electromagnetic radiation
- › Stability risks to the wind turbine identified through foundation surveys, analyses of foundation design and load-bearing structure, as well as site-specific geological and wind conditions
- › Risks to personnel during the entire life cycle of a wind turbine

Our Products

Safety first! A service employee inspects a new wind turbine.



- › Functional risks that could impact technical or power generation availability

In the reporting period, all material Nordex products and services were assessed on health and safety aspects. To implement the measures resulting from these checks, the Nordex Group has specialized and qualified functional departments that monitor and perform the Company's own wind turbine construction, manufacturing, management, installation, supervision, and functional commissioning, as well as servicing and maintenance activities.

We collaborate with well-qualified business partners, such as crane providers and assembly specialists, for installation activities and special tasks including, for example, the lifting of turbine modules. In our Annual Safety Site Instruction (ASSI) e-learning module, we train our suppliers regarding the special requirements of the Nordex Group and our customers. Furthermore, we perform regular audits on the compliance status of our quality management system, occupational health and safety, and environmental protection requirements. We constantly assess personnel as well as turbine safety topics and risks, and integrate our findings into our product design process to ensure human safety. In cross-functional teams, our Engineering, Service, and HSE departments evaluate adjustments to address potential new risks to people. Appropriate measures were already implemented in the construction process to mitigate and, wherever possible, prevent any risks.

To guarantee the structural integrity of our turbines, continual functional hazard analyses are carried out within the construction process. Based on the analysis results, safety functions are integrated and adapted to the new system types to take new operating parameters into account.

In addition to the functional and operational safety of the Nordex Group systems, the aspect of the general public safety of our products is a fundamental concept in our development work. Most turbines are located in freely accessible public spaces and must therefore be designed with maximum safety awareness. Any component failure can pose a direct risk to people and/or public infrastructure and the environment. Therefore, the safe development of the Nordex turbines, as described above, is a fundamental requirement for safe operation in public spaces.

For these reasons and, of course, to ensure a very high availability of the Nordex turbines, the Predict to Prevent (P2P) program was developed in 2020. In this project, possible future failures are identified through the comprehensive recording and targeted analysis of a turbine's operating data. For example, vibrations can be used to find emerging failures in the drive train, such as transmission problems. This highly precise observation enables us to prepare measures to repair or replace a component before damage occurs. This improves the availability of the turbine and significantly reduces the risk of unplanned operating interruptions and the danger of uncontrollable consequences. At the start of 2021, Nordex decided to continue this project indefinitely.

Our Products



Sustainability Strategy 2025 – Our Products

Measures	Indicator	Year
Goal 1: Provide fully recyclable blades by 2032		
Conduct R&D project to support the goal of producing recyclable blades in 2032	Recyclability in %	2023
Conduct research and trials into composite recycling and circularity/participate in R&D partnerships for blade recycling	Qualitative	2025
Provide material passport for blades	% of products sold that include such a document	2022
Conduct concept study on recycled content and increase use of recycled materials	Recycled content in %	2022
Goal 2: Decrease carbon footprint of turbines by 25% by 2025		
Provide life cycle assessments (LCA) for all relevant turbine types	Carbon footprint in g CO ₂ e/kWh and g CO ₂ e/MW;	2025
	% of products sold that are covered by LCA	2025
Performance and lifetime improvement measures, and tracking of carbon footprint implications for most relevant measures	Reduction of carbon footprint in g CO ₂ e/kWh or g CO ₂ e/MW	Ongoing
Provide SF6-free switchgear option	Reduction of carbon footprint in g CO ₂ e/kWh or g CO ₂ e/MW; Yes/No	2023
Goal 3: Keep customer satisfaction at a high level of 4 (scale 1–6)		
Conduct regular customer survey in Sales and Service	Customer satisfaction rate	Annually/Every two years

Outlook 2022

Analyzing potential environmental impacts along the entire life cycle of our products is the key to improving our overall environmental performance. At the Nordex Group, we use life cycle assessments (LCAs) to quantify and track the environmental impact of our turbines and to provide fact-based sustainability information. This information is also used to identify measures for reducing the turbines' carbon footprint. We have set the goal of calculating the carbon footprint of various turbine types,

Today, a test-run of large component replacement is already a part of the certification and testing process of our prototypes.



particularly the N155 5.X and N163 5.X, in 2022 to achieve higher coverage of our product fleet with LCA data.

In 2021, the Nordex Group started to investigate and prepare for the development of a universal communication interface that processes signals from third-party systems for bird detection and protection, as well as the required turbine control to slow down the rotor in a defined period when a protected species has been detected. The aim is to finalize this project by the end of 2022.

We are also looking into new turbine foundation technologies which use prefabricated concrete slabs. This new foundation concept aims to produce significantly less CO₂e for the fabrication of wind turbine foundations compared to traditional fabrication with in situ concrete methods. The foundations can be installed in a shorter time, they use less concrete, and they require less truck traffic on site. The first turbine with this new concept will be installed in 2022.

The Nordex Group is continuously looking for new technologies and research projects to join as part of its effort to increase blade recyclability.

To actively support circularity and fulfill its product responsibilities, the Company is planning to issue material passports for a selection of our blades. This will assist wind farm operators and recycling companies with recovery and recycling activities for decommissioned blades. The documents will

include information on the material composition and other relevant characteristics of the blades which will facilitate their end-of-life handling.

Next to the recyclability of our products, the recycled content in our turbines is another indicator that is used for measuring circularity. Before setting goals to increase this indicator, we first need to gain a deeper understanding of how many secondary materials are already used in our turbines. We will therefore conduct an analysis quantifying the use of secondary materials covering all major components of the Delta4000 turbines.

In the Service area, we aim to add further components to our repair portfolio and to increase our repair volume globally. We will also continue with our Predict to Prevent (P2P) program to further optimize our maintenance approach and minimize downtime for our customers.

In order to increase customer satisfaction, we will try to be as transparent as possible in regard to our costs. With the help of our Project Optimization department, we will work closely with our customers to reduce the cost of energy, improve their projects, and collaborate in terms of their ESG requirements.

The Service department will focus on improving the areas identified in our customer survey and will continue the open dialog with our customers to optimize our services.

ENVIRONMENT



The Nordex Group’s products help to drive the energy transition and avoid large amounts of GHG emissions. We aim to further improve our environmental impact by increasing energy and water efficiency, embracing biodiversity, and cutting GHG emissions and waste wherever we can.



Main Targets	Baseline 2021	Status	
Define science-based targets (SBTs) in line with 1.5°C target ambition by 2022	–	New target	○
Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact	–	New target	○
Achieve zero production waste to landfill by 2025	17%	New target	○
Reduce hazardous materials and minimize their hazard potential	654 hazardous materials	Continued target	○

For further details see p. 53 and 63

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Climate Change and Decarbonization

Climate Change and Decarbonization

Climate Change Mitigation and Adaptation

MANAGEMENT APPROACH

Every region of our planet is now affected by climate change. We see this clearly in the form of extreme weather events and increased forest fires, for example. The Nordex Group is tackling this challenge and acknowledges its potential to make a positive contribution to achieving the 1.5°C target in various ways. By developing, producing, selling, and installing wind turbines, we contribute to the renewable energy transition. We help to mitigate climate change and internally manage physical and transitory climate risks and opportunities related to climate change by adhering to existing rules and monitoring forthcoming regulations and legislation on an EU level and in the markets where we operate. We not only consider the requirements that affect the Nordex Group directly, but also those that relate to our key stakeholders and thus have an indirect effect on the Group. We have experienced increased demand from stakeholders such as investors and customers for reports on climate-related risks.

The Nordex Group also affects the climate through our business activities and related greenhouse gas (GHG) emissions. Our approach, targets, and

measures with respect to this climate impact are explained in the sub-chapter on 'Greenhouse Gas Emissions and Renewable Energy Consumption'.

CHALLENGES, RISKS AND OPPORTUNITIES

[GRI 102-11, 201-2](#)

Climate change is already having a global impact today and is a major driver of far-reaching changes in nature, societies and economies. These result in both opportunities and risks for the Group and its business development. The measures aimed at mitigating climate change adopted by the international community in the context of the Paris Agreement are primarily focused on reducing climate-damaging GHG emissions, for example in electricity production. The Nordex Group can make an important contribution to this by offering highly efficient wind power systems.

For many years now, renewable energies have been gaining importance not only in industrialized, but also in developing and emerging countries. This trend could accelerate further as a result of the potential consequences of climate change and the resulting pressure to act, which will very probably lead to a further increase in the demand for wind energy technologies. This pressure to act is also reflected in recent legal reporting requirements. The EU Taxonomy in particular highlights the importance of climate change mitigation. The Nordex Group acknowledges its significant contribution to achieving this goal. However, such regulations also

challenge us to optimize our internal processes. At the same time, changes in the weather present manufacturers with challenges, since the availability and suitability of wind farm sites are determined primarily by the prevailing wind conditions.

Therefore, these rapidly changing conditions may negatively influence the efficiency of existing wind farms and cause a shift in suitable locations. In addition, climate change also harbours general risks for the Nordex Group as a manufacturing company. This includes risks and adverse effects to our own production sites and the logistics or the construction of wind farms due to extreme weather events.

For several years now, the Nordex Group has been reacting to these new requirements by developing systems for regions with particularly light or strong winds, as well as project and site-specific solutions.

We are actively meeting the challenges described and see these as an incentive for optimizing our wind power systems with increasingly effective and innovative technologies and ideas.

MEASURES 2021

The major advantage of wind-generated electricity over fossil fuels in conventional power plants is that only a negligible amount of climate-damaging CO₂ emissions is produced. Our wind turbines therefore contribute to the avoidance of several million tons of GHG emissions year after year. In the reporting year, we analyzed the Nordex Group's scope 4 emissions for the first time. This figure quantifies

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the CO₂e emissions avoided by the entire Nordex wind turbine fleet. In 2021, all Nordex turbines actively avoided a total of around 60 Mt of CO₂e emissions. As a baseline for achieving the target of 'Improv[ing] the environmental footprint of wind turbines' as defined in our Sustainability Strategy 2019 to 2021, we conducted a life cycle assessment (LCA) of the Delta4000 wind turbine back in 2019. This calculation covers all greenhouse gas emissions throughout the entire product life cycle – from production, through the operating phase, to recycling. The analyzed wind turbine emits just 6.5g CO₂e per kilowatt-hour of electricity generated.¹ By contrast, the global electricity mix produces 475g CO₂/kWh.²

Greenhouse Gas (GHG) Emissions and Renewable Energy Consumption

MANAGEMENT APPROACH

↗ GRI 302/103, 305/103

In keeping with the Nordex Sustainability Strategy, we take a holistic approach to climate change and decarbonization and make regular organizational and technical improvements to continually reduce environmentally harmful emissions. It is a core goal of the Nordex Group to use energy efficiently and sensibly in both environmental and economic terms. In 2021, we further anchored this goal in our strategic approach by committing to set science-based targets (SBTs) and to achieving climate neutrality (scope 1 and 2 emissions) by 2023. We are

dedicated to continuously improving our energy efficiency, which is why our German production sites and office buildings have been certified according to ISO 50001 since 2014. Our energy management system also enables us to document our efforts for climate protection.

Assessing the Nordex Group's GHG emissions is integral to understanding and sustainably improving the Company's climate impact. GHG emissions are classified as follows:

- › **SCOPE 1** emissions are directly caused by the Nordex Group. We calculate these based on the fuel consumption of trucks and commercial vehicles as well as the direct consumption of oil, gas, and diesel fuel to generate energy, taking into account the standard factors published by the UK's Department for Environment, Food & Rural Affairs (DEFRA). To calculate our scope 1 emissions, we include CO₂ as well as other greenhouse gases as CO₂ equivalents (CO₂e).
- › **SCOPE 2** covers emissions produced by the consumption of purchased indirect energy. These indirect emissions were calculated based on consumption data for electricity and district heating. As the Nordex Group covers its Group-wide electricity demand by electricity from 100% renewable energies since 2021, there were no electricity-based scope 2 emissions in the reporting year. The Nordex Group only procures district heating at one production site and the associated

warehouse in Rostock, Germany. The district heating utility, Stadtwerke Rostock, provided us with the specific emissions factor.

- › **SCOPE 3** includes emissions produced by third parties during the provision of services. Due to their high complexity, the Nordex Group assesses these emissions retroactively for the previous reporting year in the context of an extensive corporate carbon footprint (CCF) analysis. The results of the CCF analysis that are presented in this report therefore refer to the financial year 2020.

CHALLENGES, RISKS, AND OPPORTUNITIES

The Nordex Group has faced increased customer expectations in recent years. This is mainly because the reduction of Nordex's GHG emissions is a driver for these stakeholders to lower their supply chain related scope 3 emissions. Investors tend to have similar requests in response to the growing reporting regulations they need to comply with by addressing climate-related risks affecting their portfolio. They are therefore increasingly interested in the Nordex Group's corporate carbon footprint. At the same time, the Group relies on suppliers and new technologies for reducing emissions in their business activities and using fewer carbon-intensive materials.

¹ The LCA study was not part of the audit by PwC, but was externally audited by DEKRA.

² The carbon intensity for global electricity production was taken from the International Energy Agency (IEA), which was 475g CO₂/kWh in 2019. The life cycle analysis was externally audited by DEKRA; it was not part of the audit by PwC.

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The Nordex Group rather perceives these growing requirements as a chance to drive positive change in close collaboration with key stakeholders. While developing our Sustainability Strategy 2025, we took the opportunity to address scope 3 emissions during a stakeholder roundtable. By exchanging our best practices, the Nordex Group and our stakeholders may eventually benefit not only from reduced GHG emissions, but also from cost savings as a result of targeted energy efficiency measures.

With the effective Advanced Anti-Icing System, our Nordex turbines can efficiently deliver clean electricity even in icy conditions.



MEASURES 2021

↑ GRI 302-1, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Energy

Energy is one of the material environmental aspects we identified in our Sustainability Strategy 2019 to 2021. In this context, we aimed to obtain 100% of our purchased electricity from renewable energy sources by 2021.

We regularly conduct internal audits to review and optimize our processes with the aim of continuous improvement. The most important environmental indicators, such as energy consumption and waste generation, are reported to the Management Board and senior management on a quarterly basis. We also comparatively analyze similar production sites to identify potential room for improvement, share and highlight best practices and proven processes, and implement efficient measures at other plants.

In 2021, the overall energy consumption of the Nordex Group increased by 6% to around 119,618 MWh compared to the previous year (2020: 112,689 MWh). Drivers for this development were the increase in the number of rotor blades produced as well as the commissioning of a total of four new production sites which initially require more energy for ramping up the facilities. In relative terms, however, energy consumption decreased again. Regarding the ratio between energy demand and installed capacity, we recorded a decrease of approximately 13% to 17,910 kWh/MW (2020: 20,634 kWh/MW).

Relative to revenues, consumption fell by around 9% year-on-year to 21,973 kWh/EUR million (2020: 24,231 kWh/EUR million).

By implementing dedicated measures, the Nordex Group aims to continuously improve the energy efficiency of its processes. In the reporting year, the rotor blades production site in Spain, for instance, managed to significantly reduce its relative energy consumption in comparison to the previous year. This was realized in part by the installation of frequency inverters. These variators reduce the AC drive frequency while keeping the same air conditioning quality, thereby reducing the amount of electricity consumed.

We aim not only to improve existing processes, but also to immediately include such energy-efficiency measures when commissioning new sites. The new rotor blade production site in India, for example, is equipped with LED lighting on the shop floor as well as an electric vehicle for on-site mobility.

At our Rostock site, we operate two combined heat and power (CHP) plants with power generation capacities of 400 kW and 70 kW, respectively. This provides the process heat required for rotor blade production in an efficient, eco-friendly way. Our natural gas-fueled CHP plant provides heat and electricity for production and additionally uses the thermal discharge from the power plant to heat the production halls.

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Energy consumption in MWh

[GRI 302-1](#)

	2021	2020	2019
Total energy consumption (direct and indirect energy consumption)	119,618.1¹	112,689.3	86,807.9
Total direct energy consumption	67,884.0	65,870.8	50,230.0
Gas	34,580.6	29,735.4	23,859.9
Heating oil	1,600.1	1,411.7	1,831.0
Diesel, petrol and ethanol	31,703.3	34,723.7	24,539.1
Total indirect energy consumption	51,734.0	46,818.5	36,577.9
Electricity	47,172.7	42,531.3	32,603.1
District heating	4,561.3	4,287.2	3,974.8
Total energy sold	18.5	0.0	0.0
Electricity sold	18.5	0.0	0.0

¹ Deviations in the total values can be attributed to rounding differences

Energy consumption – by installed capacity

[GRI 302-3, 302-5](#)

kWh / MW	
2021	17,910
2020	20,634
2019	28,096

Energy consumption relative to revenues

[GRI 302-3, 302-5](#)

kWh / EUR million	
2021	21,973
2020	24,231
2019	26,429

Achieving 100% green electricity

In our Sustainability Strategy 2019 to 2021, we set a target of obtaining 100% of our purchased electricity from renewables. By the end of 2021, the Nordex Group has achieved this target by resorting to various options: By 2021, all production sites in Europe – Denmark, Germany, and Spain – as well as the nacelle production in Simões Filho, Brazil, had switched to a green electricity supply. The same is true for the German and Spanish headquarters as well as the North American location in West Branch (55%). In order to achieve the target of 100% green electricity at our remaining sites, the Nordex Group conducted a detailed analysis of alternative electricity procurement options in the areas concerned and began to implement suitable options:

- › The new blade production site in India successfully entered into a power purchase agreement (PPA) that supplies electricity from various Indian renewable power plants. From October 2021, this site was already partially supplied by wind-based electricity. This will be extended to cover the majority of required electricity in early 2022.
- › For all locations whose contracts cannot be switched over directly to green electricity sources, or whose switchover has not yet been fully completed, the Nordex Group obtains Energy Attribute Certificates (EACs) from 2021 onwards. This not only applies to the locations considered in the scope defined for this report's environmental KPIs, but also to the numerous smaller offices, as well as the more than 250 service points.

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Apart from common requirements relevant to compliance with initiatives like the Greenhouse Gas Protocol and CDP, the Nordex Group applies a variety of quality criteria in the context of the EAC procurement process. The obtained EACs are verified by third-party labels and predominantly originate from wind- and solar-PV-based electricity. In 2021, the procured EACs covered 45% of the total electricity consumption.

Another step towards a climate-friendly society: Installation of a Nordex Delta4000 wind turbine in Energisdorf, Germany.



Greenhouse gas (GHG) emissions

We strive for low energy consumption and the use of energy sources with low GHG emission intensity. In an effort to change our business activities for the better and reduce the CO₂e emissions that are released in the context of such activities, we use a two-fold analytical approach: we investigate our scope 1 and 2 emissions at the sites which have the highest impact for the reporting year, and we thoroughly analyze the corporate carbon footprint, including scope 3 emissions, for the entire Nordex Group retroactively for the previous year.

Scope 1 and 2 emissions

In the reporting year, scope 1 emissions across the Group rose by about 1% to 14,181 t CO₂e versus the previous year (2020: 14,074 t CO₂e). By contrast, indirect scope 2 emissions decreased by 93% to 607 t CO₂ (2020: 8,508 t CO₂) as an immediate result of the successful transition to 100% green electricity procurement.

In relation to installed capacity, scope 1 and scope 2 emissions decreased by around 46% to 2,214 kg CO₂/MW (2020: 4,135 kg CO₂/MW).

Relative to revenues, around 2,716 kg CO₂/EUR million were emitted in 2021, which is a decrease of 44% compared to the previous year (4,856 kg CO₂/EUR million).

Greenhouse gas emissions in t

[↗ GRI 305-1, 305-2](#)

	2021	2020	2019
Scope 1 (CO ₂ e)	14,181	14,074	10,666
Scope 2 (CO ₂)	607	8,508	5,345

Greenhouse gas emissions by installed capacity

[↗ GRI 305-4](#)

Emissions (Scopes 1+2) / by installed capacity	kg CO ₂ /MW
2021	2,214
2020	4,135
2019	5,182

Greenhouse gas emissions relative to revenues

[↗ GRI 305-4](#)

Emissions (Scopes 1+2) / revenues	kg CO ₂ /EUR million
2021	2,716
2020	4,856
2019	4,874

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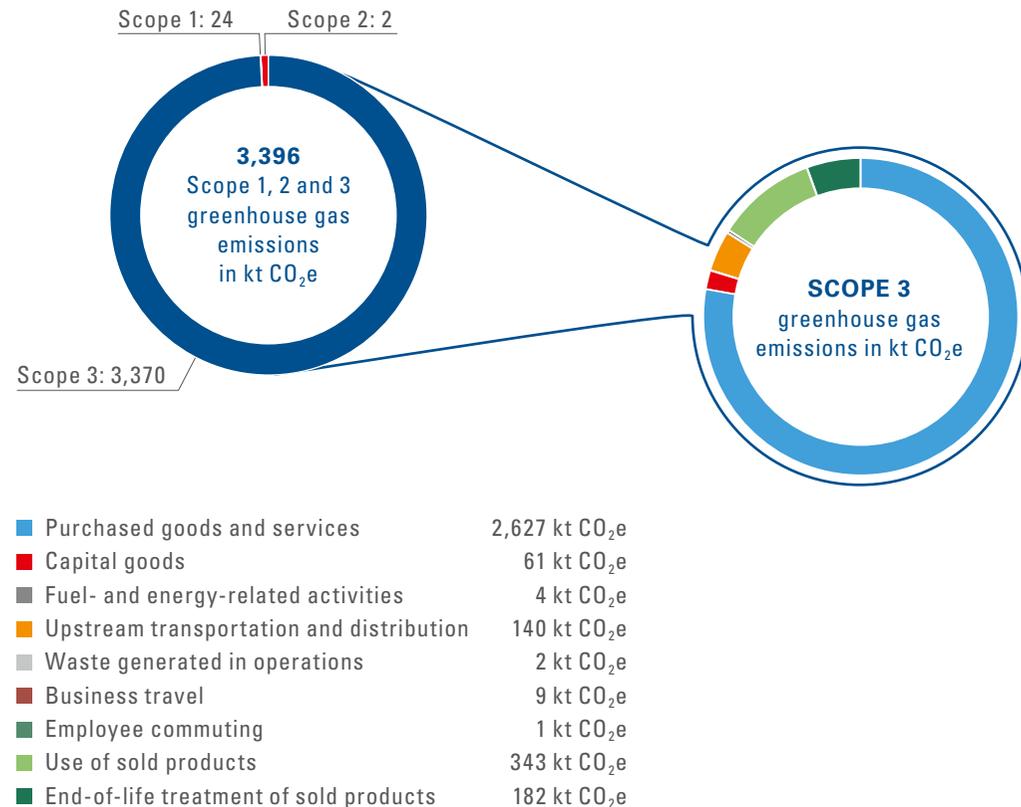
Corporate carbon footprint 2020

As previously noted, the entire fleet of Nordex turbines active in 2021 avoided a total of 60 Mt of CO₂e emissions in the same year. Despite this global contribution to the global energy transition, the Nordex Group has started to quantify its corporate carbon footprint (CCF) annually. Following the pilot study in 2019, the Nordex Group conducted an extensive CCF analysis to update these values for financial year 2020. In contrast to the GHG emissions analysis referred to in the previous section, this analysis covered all production, office, and service premises across the Group regardless of their size, as well as all relevant emissions categories of the scopes 1, 2, and 3 that are classified in the GHG Protocol Corporate Standard.

Wherever possible, primary data was consulted in order to calculate the GHG emissions generated. Cost-based emission factors were utilized where this data was not available. Taking into account both upstream and downstream processes, around 3,400 kt CO₂e were generated by our business activities in 2020. As expected, the vast majority of greenhouse gas emissions occur in scope 3 (99.2%), while emissions from scope 1 and scope 2 make up only approximately 0.7% and 0.1% of the corporate carbon footprint. The low share of scope 2 emissions shows that our ambition to switch to green electricity and implement energy-efficiency measures is delivering positive results.

The ratios between the scopes suggest that a closer look should be taken at the GHG emissions created in the Nordex Group upstream and downstream value chain. One category is predominant in scope 3, where Purchased Goods and Services (category 1) account for around 78%. A substantial role in these emissions is played by high-emission raw materials for turbine construction. Category 4 “Upstream

Transportation and Distribution”, category 11 “Use of Sold Products” and category 12 “End-of-Life Treatment of Sold Products” were identified as further positions with a relatively high impact. These are considered to offer the greatest potential for reducing GHG emissions and will therefore be the focus of our subsequent assessments.



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Climate Change and Decarbonization



Sustainability Strategy 2025 – Climate Change and Decarbonization

Measures	Indicator	Year
Goal 1: Manage and adapt to climate risks and opportunities		
Conduct a climate risk and opportunity assessment in alignment with TCFD	Qualitative	2022
Develop and analyze a climate change adaptation plan	Qualitative	2023
Goal 2: Define science-based targets (SBTs) in line with 1.5°C target ambition by 2022		
Commit to setting SBTs (via commitment letter)	Qualitative	End of 2021
Develop, verify, and communicate SBTs	Annual absolute GHG emissions reduction in %	2022
Goal 3: Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact		
Develop a green electricity policy (scope 2) for all sites globally	% of sites covered by policy	2022
Develop and implement a climate action plan	% of energy consumption and emissions reduced	Development: Scopes 1 and 2 by 2022, Scope 3 by 2023
Compensate for remaining GHG emissions	t of GHG emissions compensated	Annually, from 2023 onwards

Outlook 2022

For the Nordex Group, climate change mitigation and adaptation involves, among other things, analyzing, managing, and adapting to climate-related risks and opportunities. While such risks and opportunities have always played a material part in the Nordex Group's business activities, we are planning to take our management of them to the next level. In financial year 2022, we will conduct a thorough assessment of climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures

(TCFD). These recommendations are based around four core elements – “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” – and serve as guidance for organizations in every sector to publicly disclose forward-looking, decision-useful information on climate-related financial impacts. With the aim of gaining a better understanding of short-, medium- and long-term risks and opportunities related to climate change, the analysis will include an in-depth materiality assessment of potential risks and opportunities against the backdrop of different global warming scenarios.

Given the urgency of addressing greenhouse gas (GHG) emissions and renewable energy consumption, the first year of our new Sustainability Strategy 2025 will be critically important. We therefore plan to implement the following projects in 2022.

The annual analysis of the Nordex Group's corporate carbon footprint was the first step towards establishing our climate strategy. We now want to take the second step and define ambitious climate targets. At the end of December 2021, we officially committed to setting SBTs and achieving short- and long-term GHG emissions reductions in keeping with the

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criteria of the Science Based Targets initiative. In 2022, we will develop these emissions reduction targets for scopes 1 to 3, set appropriate timelines for achieving the targets, and begin to identify and develop a climate action plan to reduce emissions accordingly.

Having achieved the target set in our previous Sustainability Strategy 2019 to 2021 to obtain 100% of the electricity for our own consumption from renewable energies, we will now develop a Group-wide green electricity policy in 2022. Among other things, this will integrate the selection of suitable green electricity products into the construction or leasing processes for new company sites.

Installation of our Nordex
wind turbines in windy
Germinon, France.



Environment

Environmental Protection



Environmental protection means teamwork: Numerous colleagues from our 14 production sites were involved in the quarterly internal environmental reporting in 2021.

Environmental Protection

MANAGEMENT APPROACH

[↗ GRI 303/103, 304/103, 306/103, 307/103, 306-1, 306-2](#)

As a wind turbine manufacturer, the Nordex Group focuses on generating electricity from wind in an efficient, environmentally friendly way. While making a major contribution to climate-friendly energy generation, we pay a lot of attention to comprehensive environmental protection throughout the life cycle of our systems – from development, through sourcing, production, and operation including maintenance, to dismantling and recycling. Our overarching aim for the years to come is to further improve the environmental footprint of our wind turbines and our entire company.

Our Quality, Health, Safety, and Environment (QHSE) department is responsible for operational environmental protection. We have implemented an integrated quality, occupational safety, health protection, and environmental management system which is certified according to the relevant ISO standards 9001, 45001, and 14001 across the entire Nordex Group, including all worldwide production sites, wind farms under construction, wind farms under maintenance, and office sites. Our rotor blade and top box production plant in India, which opened in 2021, is currently in the phase of implementing the integrated management system and is expected to complete the certification process in 2022. In the same year, our wind farm construction and commissioning

activities as well as our service point in Chile will be included in the certification. This system helps the Nordex Group enhance our environmental protection performance and enables us to meet our compliance requirements and environmental objectives. As indicated in 'Climate Change and Decarbonization', we regularly conduct internal audits to review and optimize our processes with the aim of continuous improvement, and we regularly report on the most important environmental indicators, such as energy consumption and waste generation, to the Management Board and senior management.

CHALLENGES, RISKS AND OPPORTUNITIES

[↗ GRI 303/103, 304/103, 306/103, 307/103](#)

The Nordex Group collects and assesses environmental information on a regular basis. This analysis covers our production sites, wind farms under construction, wind farms under maintenance, and office sites. All of the Company's global activities, products, and services are evaluated to determine whether they might have a negative environmental impact due to normal or abnormal conditions or potential emergencies.

Environment

Environmental Protection

Environmental impacts are assessed according to their environmental risk, which is determined based on the following criteria and their probability of occurrence:

- › Air pollution
- › Toxic/harmful to water
- › Soil contamination
- › Noise
- › Depletion of resources
- › Impact on habitats or species
- › Legal or regulatory requirements
- › Stakeholder pressure

We use the analysis results as a basis for improving our environmental protection measures. At the Nordex Group, identifying the environmental aspects and impacts of our activities is an ongoing process as required by DIN ISO 14001:2015. Some of the most critical environmental aspects include the transportation, storage, and disposal of hazardous materials at our production sites under exceptional operating conditions or in emergencies. We reduce

the risks here through effective preventive measures, well-educated and well-trained employees, and a variety of protection systems.

WASTE REDUCTION

↗ GRI 306/103, 306-1, 306-2

Waste reduction plays a special role in environmental protection at the Nordex Group. Waste reduction refers to our waste and waste-related impact as well as the reuse and recycling of waste. In terms of our environmental footprint, the relevance of the waste we produce depends mainly on the volume and type of waste, as well as the disposal methods we employ. We primarily differentiate between *hazardous* and *non-hazardous* waste, which we manage responsibly and reduce where possible. In the context of our Sustainability Strategy 2019 to 2021, our target for 2021 was to reduce waste relative to installed capacity by 10% compared to 2018. The Company follows an approach which considers each factory type individually: rotor blades, nacelles, and concrete towers. Due to the inherent differences in their materials and production processes, a standardized approach to waste management and especially waste reduction is not always feasible.

The generation of both hazardous and non-hazardous waste is one of the most heavily reviewed and controlled environmental aspects at our factories. At all of our sites, we collaborate with authorized service providers specializing in waste management to handle the waste generated. Internally, we continuously track our waste generation at the site level

and at a consolidated corporate level on a quarterly basis. In this internal documentation, the Nordex Group differentiates not only between hazardous and non-hazardous waste, but also between various waste recovery and disposal methods in accordance with the GRI Standards. Wherever possible, we refer to the site-specific waste treatment allocation provided by our service providers. However, in some cases we need to resort to country-specific averages. The quantities of each waste type are included in the Nordex Group's annual 'Identification and Evaluation of Environmental Aspects Process'. Based on this assessment, each factory type annually redefines waste reduction targets and measures to supplement the Company's corporate goals. In turn, both the objectives and the control of waste generation KPIs are externally audited in accordance with the ISO 14001 standard.

The Nordex Group considers hazardous waste to be the most relevant type of waste, despite the substantial difference in quantity compared to non-hazardous waste. Waste of chemical origin, such as the adhesives and solvents found in paints, cleaning products, the resins for our rotor blade production, as well as contaminated materials that have had contact with such materials are counted as hazardous waste. While their use and appearance differ between the factory types, the Nordex Group acknowledges the challenge of recovering such waste across all areas and therefore assesses options for avoiding disposal and landfilling in particular.

› Definition: Environmental Aspect

As an ENVIRONMENTAL ASPECT, we understand all parts of our business activities that affect the environment – such as the consumption of natural resources and raw materials, and the emission of greenhouse gases (GHG). We always actively identify each aspect in detail, document it transparently, and develop specific and appropriate solutions to prevent negative environmental impacts as far as possible.

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Non-hazardous waste accounts for the larger share of total waste generated by the Nordex Group's operations. At nacelle production sites, this mainly relates to supply material and consists of cover waste such as plastics, wood, and cardboard used for packaging and other transport supplies. Non-hazardous waste at our concrete tower factories mostly comprises concrete residues.

Key figures and measures 2021

For the first time since the Nordex Group began reporting on corporate waste generation, we have succeeded in reducing both our absolute and relative waste generation. With a total of 21,407 t in 2021 – 55% recovered and 45% disposed – the waste volume decreased by 22% in comparison to 27,599 t in the previous year. This success was achieved, among other things, through the switch of the nacelle factories to assembling nacelles from the Delta4000 platform. In contrast to the AW3000 nacelle the production process for this new nacelle type produces significantly less waste and requires a lower chemical input. Concrete residues from our concrete tower production sites are another major source of waste. Much of this concrete waste is subsequently crushed by an external company and used as concrete aggregate for curb manufacturing in road construction, for example. However, although the Nordex Group has commissioned two new production sites for concrete towers in the reporting year, the cessation of one of our older plants in Brazil resulted in some significant reduction of concrete

waste generation. Finally, a relatively lower production output of nacelles and towers further lowered the final waste numbers.

Along with the decrease in absolute waste generation, relative waste generation decreased in comparison to 2020, too. Accordingly, the volume of waste per installed capacity (per MW) fell by around 37% to 3,205kg/MW (2020: 5,053kg/MW). Having achieved this reduction, the Nordex Group has succeeded in reaching the target of avoiding and reducing waste by 10% with 2018 as a base year with an actual reduction of 23% over the three-year period. Our waste relative to revenues also decreased to 3,932kg/EUR million, which is 34% less than in the previous year (2020: 5,934 kg/EUR million).

These relative reduction trends show us that our efforts to reduce waste have an impact, which gives us an additional incentive to initiate further reduction measures. In the reporting year, we continued to carry out several site-specific measures to reduce the volume of waste. Many large parts delivered to our nacelle factories are transported on wooden pallets, which leads to considerable wood waste, especially if the pallets do not have standard dimensions. We are therefore trying to find ways to reuse or recycle these pallets. In the reporting year, the nacelle production site in Barásoain, Spain, for instance, continued to work on a three-year wood minimization plan to reduce wood waste by the end of 2022. This involves assessing potential alternative pallet designs and fostering collaboration with pallet-producing companies to recycle such wood.

Our blade production sites once again focused on reducing hazardous waste in the reporting year. For example, our facility in Rostock applies a curing method for resin residues in infusion pipes and resin break lines. This process turns the two initially hazardous waste materials – resins and curing agents – into non-hazardous inert plastic which can be treated via incineration with energy recovery.

We understand that effective waste management requires not only measurable waste reduction activities, but also clear guidelines and communication. Our employees in the various facilities attend regular training sessions to learn about waste classification to ensure they can sort waste correctly.

37%

less volume of waste per installed capacity

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Waste production in t

[GRI 306-3](#)

	2021	2020	2019
Total waste	21,407	27,599	19,603
Hazardous waste	1,802	1,741	1,190
Non-hazardous waste	19,605	25,858	18,413

Waste diverted from disposal, by recovery operation in t

[GRI 306-4](#)

	2021
Hazardous waste	490
(Preparation for) Reuse	152
Recycling	338
Composting	0
Other/Unknown recovery operations	0
Non-hazardous waste	11,382
(Preparation for) Reuse	4,222
Recycling	7,122
Composting	38
Other/Unknown recovery operations	0

Waste directed to disposal, by disposal operation in t¹

[GRI 306-5](#)

	2021
Hazardous waste	1,311
Incineration (with energy recovery)	302
Incineration (without energy recovery)	346
Landfilling	545
Other/Unknown disposal operations	119
Non-hazardous waste	8,223
Incineration (with energy recovery)	5,010
Incineration (without energy recovery)	93
Landfilling	3,117
Other/Unknown disposal operations	4

¹ Deviations in the total values can be attributed to rounding differences

Waste production – by installed capacity

[GRI 306-3](#)

kg / MW	
2021	3,205
2020	5,053
2019	6,345

Waste production relative to revenues

[GRI 306-3](#)

kg / EUR million	
2021	3,932
2020	5,934
2019	5,968

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REDUCING THE ENVIRONMENTAL EFFECTS OF HAZARDOUS MATERIALS

Hazardous materials can be employed in a wide variety of ways, particularly in the operational departments, to ensure high quality and reduce the need for potentially extensive maintenance. However, to avoid negative effects on people, the environment, and shared natural resources, we must guarantee that these materials are used and transported in a legally compliant way at all times. During the development process in our production plants and our material specification activities, we use an evaluation process to check whether the hazardous materials we plan to purchase are compatible with our Company guidelines. This analysis and the standardized approval processes defined enable us to eliminate potentially critical material and avoid possible challenges at an early stage in the process. They also lay the foundation for handling hazardous materials safely.

In accordance with legal requirements, we regularly check whether material substitutions are possible to reduce the overall number of hazardous materials as well as their respective water hazard class, thus reducing the extent of any potential environmental damage. Such substitutions can make it easier to develop occupational safety, environmental, and health protection measures, while also simplifying logistics processes and reducing operating expenditure and administrative effort. We employ a range of measures at our production sites to protect our employees, partners, and the environment against hazardous materials. For example, our special

ground seals and collection sumps actively reduce the risk of hazardous materials coming into contact with the environment. Furthermore, we have established an emergency system and spill kits for the safe handling of hazardous materials, which are available at all Nordex sites globally.

We pay extremely close attention to handling hazardous materials in an environmentally friendly way and to safely transporting these materials to project sites and regional service points. As a result, training courses for the handling, disposal, storage, and transportation of hazardous materials are becoming increasingly important.

Key figures and measures 2021

In line with our Sustainability Strategy, we continuously look for ways to eliminate hazardous materials, and we actively push to reduce the total number of these materials used and to lower their hazard levels. We particularly focus on materials at water hazard level 3, such as isolated topcoats in rotor blade production. As defined by the Water Resources Act, water hazard classes describe the hazard potential of materials in relation to groundwater. Materials are divided into three classes ranging from 1 (slightly hazardous to water) to 3 (highly hazardous to water). Despite the Nordex Group's continuous efforts to exclude and substitute hazardous materials, the number of active hazardous materials listed in the register of Division Europe increased in 2021 as a result of completing the registration of already used materials. At the end of 2021, 844 (2020: 799) active materials (including materials not subject to

labelling) were registered, 654 (2020: 613) of which were classified as hazardous materials and 38 of which were in water hazard class 3 (2020: 33). The Division International plans to establish a comprehensive registry of all active hazardous materials for financial year 2022.

We succeeded in finding substitutes for the cleaning products used at our project management sites. Following the extension of the Black and Grey Lists to cover all blade production sites in the previous year, we managed to reduce the number of listed chemical products used in the manufacturing process. Our HSE, Sourcing, and Materials Engineering departments have been collaborating closely to identify the best solutions and ensure the safety of our workers and partners. Eight chemicals, including cleaning products, have been eliminated or replaced by less hazardous materials. We have also started the process for changing the anti-corrosion agents used at the nacelle production site in Rostock, Germany.

The Nordex Group has started to roll out a formalized evaluation process for new hazardous materials based on the Black and Grey Lists on a global level. The implementation of this globally standardized process was finished for the nacelle factories in the reporting year and will be completed for the rest of the Nordex Group in early 2022.

Finally, we kicked off two projects in our Service department. First, in response to the growing use of lithium batteries, we initiated a concrete logistics

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Sustainability via highly efficient power generation: Employees during the installation of a Delta4000 N149/5.X in Genshagener Heide, Germany.

process for the exchange and pre-logistics in the Service department. We evaluated an external supplier who will pick up the batteries at the service points and dispose of them in compliance with legal requirements. Additionally, training for our service technicians will be available via our technical training academy. Second, we started to establish our own spare parts management warehouse in Turkey for more flexible deliveries to local service points.

WATER EFFICIENCY

7 303-1, 303-3, 303-4

Water efficiency refers to the Nordex Group's water impact management, particularly when we source water from water-stressed areas, and to our approach to reducing water consumption in our operations and administration activities. The water in question is third-party water supply as well as surface water and groundwater, which is for example used for cleaning, cooling, and irrigation purposes, as well as for mixing concrete for tower production. Most of the cooling water we require is circulated through our central cooling water supply system. With regard to the overall scope of this report, the share of rainwater remains unchanged at around 1% of our water requirements in the reporting year. Since most of our production activities do not require water for manufacturing purposes, our water withdrawal remains relatively low. We therefore do not consider water withdrawal to be a material factor. However, we are aware that excessive water use can impact local communities in areas facing high water stress. In the reporting year, our analysis showed that 48% (2020: 31%) of our total water withdrawal took place in areas with high or extremely high water stress. This increase mainly resulted from the commissioning of two new production sites in India located in an area which faces extremely high water stress. In the coming years, we will especially focus on these sites when we develop and implement water-saving measures.

Key figures and measures 2021

Overall, our absolute water consumption in the reporting year increased compared to the previous year by around 14% to approx. 99.1 MI (2020: 87.0 MI). This was primarily driven by the establishment of the two new Indian production sites as previously mentioned. Construction continued even after production activities ramped up, leading to relatively high water withdrawal. The production of concrete segments also requires a great deal of water.¹ Despite our higher absolute water withdrawal, however, we once again decreased our relative water withdrawal. Water withdrawal per installed capacity dropped by around 7% year-on-year to 14.8 m³/MW (2020: 15.9 m³/MW). Relative to revenues, water demand decreased by 3% to 18.2 m³/EUR million (2020: 18.7 m³/EUR million).

In the reporting year, we continued to implement water efficiency measures at our sites to further reduce water demand. We introduced mechanisms to reduce the water used for irrigating green areas, which is especially important in areas with high or extremely high water stress. The new Indian production sites, for example, reuse the water recovered by on-site sewage treatment plants to fulfil local irrigation requirements. The Nordex Group also considers education to be indispensable to further reducing water withdrawal. For instance, our Spanish and Brazilian nacelle assembly sites provide dedicated training for the rational use of water.

¹ Water withdrawal data from our two Brazilian concrete tower production sites is included in our overall survey. At the Spanish site, it is collected by our concrete supplier.



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Water withdrawal, wastewater discharge and consumption in megaliters (MI)

↗ GRI 303-3, 303-4, 303-5

	2021		2020		2019
	All areas	Areas with water stress ¹	All areas	Areas with water stress	All areas
Water withdrawal total	99.1	47.3	87.0	26.7	83.5
Third-party water supply	69.5	18.4	65.6	20.9	54.1
Surface water	0.8	0	0.8	0	2.2
Groundwater	28.9	28.9	20.6	5.9	27.2
Water discharge total²	69.1	41.6			
Water consumption total	30.0	5.7			

¹ High or extremely high water stress following the Aqueduct Water Risk Atlas of the World Resources Institute (WRI)

² Adjustment according to revised GRI standard 303; until incl. 2020, only water discharged via the local sewage system or disposed by a third-party company was referred to as water discharge. From 2021 onwards, water that is discharged for irrigation purposes or similar is also included in the water discharge figure. For this reason, only 2021 data is displayed here.

Water withdrawal – by installed capacity

↗ GRI 303-3

m ³ /MW	
2021	14.8
2020	15.9
2019	27.0

Water withdrawal relative to revenues

↗ GRI 303-3

m ³ /EUR million	
2021	18.2
2020	18.7
2019	25.4

BIODIVERSITY PROTECTION

↗ GRI 304-1, 304-2, 304-4

The Nordex Group defines biodiversity as the variety of life in all forms, including diversity within and between species and the diversity of ecosystems. Biodiversity protection involves avoiding, mitigating, and addressing any significant negative impacts our products and services might have on the natural environment, including habitats and species, terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are a part. We also seek to identify initiatives that can have a positive impact on biodiversity as a way to offset potential biodiversity loss.

Measures 2021

Protecting biodiversity is an integral aspect of our product development, and we also take it into consideration when commissioning new operational sites. To the best of our knowledge, we do not operate facilities located in or near protected areas or areas with high biodiversity value. However, we are aware of the impact we may have on local flora and fauna irrespective of the prevailing biodiversity value. In the reporting year, we began operating a blade manufacturing site in India, where we hired animal consultants who specialize in the safe capture and relocation of species such as monkeys and snakes that could be affected by the installation of the factory. We intend to recultivate local flora around our sites as well. In Spain, for instance, we plan to replant around 4,000 cypress trees on the outer periphery of the rotor blade factory.

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Finally, we have started to conduct assessments of IUCN Red List species that might live in areas where the Nordex Group operates. In the reporting year, we initiated such an analysis in Brazil, where two listed endangered species have been identified in the areas around our nacelle and tower factories: the white-lipped peccary, classified as 'vulnerable', and the southern tamandua, classified as a species of 'least concern'. For this reason, a biologist is involved in the factory construction process to supervise the activities and ensure species protection. Following these initial insights, similar assessments will be conducted at all remaining relevant sites in 2022.

REDUCING LOCAL ENVIRONMENTAL IMPACTS

The Nordex Group seeks to minimize any negative impacts our activity might have on local communities, such as population displacement, light emissions, soil contamination, sound emissions, dust generated, visual impressions, and shadows. To do so, we engage in appropriate dialogue with local communities and comply with building requirements and regulations when we develop and construct our wind turbines.

Aiming high: The currently largest Nordex wind turbine reaches a height of up to 245.5 meters at the rotor blade tip.

Besides, to fulfill its environmental responsibilities, the Nordex Group documents all actual and potential environmental incidents. Near-miss incidents are also reported and analyzed in detail so that we can take preventive measures and minimize environmental risks. We then grade the recorded incidents based on their environmental impact. We differentiate between four rates of severity (SR):

- › SR 1: No or low environmental impact
- › SR 2: Moderate environmental impact
- › SR 3: High environmental impact
- › SR 4: Massive environmental impact

Key figures 2021

Significant environmental incidents include all incidents in severity categories 3 and 4. In the reporting year, the Nordex Group recorded 3 (2020: 3) significant environmental incidents, all of which were in severity category 3. Two incidents were reported by the Brazilian organization, and one incident occurred in France. All necessary measures were immediately launched, and the incidents were analyzed in detail to prevent similar incidents in the future at our sites worldwide.



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Sustainability Strategy 2025 – Environmental Protection

Measures	Indicator	Year
Goal 1: Achieve zero production waste to landfill by 2025		
Complete feasibility study of landfill reduction options	Qualitative	2023
Develop and implement local action plans to eliminate landfilled waste	% of landfill of total waste	Development: 2023 Implementation: 2025
Goal 2: Increase waste recovery rate by five percentage points by 2025 (baseline recovery rate of 2021: 55%)		
Define and implement a corporate green packaging policy	Qualitative	2023
Complete feasibility study of site-specific reuse and recycling options	Qualitative	2023
Develop and implement local action plans to increase reuse and recycling	% of recovery of total waste	Development: 2023 Implementation: 2025
Goal 3: Reduce waste generated per MW produced – specific to GLFs: for blades by 5% and for towers and nacelles by 10% by 2025		
Develop and implement local action plans to improve resource efficiency during testing and manufacturing processes	Qualitative	Development: 2023 Implementation: 2025
Ensure a more efficient use of hazardous materials to decrease hazardous waste by training campaigns and process adjustments	Qualitative	2025
Goal 4: Reduce hazardous materials and minimize their hazard potential		
Assess use of substances of very high concern (SVHCs) according to legal requirements	Qualitative	2022
Develop and implement a SVHC substitution plan	Number of SVHCs substituted	Development: 2023 Implementation: 2025
Decrease hazardous materials in use based on the Black and Grey Lists	Number of materials excluded or substituted	Annually
Develop and implement product-specific global GLF and local action plans to reduce VOC emissions in blade production by 5% per produced MW	kg of VOCs (reporting year)/kg of VOCs (2021)	Development: 2023 Implementation: 2025
Goal 5: Increase water efficiency		
Develop and implement measures for reduced water withdrawal, esp. in high-water stress areas	% of water withdrawn in high-water stress areas	2025
Analyze and expand rainwater usage globally to further sites	% rainwater used	2025

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Outlook 2022

The Nordex Group's Sustainability Strategy 2025 came into force at the start of 2022. We will implement a variety of projects to achieve its waste-related targets. For example, in the course of developing a corporate green packaging policy by the end of 2022, the Nordex Group will launch a process for returning protective awnings to our nacelle production plants to be reused once the hubs are fully assembled at the respective wind farm. This will help increase our waste recovery rate by five percentage points (baseline recovery rate in 2021: 55%) by 2025.

The blade production sites plan to reuse 100% of all carbon fiber planks in an effort to address the target of sending zero production waste to landfills. Additionally, all blade production sites will start to adjust their processes with the goal of a 5% reduction in hazardous waste resulting from contaminated plastic packaging and other contaminated material in 2022.

The year 2022 will also be the starting point for multiple measures that will eventually result in detailed action plans for achieving our defined goals. The Nordex Group will begin to elaborate on local action plans to eliminate landfilled waste, increase the reuse and recycling of waste materials, and improve resource efficiency during testing and manufacturing processes. These guidance documents should be finalized in 2023 and will define and illustrate site-specific steps and milestones to be put into practice in the last two years of the Sustainability Strategy 2025.

As part of this sustainability strategy, we will continue to reduce the number of hazardous materials in use and to minimize their hazard potential. In this context, we will assess the use of substances of very high concern (SVHCs). According to initial estimates, SVHCs are only used very sporadically, if at all, at the Nordex Group. However, we plan to conduct a comprehensive analysis across all factory types and divisions in 2022 to investigate the possible occurrence of SVHCs in detail and make substitutions if necessary. In this way, we will not only ensure the safest possible working environment for our employees, we will also comply with new reporting requirements under the EU Taxonomy and EU Waste Framework Directive (WFD). Additionally, we will continue to focus on improving our hazardous materials use based on the Black and Grey Lists. This will mainly involve thorough checks of the hazardous materials used at the Nordex Group's installation

sites. We will identify the respective materials and potential substitutes while also focusing on avoiding return shipments from project sites.

Furthermore, we will finalize the projects we started in 2021, including the replacement or elimination of another three hazardous materials in blade manufacturing, covering, among others, the substitution of cleaning products at the blade manufacturing site in Rostock, Germany. Replacing these materials is a significant milestone, as it will not only reduce the hazard potential of the materials used on site, it will also result in less administrative effort since these cleaners are subject to fewer regulatory requirements. Final changes to the substitution processes will also be made at the German nacelle factory. The Nordex Group additionally plans to complete the development and implementation of a transport concept for lithium batteries. Finally, following the global integration of the formalized evaluation process for new hazardous materials, we plan to extend the creation of comprehensive overviews of hazardous materials to the factories of Division International and eventually to the entire Nordex Group.

SOCIAL



We provide fair and attractive working conditions and a progressive company culture. At #TeamNordex, our values of integrity, respect, collegiality, and ownership are at the forefront. In 2021, we improved our occupational health and safety and set new targets to enhance mental health, diversity and inclusion, and employee development.



Main Targets	Baseline 2021	Status	
Reduce accidents to a lost time injury frequency (LTIF) of < 1.5 by 2025	3.2	New target	○
Develop a comprehensive mental health strategy by 2023	–	New target	○
Achieve a minimum of 25% female representation in management positions by 2025	17%	New target	○
Reduce the voluntary turnover rate to below 5 percentage points of the market average by 2025	–	New target	○

For further details see p. 76 and 86

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Fair and attractive working conditions

↗ GRI 102-8, 102-41, 401/103, 401-1, 402-1, 405-2, 407-1

MANAGEMENT APPROACH

The Nordex Group employs more than 8,600 people worldwide. The Company offers fair and reasonable working hours, fair compensation, and various employee benefits. We strive to attract and retain high-potential employees and reach a high level of employee satisfaction by ensuring attractive working conditions and respecting the legal rights of our employees around the world.

We have implemented new policies to achieve our goals as an employer, including Human Rights and Diversity and Inclusion policies. The People & Culture department (P&C; responsible for human resources) at Nordex evaluates and implements these policies as described below. We are also conducting projects to further improve working standards for all our employees worldwide in the coming years.

More than
8,600
 employees worldwide

CHALLENGES, RISKS, AND OPPORTUNITIES

In 2021, a total of 2,355 new employees joined the Company (2020: 3,008).

We have harmonized our recruitment process and introduced a new HR management system. This user-friendly tool makes it easier for candidates to apply for jobs. In 2021, we observed an increase in the number of applications, attracting more talent from the industry. Our fast and easy online interviewing procedure has made the recruitment process more agile and attractive to external candidates.

The pandemic made it challenging to meet some of our project deadlines and ensure proper and effective employee training. We used this time to improve our processes, such as developing new modules for the P&C HUB, our global HR system. We are also implementing a new learning management system (LMS), one that can be accessed globally by every Nordex employee. As a further demonstration of our dedication to improving processes, we have drafted and published a new Diversity and Inclusion policy and a Human Rights policy. These help guarantee fair working conditions and are part of our commitment to making Nordex a fair and attractive place to work.

MEASURES 2021

In the reporting year, we continued several measures to foster our goal to be a fair and attractive employer.

Implementation of P&C HUB

In 2021, we implemented the P&C HUB, a cloud-based HR tool which creates an optimized way of tackling human resources management topics. It is a modular platform which we started to use in March 2021 with the implementation of three of its modules (Employee Central, Recruitment, and OnBoarding). In the next step, we will integrate additional modules, such as Performance and Goals, Time Off, and the LMS. The implementation will support our overarching goal of becoming “One Global Company”. We have harmonized processes worldwide and are implementing leading practices and standard solutions, always in compliance with legal and country-specific requirements.

Employer Branding campaign

Another focal point for the P&C department is to keep making Nordex an attractive employer and be desirable to future candidates. For example, the Nordex Group is listed again among the ‘100 Top Employers That Make the World a Better Place’. To attract talented employees, we have launched an employer branding campaign with a mix of employee testimonials, new vacancies, corporate recruitment events, etc. This multifaceted campaign aims to attract new talent and ensure that this attraction spreads as widely as possible. The Success Factors digitalization project (currently being implemented) will help us manage the whole process, starting from the attraction, recruitment and onboarding of new talent. We are publishing employee testimonials on LinkedIn and letting employees share their stories and experiences with Nordex. Leveraging

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our strengths, a green purpose, collegueship, and passionate people are the pillars of the 'Are you #TeamNordex?' campaign. Personal answers to the question 'Why Nordex?' are at the heart of the testimonial-based campaign.

SmartWork@NXG

With SmartWork@NXG we are proactively moving toward a 'new normal' and supporting the organization with all of its leaders and employees as we adopt a new hybrid working model. While we were all more or less surprised to work remotely from our homes at the start of March 2020, we are now looking ahead to decide what the balance between office and mobile work can look like.

Our aim for a (post-)COVID-19 working environment is to retain our offices as the main working location, but to offer all employees flexibility to organize their work in accordance with their needs. Meanwhile, we will further foster our global collaboration, keep our employee engagement high, and always place a priority on the performance of our company. This includes our company culture of networking and interacting with each other and fostering our values of Integrity, Respect, Collegiality, and Ownership.

Consequently, we established a local pilot approach to SmartWork@NXG at our headquarters in Hamburg with the intention of working 40% remotely and 60% from our office. As of 2021, this project was still underway, as we are encouraging more

countries and departments to incorporate this SmartWork model into their respective countries wherever possible.

Participation Program

Nordex employees not only drive sustainable wind energy through their work, they also have the opportunity to financially support green energy by investing in bonds for the Val aux Moines wind farm in France. This allows our employees to support the progress of the Company while also enjoying the advantages of an exclusive investment that we have set up with the best possible conditions and minimized risk. With a purchased bond, we guarantee an annual interest payment of 6% for a fixed period of four years. After four years, employees will be repaid the original investment as well as the interest payment. All Nordex Group employees in EU countries, the UK, and Norway who have a permanent contract are invited to participate.

Remuneration: Salary Grouping and Benefits

We updated and analyzed the grading of all management positions using a consistent methodology. This was an important step towards evaluating our management positions worldwide. Our analysis involved assessing recent organizational changes and their impact on positions and departments in quarterly grading workshops, with specific attention to all growing country organizations.

We implemented a global stock options program as a new long-term incentive for all of our management and expert positions. This program aims to foster

identification with the Company, give our management and expert employees more opportunities to participate in our success, and reward long-term working relationships. The program participants can purchase shares at a predetermined price after a waiting period of four years and if the stock price increases.

Employee development

➤ GRI 404/103, 404-1, 404-2, 404-3

MANAGEMENT APPROACH

Employee development and training

Achieving the Nordex Group's goals depends largely on the commitment, experience, and passion of our employees. The People & Culture department manages and takes responsibility for activities and initiatives to promote the satisfaction and motivation of our approximately 8,700 employees worldwide. The department is committed to providing effective customer service to all departments and employees through the timely delivery of innovative, high-quality P&C systems, processes, and services.

As a global company where people with a variety of different geographical backgrounds and cultures collaborate, our corporate values of Integrity, Respect, collegiality, and ownership are the foundation for operational excellence and describe the principles of our work ethic and our interaction with one another. Alongside our internal rules and guidelines, they are a point of orientation for all our employees worldwide. We have set out our corporate values

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in detail in the form of the ten Nordex Leadership Principles, in which our managers are instructed in training courses worldwide.

Besides continually developing our holistic view of people and the understanding of leadership within our company, as well as promoting diversity, the People & Culture department focuses on professional personnel management in all aspects of collaboration. Starting with recruitment, through systematic integration and encouraging individual professional development, to the fair arrangement of employment exit options, the department constantly supports our employees and managers.

We are certain that our employees want to learn new things every day and take responsibility for their own development. Every person has their own aspirations and goals. Whatever it is that drives them is also apparent in their preferred career development path, and we support them in fulfilling these goals in various ways. As part of the Sustainability Strategy 2019 to 2021 (and our new Sustainability Strategy 2025), we intend to continue and optimize the established employee development programs and processes.

Talent Development and Recruitment

In 2021, we created a recruitment guideline and harmonized the recruitment process in preparation for a recruitment training for managers program. The guideline is designed to clarify, simplify, and standardize our processes and best practices for anyone involved in the recruitment process. It includes best

practices, approaches, techniques, tips, and templates to help us maintain the quality of the people we bring on board.

Compass Process

The core process in the area of employee development is the Compass process, which supports our employees with professional feedback and enables us to expand and consolidate our feedback culture in a standardized and harmonized way across the whole Nordex Group. It consists of three steps:

1. During the **Compass Dialog**, which takes place annually between January and March, our employees receive specific feedback on their performance over the preceding year. Following this, they work with their managers to define a realistic, personal development plan that meets the needs of the employee and the Company.
2. During the second quarter, the results of the Compass Dialogs are gathered in development meetings, which are referred to as **Compass Conferences**, and discussed among the management teams. This provides us with a cross-departmental overview of the talented and high-potential employees in the Nordex Group. Nominations for participation in the Upwind Management Trainee Program are also made during the Compass Conferences.

3. The **Compass Review Talks** take place in the third quarter, offering employees and managers an opportunity to review development plans and ensure that they are on the right track with the measures defined.

Compass Conferences and Compass Review Talks are mandatory for salaried employees and take place on a needs basis for industrial workers.

To support Nordex employees in navigating their careers, we set up an online platform that provides access to all information and materials relating to the Compass process, for example Compass e-learning courses in campus and guidelines which you can find in our intranet.

The People & Culture department tracks the completion of Compass Talks and supports employees and managers in the process. With this structured approach, we ensure that the wishes and expectations of our employees are taken into account.

Participation in the compass process

In the reporting year, 68% of all possible Compass Dialogs took place (2020: 65%) with managers holding discussions with a total of over 3,595 employees (2020: 3,526 employees).

The People & Culture department facilitated 43 Compass Conferences in the reporting period (2020: 55).

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The age structure of the employees participating in the Compass Dialogs largely reflects that of the Nordex Group, with 72% of the employees in the 30 to 50 age group, 15% under 30, and 13% over 50. Measured by gender distribution in the Company, there were no significant differences between the participation of women (2021, 2020: 17%) and men (2021, 2020: 83%).

Outlook: Optimization of the Compass process

We again took the opportunity to collect feedback on the Compass process in order to learn about people's experiences with the IT tool, process, and support. Based on this, we will further optimize the Compass process in 2022.

In 2022, the Compass process will be integrated into the Performance Module of the P&C HUB. We reviewed the process to make some improvements and are now adjusting the tool and adding new functionalities. Our objective is to have a smooth and stable new Compass process so P&C can effectively manage employee performance.

The aim of the Performance Module is to:

- › Improve employee performance through ongoing feedback
- › Gain insights into the performance of the organization as a whole
- › Develop the team, recognize talent, and arrange for improvement measures
- › Spend less time on administrative tasks and more time on training and providing valuable feedback that fosters and improves engagement and productivity

Further training

Technical Training Center

The Global Technical Academy (GTA) in Hamburg is the lead academy at the Nordex Group. There are local academies in Spain, France, the UK, South Africa, Turkey, and the USA. A total of more than 30 Nordex trainers worked with over 5,895 participants in 2021 (2020: 3,054). The average training hours per participant was 6 hours (2020: 16).

The Nordex Group offers basic training courses attended by all service colleagues each year, as well as specialized training courses for each turbine generation. New service technicians must complete a basic training course to qualify for participation in these specialized modules. To promote standardization, the Company is adopting a new service technician curriculum which clearly defines the obligatory training for all Nordex service technicians worldwide depending on their job level. It will be possible to

track participation in this curriculum with the new learning management system, which will be rolled out Nordex-wide by February 2022.

The GTA is responsible for designing new training courses. It uses innovative training methods such as blended learning, which combines different types of training – such as classroom training, webinars, e-learning, learning in practice, and self-learning – to maximize flexible participation and minimize training resource needs. Blended learning was implemented in several pilot regions for the first time (e.g., for Region Central and UK and Ireland).

The GTA in Hamburg follows the 'train the trainer' approach to set global standards and pass them on to the local academies. 13 regional trainers from every Nordex region were taught by GTA trainers and Converter Service experts in 2021 so they can conduct Main Converter Basic Training in their respective regions. The new blended learning format will enable more local Main Converter Training in 2022, which can be conducted in the participants' working language to make the training as effective and efficient as possible.

Nordex trainers also received instruction from our suppliers themselves in 2021, giving us more flexibility for carrying out ConverterTec Basic Training and other programs in-house at the Nordex Group.

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The GTA moved to larger, more modern premises in December 2021 – a clear sign of growth and a focus on the future. The new site will have an additional Main Converter training area and a higher framework for working at height training so we can offer training that meets international GWO standards and gives technicians the opportunity to experience diverse service requirements during their training.

Junior Engineers Program

The Junior Engineers program was created to give young talents a chance to develop their personal strengths and knowledge of the renewable energy business. The program involves continuous learning and exciting projects that empower the participants. It is a learning journey full of personal and professional development. The Junior Engineers are full members of the team from day one. They rotate through different projects and teams with their expert tribe, taking on responsibility and enjoying the benefits of working for a large player in the global energy sector. The candidates have high potential, excellent academic grades, honorary awards, and international experience. They stand out on all levels, both academically and in terms of competence. The program collaborates closely with universities and

the Public University of Navarra (UPNA) Renewable Energy Chair. More than 60 candidates took part in this comprehensive selection process, 15 of whom were accepted into the program.

Digital Learning Formats and e-onboarding

We also focused on e-onboarding courses in 2021, with a greater emphasis on improving our e-learning platform. We launched a project for a new learning management system (LMS), which will be a module integrated into the P&C HUB system that we worked on last year. This new LMS will be a global learning platform for all Nordex employees, providing further opportunities to digitalize our courses and make them easier for employees to access.

Our courses were successful and popular overall, with 719 employees attending the e-onboarding course in 2021. The full completion rate has not yet been calculated since new modules were introduced along the way. The three main focal points were Security and Regulations, Turbine Technology, and Leadership. With 8,749 (2020: 5,497) e-learning courses completed in 2021, we achieved an overall completion rate of 59% (2020: 61%). This training increase in absolute numbers can be attributed to the new onboarding modules and new courses created.

CHALLENGES, RISKS AND OPPORTUNITIES

The Nordex Group continues to face the challenge of responding to the fierce competition and far-reaching changes underway in the wind power industry, as well as in its personnel management. Recruitment challenges are highly dependent on their specific regional markets. Starting in 2020, the biggest task, of course, was recruiting new employees during the COVID-19 pandemic, with all of its implications. Due to the COVID-19 crisis, we faced challenges in organizing and coordinating various aspects of the Company, such as training, recruitment, and onboarding. Even before COVID-19, we attracted new employees and kept existing employees on board by offering an appealing work-life balance through modern and flexible working time models. However, COVID-19 provided us with the opportunity to further improve upon our processes for flexible work, mobile work, and e-learning. It also helped us to explore and set up ways of onboarding and training employees remotely. We introduced concepts such as the e-onboarding process, where we provide new employees with ways to onboard themselves remotely and, on a global level, new e-learning concepts that would enable us to meet various compliance and legal aspects of the countries as well as the Company.

Markets, customer demands, and the general conditions of the global wind industry have changed in recent years. As a company and organization, we have adapted to these new, challenging conditions at a good and competitive pace. In fact, we are seeing

17.1%

Women in Nordex Management

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growth in the number of applications and employees, a promising indication that the sustainable nature of our business, growth, and the expansion of our operations, which we continue to communicate across all our stakeholders, is having a positive effect on our recruitment. We have been flexible and quickly adapted to online interviews and online onboarding processes, allowing us to continuously recruit personnel and attract the best talent despite the pandemic.

With regard to training, this year we focused on improving our current mechanisms for conducting and enhancing our training while reaching our P&C strategy goal of creating one global community. The pandemic revealed the challenges of conducting global training without a shared learning management system, so we took this opportunity to introduce a new LMS to be released in 2022. This system will be part of the P&C HUB, which already serves as a personnel hub for all Nordex employees around the world. The new global LMS with additional functionalities will enable better administration, more training options, and improved reporting.

We have not yet reached our objectives with respect to gender equality. The proportion of women in the workforce globally is 16.4% (2020: 16.2%). The noticeable shortage of skilled workers in technical professions is having a negative impact on the development of the proportion of women. The share of women in all four management levels was 17.1% (2020: 12.8%) in the reporting year. To achieve improvements in this area, we pay particular attention to including women in our managerial promotion programs.

In addition, external recruitment consultants are obliged to put forward suitable female candidates for each vacancy. We will be increasing our efforts to gain more qualified female managers in the future. For this reason, we founded a Diversity and Inclusion Council in 2021 (see section Diversity and Inclusion).

MEASURES 2021

One of our biggest measures and projects for 2021 was the development of the new learning management system which will be introduced in 2022. This LMS will be a module in the existing P&C HUB, creating one global LMS that every employee can access. This will support the future digitalization of additional training courses to be administered to employees globally, as well as other functionalities that will help with reporting, tracking, and launching new courses.

Leadership and company culture

➤ GRI 103

MANAGEMENT APPROACH

Our Nordex Leadership Principles are transmitted through our globally harmonized Trust.Listen.Lead. Leadership Development Program. We aim to standardize the way our managers lead, inspire, and motivate people in our company and to create an interculturally aligned leadership community. While developing new training programs for managers, we also reviewed the description of our leadership principles, and we have adapted our managers' expected behavior to focus more on people and a diverse environment. Our new training programs revolve around this as well.

More details on the programs as well as the training rates in 2021 can be found under section Measures 2021. Employee development was a material topic in the Sustainability Strategy 2019 to 2021 and remains highly relevant for us in the future too. Here we will continue our established successful programs and processes. In addition, we promote diversity in our company. More details can be found under the next sub-chapters.

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Presenting our corporate values is of central importance when onboarding new employees at the Nordex Group. We aim to further foster our #TeamNordex approach by ensuring that all new employees embody our values from the very beginning.

Beyond our onboarding process, our values are integrated in our globally established 'Trust.Listen.Lead.' Training program since 2020 in all countries where the Nordex Group has locations. Another management development training program for new talent is the UPWIND program. In 2021 we improved both programs (see measures 2021).

> Nordex Leadership Principles

1. Know yourself
2. Communicate appreciatively and transparently
3. Trust and empower
4. Endure difficult situations
5. Embrace change
6. Give orientation
7. Make considered decisions
8. Assume responsibility
9. Treat people positively and like them
10. Be a role model!

CHALLENGES, RISKS, AND OPPORTUNITIES

COVID-19 posed many of the same challenges for us as any other company. We strove to encourage teamwork and a sense of belonging despite the pandemic and the need to work mainly from home, but this was not always easy to achieve. We focused on close communication with our employees to allay any concerns about our COVID-19 measures and keep them informed about the business.

In 2020 we took the opportunity to make use of our 'new normal' virtual setup to foster our global management community. We did this in part by breaking with country-based leadership training and instead offering intercultural, virtual training sessions for our leaders. This enables them to meet management colleagues from all over the world and experience completely new perspectives. We believe this strengthens both our global management team and the inclusive environment we want to foster.

Nonetheless, we are aware of the importance of face-to-face interaction and the risks of working in a completely virtual setup for too long – risks to the mental and physical well-being of our employees and the loss of sense of belonging and commitment to the Company. This is why we are moving towards a hybrid solution of allowing employees to work partly in the office and partly on a mobile basis in the future. We are also constantly reviewing the current

situation and partially opening our offices where possible, following government recommendations and when it is safe to do so.

MEASURES 2021

Organizing management training remotely was one of the biggest challenges posed by the pandemic. The new P&C HUB tool and forthcoming LMS tool are products of our efforts to devise a new and improved type of comprehensive management training. The LMS tool should also enable us to more accurately track participation and involvement data for our current and future managers.

Improving management development training

Trust.Listen.Lead. – Nordex Leadership Training

Our Trust.Listen.Lead. Training for new managers continued in 2021 despite the pandemic, albeit remotely via a webinar. We surveyed all Nordex managers in 2020 to see where we need to improve our leadership training and development, and we created a new leadership development program for three different target groups.

New managers are one of these target groups, so the new Trust.Listen.Lead. Foundation Program has replaced our former training for new managers. This program takes learning curves into account, which is helpful for creating sustainable learning effects. We offer different modules with learning nuggets as homework over a period of approximately 8 weeks. The program's existing coverage of basic

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leadership topics has been enriched with subjects such as unconscious bias, leadership in diverse environments, and emotional intelligence. We started to roll out the program in August 2021. Due to the pandemic, we had to deliver a purely virtual solution, which will be supplemented with in-person meetings as soon as the worldwide situation is secure and stable again.

We held virtual Trust.Listen.Lead. webinars between January and August 2021 based on our old program. Due to technical issues and the rollout of the P&C HUB system, we had difficulty collecting accurate participation and completion data. From August to December, 14 teams with 136 managers participated in the new program. We intend to roll out this new leadership program for new and existing managers from the beginning of next year, and we will begin to publish more accurate numbers from that point on using the new LMS that will allow us to track the managers more efficiently.

In 2021, we also started a Trust.Listen.Lead. Executive Program, in which senior speakers were invited to discuss various topics with the board and top management, including issues such as gender equality and cross-cultural leadership.

The third target group for our new Leadership Development Program comprises all managers who have attended the Foundation Program once and now seek further leadership development. We therefore plan to roll out a Trust.Listen.Lead. Advanced Program in 2022.

UPWIND – the Management Talent Program of the Nordex Group

Each year, the UPWIND program identifies and develops high-performance employees with clear potential to hold a future managerial role with strategic impact on their department or the Company as a whole. This global management talent program aims to support these talents both as a group and individually as they move towards filling key positions, and it seeks to increase the proportion of internally appointed managers. In 2021 we flexibly adapted the UPWIND program to the worldwide situation and were able to offer both virtual training and in-person modules. We once again updated the content to include topics considered important to the current participants, while still providing the foundational training and human-centered approaches we aim to transfer to all groups.

We strive to integrate this program into our business as closely as possible by involving the top management in a range of activities, such as fireside chats, sponsorship for UPWIND projects, various types of input, and participation in the final presentation of the UPWIND groups.

We put together groups that are as diverse as possible to create worldwide talent networks which enable the participants to learn from different perspectives. The group for 2021 consisted of 12 individuals: 7 women and 5 men from a total of 7 countries and 9 departments.

Diversity and Inclusion

↗ GRI 401-3, 405/103, 405-1, 406/103, 406-1, 407/103, 407-1

MANAGEMENT APPROACH

The diversity of our workforce is one of our company's assets. People of different genders and ages with different cultural backgrounds, attitudes, and lifestyles enrich our company and contribute to Nordex's success. With this in mind, we set gender equality targets across all levels of the Group and support the inclusion of a diverse workforce through various initiatives and measures. In keeping with this, we published a new Diversity and Inclusion and Human Rights Policy in 2021.

The basic salary for women and men was at a relatively similar level across all the salary groups. In some salary groups, the basic salary for women was higher than that for men, and in others vice versa. These differences are not systematic, which means there is no gender-related connection between position level and salary difference. In the reporting period, no instances of discrimination were confirmed by the respective committees.

Diversity and Inclusion (D&I) Council

The D&I Council is a diverse group of leaders that acts on behalf of the Nordex Group to jump start and manage our diversity and inclusion process.

The council is responsible for creating the D&I strategy and key milestones, helping to guarantee accountability for the results, providing governance

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and supervision on diversity efforts, and integrating the D&I program with the company's mission, operations, strategies, and business objectives. All members of the council act as sponsors, advocates, and role models.

As a critical driver the D&I Council is fostering real organizational change and establishing a dedicated focus on diversity and inclusion priorities.

In order to clarify the meaning and importance of D&I to the overall culture and business strategy of Nordex, we have set up a council that represents the full breadth of our functional expertise, with 14 members, chaired by the CEO and facilitated by the D&I Leads.

Inclusion, Family and Work in Germany

The Nordex Group attaches great importance to reconciling professional and private life. In addition to standard parental leave models, we offer our employees flexible working time models and the option of remote work. In the reporting period, 177 (2020: 152) employees in Germany took parental leave. Since legislation on parental leave varies from country to country, we do not consider it useful to consolidate these figures at the Group level.

In the reporting period, the Nordex Group employed 57 severely disabled people in Germany (2020: 54) who had indicated their severely disabled status to their employer.

Employee representation

The Nordex Group attaches great importance to safeguarding the interests of its employees and working constructively in a spirit of mutual trust together with employee representatives. We take a constructive approach to discussions with employee representatives in all countries where we are present and promote collaboration based on mutual trust. While globally, not all countries have a local works council, in Germany, for example, employee interests are protected by collective bargaining agreements that usually involve Group-wide or local works agreements. In Germany, co-determination law covers approximately 98% of employees; this does not cover Company managers at the corporate level. In the rest of Europe, the European Works Council (known as the SE Forum) represents all employees. In individual countries such as France, Sweden, and Finland, local works council committees are also formed based on respective works agreements resulting from decisions made jointly with local employee representatives. Co-determination topics are managed by the People & Culture department, together with the managers responsible. Compliance with co-determination law is an integral part of many processes within this department.

Germany: The works council in Germany has information, consultation, and co-determination rights in social, human resources, and economic matters, and otherwise represents the general interests of the workforce. Both the works councils and the employees are comprehensively informed about any significant operational changes by senior management

and/or local management. Communication takes place through Company meetings via the intranet and via telephone conferences.

If employees in Germany feel their salary scale grading is incorrect, they can lodge an appeal with an arbitration board that will check their grading and their complaint. The arbitration board comprises two employer's representatives and two members of the local works council. In 2021, 12 complaints about salary scale grading were submitted via the formal procedure (2020: 8 complaints).

In the case of additional conflict issues, the works council in Germany and the People & Culture department have recourse to Conflict Resolution Officers as points of contact and mediators within our organization. We will have one new employee representation because of the new entity Nordex Germany GmbH, which set up a Works Council in November 2021. There were no documented cases of discrimination in the reporting period.

Worldwide: We explicitly support the rights of our employees at all sites around the world and provide all the representatives of country sites in Europe with the opportunity to exchange views and engage with senior management at least twice a year through the European Works Council. In the reporting period, there were no known cases of employees' rights of association or collective bargaining being breached or endangered at any Nordex Group business sites.

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Our Diversity&Inclusion Policy

Promoting diversity in the company – together with Enerjisa Üretim, Turkish electricity company, we organised a technical training program for its 21 female employees in 2022.

CHALLENGES, RISKS, AND OPPORTUNITIES

Diversity is not only a moral imperative, it is a business imperative. At the Nordex Group, we view the diversity of our workforce as one of our company's assets. Studies prove that organizations with executive teams of different genders and ages, with diverse cultural backgrounds and different lifestyles, have higher profits and longer-term value. We are committed to the goal of sustainable development, and we actively contribute to the 17 Sustainable Development Goals defined by the United Nations. We embrace our potential to influence goal number five, 'Achieve gender equality and empower all women and girls', which states: 'Gender equality is

not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world'. In the past, neither the Nordex Group nor the wind industry as a whole put sufficient effort in driving diversity and inclusion, so we are just at the beginning of this journey. To be specific, the proportion of women in our workforce was 16.4%, and the share of women at the management level was 17.1% in reporting year 2021. In other words, women are currently underrepresented in our management positions. More women than men pro rata also switched to part-time work during the pandemic. This realization led to the Board's commitment to start developing and implementing the measures described below.

MEASURES 2021

We launched several long-term projects for improving diversity and inclusion at the Company:

- › **UPWIND Diversity Project:** A talent development program (UPWIND) group assessed (conducting interviews and surveys, analyzing the current D&I policies and practices) and designed an implementation plan that will foster D&I across the different employee lifecycle areas (compensation and benefits, attraction and selection, development, etc.).
- › **D&I Leads:** A People & Culture Development Specialist (German/female) and Employer Branding and Recruiting Specialist (Spanish/male) share responsibility for D&I at Nordex.
- › We created and implemented a **Diversity and Inclusion policy** as a starting point and baseline for all practices that will be implemented throughout the Nordex Group.
- › **"Women in Nordex" Network:** A network of female leaders who are underrepresented in terms of headcount but play a vital role in the success of our business. The network seeks opportunities and ideas for the growth and development of female talent within the Nordex Group.
- › **Recruiting Guideline:** In compliance with our D&I policy and ambitions, there will be at least two female candidates in the last round of interviews for management positions. We recommend following the same approach for the remaining vacancies and always choosing the candidate with the best qualifications and cultural fit.
- › **Board Workshop and Top Management Keynote about Gender Equality:** A keynote and discussion on gender equality was conducted by an expert from Harvard for the board and top management. The topic of unconscious bias was included in the new leadership development program for all leaders.



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Fair and Attractive Employer



Sustainability Strategy 2025 – Fair and Attractive Employer

Measure	Indicator	Year
Goal 1: Be an attractive and innovative employer and reduce the voluntary turnover rate to below 5 percentage points of the market average by 2025		
Increase smart working conditions for white-collar workers in offices wherever feasible (hybrid working model) to 80%.	Percentage of white-collar workers in offices using hybrid working model	2025
Implement a new learning management system as well as a performance and goals module for all performance appraisals (replacing the current Compass dialogue), with 80% of employees using the system annually.	Number of locations	2022
	Percentage of employees	2023
Goal 2: Optimize talent programs and provide further programs for employee development		
Introduce a new leadership program with updated content and an intercultural setup by 2022. A minimum of 80% of managers will participate in the new program.	Qualitative	2022
	Participation rates (all managers)	annually, starting from 2023
Maintain the participation quota of women in the UPWIND program at a minimum of 40%.	Female participation rate	annually, starting from 2021
Develop and implement a new talent program to broaden training options with a 100% participation rate.	Participation rate	2025
Develop and introduce unconscious bias training by 2022.	Qualitative	2022
Implement training sessions for manager mentoring (manager mentoring program).	Percentage of managers covered	2025
Buddy program in 80% of the countries with more than 50 employees.	Percentage of new WC employees participating	2025
Goal 3: Achieve a minimum of 25% female representation in management positions by 2025		
Conduct regular surveys and data analytics to monitor D&I.	Qualitative	2022
Communicate the D&I mission, vision, and strategy internally and externally.	Qualitative	2022
Goal 4: Promote sustainable commuting and business travel and establish a global concept for sustainable mobility		
Revise company car guideline.	CO ₂ emissions regarding business travel	2023
Integrate sustainability criteria into commuting and business travel policy.	CO ₂ emissions regarding business travel	2023
Establish/improve bike infrastructure standards (only in Germany).	Satisfaction rate	2023

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Outlook

To further professionalize our People & Culture work and offer employees standardized service throughout their time with the Nordex Group, we intend to further anchor and optimize our People & Culture processes and talent programs in the coming years, from hiring through to employee development.

The Global Standards People & Culture department is responsible for improving existing standards, defining new ones, and implementing global standards for our strategic People & Culture topics (Training and Learning, Compensation and Benefits, Analytics and Controlling, Recruiting and Marketing, and Projects).

By next year we will not only have a new leadership program, we also hope to achieve at least a 40% participation rate for women in the UPWIND program. This supports our common goals of being an attractive employer, improving operational excellence, and growing together as a single People & Culture community.

To foster diversity at Nordex Management, we will continue to focus on our long-term goal of achieving 25% female representation in management positions by 2025. We will conduct regular surveys

and data analytics to monitor the required data and communicate our D&I mission, vision, and strategy internally and externally.

In the coming years, digitalization will be one of the core topics for the People & Culture department. In 2021 we finalized the implementation of the current modules in our new P&C HUB and finalized tasks in order to fully use all available functionalities. In

addition, we intend to implement further modules and will harmonize and standardize human resources policies and processes worldwide.

Becoming an even more attractive employer is also one of our objectives for the following years so that we will focus on different improvements in recruitment and brand marketing. This involves promoting our brand externally and communicating a clear employee value proposition to become the preferred option for candidates.



Qualified professionals at the control cabinet assembly at the production site in Rostock, Germany.

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Employees by employment contract

↗ GRI 102-8

	2021	2020	2019
Employees with temporary contracts	1,064	1,584	777
of whom male	867	1,245	602
of whom female	197	339	175
Employees with permanent contracts	7,594	6,943	6,103
of whom male	6,367	5,900	5,179
of whom female	1,227	1,043	924
Temporary employees ¹	461	461	618
of whom male	409	415	547
of whom female	52	46	71

¹ Figures for temporary industrial employees are recorded for Germany only.

Employees by employment type

↗ GRI 102-8

	2021	2020	2019
Total number of employees	8,658	8,527	6,880
of whom male	7,234	7,145	5,781
of whom female	1,424	1,382	1,099
Full-time employees	8,435	8,089	6,500
of whom male	7,149	6,928	5,600
of whom female	1,286	1,161	900
Part-time employees	223	438	380
of whom male	85	217	181
of whom female	138	221	199

New employees by age

↗ GRI 102-8

	2021	2020	2019
Total	2,355	3,008	1,995
aged under 30	37%	36%	40%
aged 30–50	59%	57%	55%
aged over 50	4%	6%	5%

Differences to totals may arise from rounding off.

New employees and employee turnover¹

↗ GRI 401-1

	2021	2020	2019
New employee hires	2,355	3,008	1,995
Ratio (in %)	28	38	31
Employees leaving	1,988	1,741	1,005
Fluctuation rate (in %)	23	22	16
Fluctuation rate, voluntary leavers (in %)	8	–	–

¹ Employees leaving refers to employees who have left the Company, excluding interns, students, temporary staff and trainees.

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New employees by region and gender

GRI 401-1

	2021	2020	2019		2021	2020	2019
Total	2,355	3,008	1,995	Europe (excluding Germany and Spain)	364	349	255
Africa	24	24	57	of whom male	333	307	214
of whom male	20	15	33	of whom female	31	42	41
of whom female	4	9	24	North America	242	362	239
Asia	182	69	88	of whom male	222	325	210
of whom male	159	58	83	of whom female	20	37	29
of whom female	23	11	5	Spain	516	1,196	284
Australia	4	10	–	of whom male	418	924	216
of whom male	3	10	–	of whom female	98	272	68
of whom female	1	–	–	South America	541	323	595
Germany	482	675	476	of whom male	468	296	533
of whom male	377	538	395	of whom female	73	27	62
of whom female	105	137	81				

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Occupational Health and Safety

Occupational Health and Safety

MANAGEMENT APPROACH

↗ GRI 403/103, 403-1-7, 403-9

Our employees' health and safety in the workplace is of the greatest importance to us at the Nordex Group. This is a key element of our Sustainability Strategy. We work continuously and systematically to further develop the safety culture that we all live and breathe and to make our work environment safer. This process includes all of our own employees as well as those of our business partners, subcontractors, works councils and suppliers. We consult with them in order to incorporate the widest possible range of knowledge into our daily work. We also regularly communicate our performance in terms of quality, health, safety, and environmental protection (QHSE) within the Nordex Group via the intranet, as well as in employee information sessions and management meetings.

The Nordex Group has also defined a QHSE policy which includes seven principals of safety. All employees in leading or supervising positions are requested to share the QHSE policy with their teams. The seven principles of safety were developed together with other members of the wind industry in a VDMA Safety working group. By adopting these standards, the Nordex Group has committed itself to meeting

our health, safety, and environment (HSE) targets and striving to promote the development and maintenance of an industry-wide safety culture.

7 Safety Principles

(Wind Industry Safety Culture Working Group)

- › We value personal health and safety above all else
- › All injuries can be prevented – we plan for safety
- › Management at all levels is accountable for safety and leads by example
- › Everyone looks out for each other no matter who they work for
- › Safe behavior is recognized, acknowledged, and praised
- › ZERO tolerance for safety breaches
- › Everyone has the authority to STOP any unsafe work

In 2021, the Nordex Group again received ISO 45001:2018 certification for its occupational health and safety management system. This was a significant milestone in the Company's health and safety efforts. ISO 45001 is the successor to BS OHSAS 18001. We are certified as a multi-site company, so all Nordex operations are included in the scope of ISO 45001 and are covered by the multi-site certificate. The scope of operations comprises the design and manufacture of wind turbines (nacelles,

hubs, concrete towers, and blades), and the construction, commissioning, and servicing of wind farms. New locations will be added, such as Chile for 2022–2023.

We strengthen our safety culture by sharing experiences within the teams and working together to develop solutions, practicing self-reflection, and focusing on near misses and unsafe actions. This optimally complements the risk assessments carried out in the field. Now that our teams have defined what it means to work safely, they are jointly exploring how to implement this. Area managers are acting as HSE coaches for their teams and all employees are involved. The teams practice critical self-reflection in the interest of further development. We aim to go beyond what we have already achieved.

The HSE department is also responsible for conducting HSE reviews of our suppliers and subcontractors. We collaborate with our existing and potential subcontractors regarding HSE issues to enforce our HSE philosophy and assert its importance. We focus on lost time injuries (LTIs) and near misses, which we investigate in a transparent way so that corrective measures can be deployed. Our subcontractors are required to comply with our HSE standards.

Moreover, our Lessons Learned/Knowledge Exchange projects assure a Group-wide learning curve for HSE experiences, especially in the installation phase where the most severe incidents occur. This prevents us from repeating typical challenges,

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Occupational Health and Safety

minimizes the number of dangerous situations for our employees and partners, and highlights areas for optimizing our safety training.

An HSE governance system has been set up to ensure standardized occupational health and safety activities around the world. This includes periodic audits as well as meetings between the responsible parties on the division and country levels.

Engagement for a Global Wind Industry Safety Culture

We aim to establish a culture of health and safety throughout the wind power industry, so our involvement extends beyond our own Company to include industry-specific initiatives such as the international Working Group Wind Industry Safety Culture. We are a member of the Global Wind Organization (GWO) to meet the highest standards and actively participate in continuous improvements. Furthermore, as a member of the WindEurope board and the SafetyOn committee, we are constantly contributing to the improvement of HSE performance in the global wind branch.

Occupational Safety Committees

Organizations in each country establish Occupational Safety Committees in accordance with locally applicable laws. In Germany, for example, there are Occupational Health and Safety Committees at our main sites in Hamburg and at the two production facilities in Rostock. In the UK and France, the local Nordex Group HSE is contributing to governmental environmental programs and actively adapting them

to meet current needs. In Spain the Nordex Group participates in the Spanish Wind Energy Association, Asociación Empresarial Eólica (AEE), to reduce accident rates and exposure to chemicals and confined spaces, and to improve ergonomics as well as regulations and legislation.

These committees are chaired by the general managers of each site; regular participants include the works doctor, the occupational safety specialist, and safety administrators, as well as representatives of the works council, the management, and the workforce as required. Works doctors are available in all countries in which the Nordex Group operates. They offer occupational medical services as well as non-occupational health care.

Way forward to Zero accidents:

Performance measures

The Nordex Group pursues a long-term target of zero occupational accidents. We therefore regularly measure our performance against a range of parameters to continually document and review the effectiveness of the measures taken to improve our safety culture. Indicators that register unsafe behavior, 'near misses', and first aid incidents are clear statements on accident prevention. One of the most important parameters is the number of occupational accidents per million working hours: the LTIF (lost time injury frequency) rate. This key figure includes all work accidents that result in one or more working days lost. The indicator is based on an estimation of the hours worked by internal employees and subcontractors. This estimation

accounts for site- and country-specific regulations regarding the weekly hours worked and the inclusion of holidays, for example. The LTIF indicator has been part of the incentive-based remuneration program for our management since 2021, helping us move closer to the goal of zero accidents.

The Nordex Group has an HSE Community to ensure cross-functional and departmental harmony. The community meets bi-weekly to discuss HSE issues, best practices, action plans, and performance. In 2021, the HSE Community defined KPIs for the coming years, adding new KPIs such as TCIR (total case incident rate) and MTCF (medical treatment cases frequency) to further strengthen our HSE activities.

Corporate LTIF target achieved

The goal defined in our Sustainability Strategy 2019 to 2021 was to further reduce occupational accidents and achieve an LTIF below 3.5 at the Group level by 2021. The success of these efforts were reflected in an LTIF of 3.2 in 2021. Thanks to our processes and requirements, as well as efforts by our employees and business partners, we successfully reduced our LTIF from 5.6 in 2018 to 3.2 in the 2021 reporting period for the overall Group. Our new Sustainability Strategy 2025 calls for an interim target of an LTIF less than 2.8 by 2022 and a new long-term goal of an LTIF below 1.5 by 2025. To reach our targets, we will emphasize the standardization of our Nordex Group processes worldwide and programs to raise awareness of occupational accidents in the coming years.

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Occupational Health and Safety

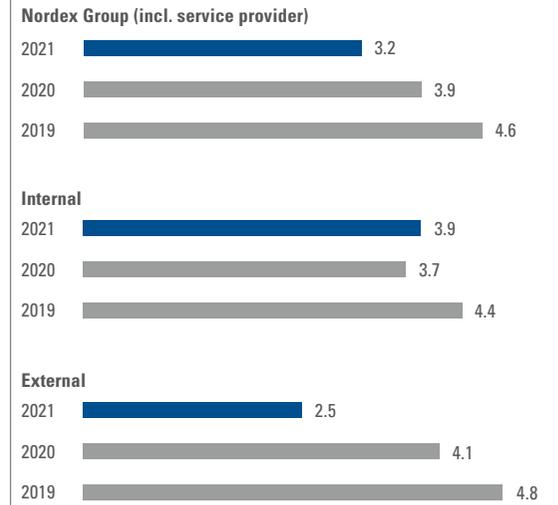
Recording of incidents and adjustment of safety measures

In a specific database, we record all incidents, near misses, and unsafe conditions reported at our sites. It also allows us to analyze incidents precisely and transparently so that we can develop preventive measures and apply them in the affected areas. These indicators enable us to gauge our performance and derive additional measures for improvement and accident prevention. We are continuously enhancing our database for incident reporting in accordance with global requirements.

In 2021 the cloud computing platform ServiceNow has replaced our global Personal Protective Equipment (PPE) database for monitoring HSE-related and legally required training, certificates, PPE and job profiles.



Lost Time Injury Frequency (LTIs / 1,000,000 work hours)



Whether in the development of new products or services, the installation of wind turbines or in project development: We rely on strong teamwork (here: PM Team Finland).

**LTIF
of 3.2
in 2021**

Social

Occupational Health and Safety

Significant Occupational Accidents¹

[GRI 403-9](#)

	Employees			Service provider		
	2021	2020	2019	2021	2020	2019
Nordex Group (Overall)	8	3	4	15	16	12
Africa	0	0	0	3	2	0
Asia	0	0	0	1	2	0
Germany	0	0	2	0	2	1
Europe (excl. Germany)	3	1	1	6	3	6
North America	3	1	0	3	1	3
South America	2	1	1	2	6	2

¹ Significant accidents include accidents with severity 3 and 4.

The recorded accidents are rated by means of a classification system. We differentiate between four rates of severity (SR):
 SG 1: No injury, or slight injury or health impact
 SG 2: Moderate injury or health impact
 SG 3: Severe injury or health impact
 SG 4: Fatal injury or extreme health impact

Most occupational accidents reported in 2021 were trapping incidents, electric shocks and impacts from falling or hits by objects. We were able to reduce the number of (finger) cuts thanks in part to a campaign to increase attention in 2021.

The nacelle plants reached two very important milestones. In September 2021, the plant in Chennai, India, marked three years without LTIs, and in October, the plant in Bahia, Brazil, marked two years of operation without LTIs. These are great successes by our dedicated employees at these sites, and they serve as a model for the other plants.

We unfortunately had to report one fatality in Romania in 2021, which occurred during service activities by one of our subcontractors. It shocked us all deeply and reminded us of the importance of continuous safety. The Nordex Group has initiated further mandatory annual e-learning courses for rotors and implemented extra safety locks (retrofitted in all turbines). We have thoroughly investigated the incident and are working hard to guarantee the highest possible level of occupational safety for all employees.

Another key component of the Nordex Group's health and safety culture are our Safety Walk & Talks. Constructive dialog between managers and employees on how to carry out work as safely as possible supports the safety culture across the entire Nordex Group. To ensure focused discussions, we require all managers to complete the Safety First Leadership Training. In 2021, 49% (2020: 51%) of all managers worldwide participated in this training. Despite the pandemic, all managers have been asked to perform Safety Walk & Talks online during their meetings. Some of the topics that were suggested for discussion included ergonomics, especially for employees working remotely, as well as the psychological impact of the pandemic on individual employees.

Training our employees and the safety notifications process

We offer programs and training courses worldwide that increase the participants' safety awareness and qualifications. We have our own academies, but we also provide training through subcontractors globally.

We base the training at our own academies on Global Wind Organisation (GWO) standards. We offer four certified training courses in Turkey and we are currently working on certification at the Global Technical Academy in Hamburg.

The Safety Notifications process covers five different types of communication [Safety Information Letter, Safety Notice, Safety Alert, Safety Stand Down, Lessons Learnt] based on an incident's severity and type. This enables us to promptly notify all

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Occupational Health and Safety

employees carrying out similar tasks and support them with suitable countermeasures after an incident has happened.

With the aim of preventing future incidents, HSE and the Nordex Academy worked together on a new mandatory Annual Safety Site Instruction e-learning course which covers the basics of HSE such as appropriate behavior in an emergency, correct database usage, handling of hazardous materials, and performing tasks safely. The course is mandatory for all personnel visiting and working on turbines or constructions sites, including our subcontractors.

CHALLENGES, RISKS AND OPPORTUNITIES

The safety of our employees, business partners, and the general public – which is ultimately driven by the safety of our processes, products, and services – remains a top priority across the Nordex Group. The issue of occupational safety is becoming more important not only to our employees and customers, but also to the general public. Damage to wind turbines and the potential consequences of this are being viewed increasingly critically, can harm the reputation of the Nordex Group and lead to financial burdens.

The industrialization of new projects (especially through manufacturing, installation, and service) pose an accident risk because many new employees and service providers which have to learn first to follow Nordex's safety rules are joining the Nordex Group: We must ensure that our safety standards are met. One of our biggest challenges in the coming years will be to guarantee that our subcontractors comply with the Nordex Group's safety standards. A task force has been set up to improve the safety practices of one of our principal construction subcontractors and its own subcontractors by reviewing processes, instructions, work permits, etc. Health and safety criteria are included in our engineering decision processes right from the start.

Though the Company has made improvements and achieved a high standard of occupational health and safety, we continue to strive to reduce the number of incidents. Parallel to this, we continue to harmonize and standardize the processes of the occupational health and safety organizations on a global level.

COVID-19

The global pandemic continued to impact our business activities in 2021. The whole Nordex Group, and in particular the P&C and HSE department, focused on supporting the business in the difficult situation triggered by the COVID-19 outbreak. Our main principle is safety first, and we consider the health of our employees to be the top priority, so we have already set up a Business Continuity Task Force (BCT) in 2020. Its task is to respond to current developments quickly and comprehensively and to

protect the health of our colleagues worldwide as well as possible, while at the same time ensuring the best possible continuity of our business activities. The task force coordinates the actions within the Company to ensure our employees' health and well-being.

The task force gathers information, evaluates the possible effects on employees and activities, and ensures that we develop coordinated measures if necessary.

Right at the start of the pandemic, the Nordex Group acted immediately and allowed all of its office employees to work elsewhere. It helped that mobile work was already established at Nordex and that the technical requirements and regulations for it were already in place. Strong safety measures were put in place for people working at the production facilities to protect the workforce on site in the best possible way.

With a global task force we kept our colleagues continually informed while simultaneously analyzing and implementing changes in line with the evolving situation. We supported the vaccination campaigns in each country and distribute coronavirus tests. Around 1,000 employees were vaccinated at Nordex's locations in Germany by September, 2021. The Group has established its own test centers at several production sites, including in India, Spain, and Germany.

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Occupational Health and Safety

MEASURES 2021

In the reporting year, we continued several measures to reach our goal of reducing our LTIF to below 3.5 and creating a safe working environment for all our employees and partners.

360° HSE Transformation program

In 2021, the Nordex Group kicked off its 360° HSE Transformation program. We aim to become a world-class company in terms of HSE by ensuring safe on-site practices during projects. This program was launched initially in Brazil, and its first phase, which involves preparations for a construction project, has been successfully completed. We are currently working on the second phase involving implementation on site, as well as preparing to roll out the program in other Latin American countries.

Preventive Culture leadership programs at our production sites

Two Preventive Culture leadership programs were launched in 2021 at our blade manufacturing plants in Lumbier, Spain, and Rostock, Germany. A deep-dive study of accidents at these two plants in 2020 revealed that about 75% of the accidents with sick leave (LTI cases) stemmed from unsafe worker behavior. These programs are based on the early detection of 'unsafe acts' and positive reinforcement of 'safe acts' by the workers and leaders at each plant. The program will be completed in 2022.

The 5S and Lean Manufacturing programs launched at the blade manufacturing plant in Spain at the beginning of 2021 have achieved great results, with an approximately 15% reduction in accidents (accidents/hour) in the moulding and finishing area, such as 'treading on objects' and 'falling to the same level due to tripping against fixed and mobile elements'.

The program involves an in-depth analysis of the manufacturing system and the factory's layout to optimize processes and improve order, cleanliness, and safety. Nordex has been gradually implementing the 5S program in all parts of the Spanish blades plant in cooperation with the leadership of the Global Manufacturing and Factory Engineering departments. The local Production and HSE departments have supported this project.

These programs should be rolled out to the other turbine blade plants of the Nordex Group to prevent accidents of this type.

'Take your time to ...'

Under the heading of 'Take your time to ...', we published a total of 12 articles internally and externally, one each month, on various safety issues. The aim was to highlight the time component when it comes to accidents. By using some of this 'lost time' to work more safely, we can avoid preventable accidents. In February 2021, we launched a campaign related to electrical work: 'TAKE YOUR

TIME TO always follow the 5 safety rules when doing electrical work!' This revolved around the five life-saving rules for electrical work and used various severe accidents that have happened in the past as examples.

Survey on safety culture in Germany

In 2021, we conducted a survey on the safety culture of our service departments in Germany. Expert interviews with the managers of the service points revealed several gaps and opportunities for improvement. We will use the survey insights and results to implement further improvement measures next year.

'Life-Saving Rules' campaign in the USA

Our basic safety rules were created by our Safety Committee to protect each of our employees from the greatest risk of injury. These nine rules address topics such as not allowing violations of company- and site-specific standards, fall protection, and intentional hazards. Following the rules is considered to be a duty, and this philosophy was disseminated among the workforce in 2021. It was made clear that, for the safety of everyone, employees and contractors alike must adhere to these rules while working for Nordex. These rules help Nordex employees to reflect on the safety aspects of their daily work and always comply with the requirements.

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Occupational Health and Safety



Sustainability Strategy 2025 – Occupational Health and Safety

Measures	Indicator	Year
Goal 1: Reduce accidents to a lost time injury frequency (LTIF) of less than 1.5 per 1 million working hours by 2025		
Conduct employee training and safety campaign for continuous improvement in safety for each activity and production process	% of employees trained/reached	2025 (annually)
Retain ISO certification for occupational health and safety management system (ISO 45001)	Qualitative	Ongoing
Focus on HSE perspective in product and equipment design	Qualitative	2022
Update Nordex Group HSE strategy to harmonize QHSE processes	Qualitative	2022
Develop and implement safety awareness program to award the best preventive action in each quarter	Number of lessons learnt (LL)	2022
Study possible HSE improvements to be incorporated in lifting equipment	Qualitative	2022
Goal 2: Develop a comprehensive mental health strategy by 2023		
Launch campaigns that promote measures to reduce psychosocial risks	Qualitative	2022
Foster a healthy workplace in offices, production, wind farms, and remote environments	Qualitative	2025
Goal 3: Reduce accidents in the supply chain		
Evaluate suppliers on safety issues	Qualitative	2022
Implement training to ensure NORDEX 10 BASIC RULES are fulfilled by 3rd parties	Qualitative	2023
Include LTIF targets in all subcontractor contracts	Qualitative	2025

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Occupational Health and Safety

Outlook

Improving the safety and health of our employees remains one of our core objectives for the Sustainability Strategy 2025. We are planning several campaigns to further strengthen our employees' daily commitment to and awareness of safety and health, and to improve their own approach to these issues.

The Nordex Group will continue to standardize its processes worldwide and establish several programs and projects that highlight the issue of occupational accidents, raise employee awareness, and thus help to avoid risks and promote best practices (see tables with measures of Sustainability Strategy 2025). In the area of health protection, we will continue our successful concept of conducting different health campaigns, such as Sustainability and Health Days, and will roll them out to other sites. Cross-divisional collaboration will also shape the work of the HSE department. We are firmly focused on establishing standard processes for training measures in 2022. We aim to certify further Nordex's Academies according to GWO requirements and standards, so we will adapt our strategy and processes to meet the country-specific regulations. We are also going to deploy the 360° HSE Transformation Program and start developing a global management approach for psychosocial risks and mental health issues.

We are planning a safety awareness campaign for the nacelles plants in 2022. This project aims to improve the culture of prevention at the plants by reminding employees of the main safety rules to be followed by everyone. More visual formats will be used to increase the effectiveness and impact of the project. This safety campaign is part of Nordex's recent efforts to increase the supervision and detection of unsafe situations.

Outlook: In 2022, the Nordex Group will implement further projects, measures and campaigns to maintain high standards in health and safety.



Social

Corporate Social Engagement

Corporate Social Engagement

7 GRI 413-1

The Nordex Group is a dynamic company that is active in over 40 countries. On a local level, we are connected to the communities in which our customers operate. We engage in local projects to meet their specific local needs and promote sustainable social and economic development, e.g., through educational initiatives, the generation of wealth, and the creation of local employment opportunities and hiring of local suppliers.

Alongside our Company's economic objectives, we are committed to the principles of using global resources responsibly, protecting the climate and ensuring people can enjoy prosperous and fulfilling lives as set out in the United Nations 2030 Agenda for Sustainable Development. Sharing and transferring knowledge are key to achieving these goals.

Therefore, at the Nordex Group we focus our social engagement activities on promoting public and private institutions for training and continued professional development that are active in the areas of renewables and climate protection, and on supporting social and humanitarian aid projects and institutions. The Nordex Group has established a Groupwide donations policy to manage activities in this context.

In 2021, the Nordex Group made various financial and in-kind donations to local and regional aid organizations at Nordex sites. For example, safety equipment was donated to a volunteer fire department in the city of Puerto Madryn in Argentina, and in the aftermath of the flood disaster in the Ahr Valley in Germany this summer, financial assistance was provided as part of the 'Disaster relief flood – Wind energy for Rhineland-Palatinate' initiative.

Moreover, we were actively involved in a range of local initiatives as part of our projects and at our sites in 2021. We provide selected examples of this engagement in the following sections.

Community relationship projects

SOUTH AFRICA

Nordex Education Trust

In South Africa, the Nordex Group accompanied its market entry with its Nordex Education Trust. This foundation has a 20% stake in Nordex Energy South Africa (NESA) and supports disadvantaged population groups as well as projects in the fields of school education, sports, culture, and community work by providing scholarships and grants for study, research, and training. In this way, over

In 2021, the Socio-Economic Development project trained future entrepreneurs in weaving and carpentry.



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Corporate Social Engagement

the last few years we have been able to support numerous non-governmental organizations, schools, and universities as well as sports and cultural associations, thus establishing robust partnerships in all communities where Nordex operates. In 2021, two beneficiaries completed their studies, seventeen interns are now employed full-time at NESAs, and the foundation funded four new beneficiaries.

Socio-Economic Development Project (SED)

In 2017, NESAs launched its Socio-Economic Development Project (SED). In alignment with four major topic areas – youth development, promotion of women, early childhood education, and the support of disabled persons – the SED aims to help young entrepreneurs develop in all subject areas and supports the beneficiaries in achieving economic independence. Through regular direct communication with the communities, Nordex assesses their most urgent needs and targets the SED program, respectively. Hence, along with our broad-based Black Economic Empowerment strategy, we are contributing locally to the development of both socio-economic and business skills and competencies in this region through our involvement in various development initiatives promoted by the Nordex Education Trust and the SED.

In 2021, our activities there targeted the further education of people to improve their development opportunities and thus their life prospects. In this effort, the Nordex Education Trust, which focuses on the education of engineering students, and the SED Project, which is open to all fields of study,

concentrate on supporting individuals from the local communities where Nordex wind turbines operate. NESAs continue to respond to the plight of disadvantaged communities. In the reporting period, the SED funded two further projects in Bedford where 20 young people were trained in carpentry and weaving.

In another program, NESAs awarded 22 grants for Enterprise and Supplier Development (ESD), whereby ten Exempt Micro Enterprises (EMEs¹) and twelve Qualifying Small Enterprises (QSEs²) benefited from the program. In the years to come we will continue to build on the successes of our support programs and collaborations in South Africa. We intend to make an active contribution to new and existing scientific educational projects, and to provide even greater support to people with disabilities by assisting institutions and special training programs. Together with the communities, we plan to evaluate, reassess, and adjust our activities within the framework of the SED Project in 2022.

TURKEY

Nordex's educational projects

At the Nordex Group, we feel an obligation to share our knowledge with people, and we want to inspire young people with wind energy technology. We have therefore launched two projects in Turkey. First, we published a book on wind energy technology in order to reach students who are interested in the wind industry. We distribute the books to university and vocational school students to support their wind projects and spark their interest. This also applies to our second educational project, a contest for 100

young and enthusiastic vocational school students in İzmir. As part of the project, the vocational students present ideas from the field of wind energy. In addition, we aim to teach them how to fix problems when they encounter them. The winners receive an introduction to wind training from the Nordex Group and get the opportunity for an internship at Nordex Enerji A.S.Turkey. Five out of 100 students were offered the chance to work at the Nordex Turkey academy as interns.

Wind Turbine technical workshop for women

Female empowerment is also very important to us. We want to actively reach out to women and involve them in the professional field of wind energy. Our aim is to break down professional stereotypes and remove inhibitions. To this end, we have created a wind turbine technical workshop for women studying energy or electrical engineering at universities. Our official partner for this project is the Turkish Wind Energy Association and Turkish Women in Renewables and Energy. The technical workshop was fulfilling for the female students and our company. We believe that these kinds of events motivate students and support their interest in the wind industry.

¹ Exempted micro enterprise is classified according to the Law of South Africa with an annual turnover of less than ten million rand.

² Qualifying small enterprise are classified according to the law of South Africa with an annual turnover of more than 10 million but less than 50 million rand.

GOVERNANCE



Responsibility is at the core of our business. In line with our Sustainability Strategy 2025, we set goals to engage with and positively impact our supply chain, ensure responsible and ethical business conduct as well as take ESG-oriented business decisions.



Main Targets	Baseline 2021	Status	
Anchor ESG risks in business decisions and increase transparency	–	New target	○
Promote responsible and ethical business conduct internally and with our business partners	–	New target	○
Zero tolerance of unethical behavior	–	New target	○
Engage with and positively impact the supply chain	–	New target	○

For further details see p. 95 and 108

Responsible Sourcing

MANAGEMENT APPROACH

↑ GRI 102-9, 204/103, 308/103, 308-1, 308-2, 407-1, 408/103, 408-1, 409/103, 409-1, 412/103, 412-3, 414/103, 414-1, 414-2

Responsible sourcing means the secure and sustainable purchase of materials and services in order to ensure timely production and construction of wind turbines. As a manufacturer of wind turbines, we source products and services from numerous suppliers based in a wide range of countries and generate a significant share of value in our upstream production stages. Our Global Sourcing department ensures that the required products and services are sourced in the right quality, at the right time, and at the right cost.

At the Nordex Group, we are fully committed to a holistic approach towards sustainability. We therefore believe it is vital to ensure that our own environmental and social standards are maintained throughout our supply chain. The Nordex Group Code of Conduct for suppliers and subcontractors (the Supplier Code of Conduct) forms the basis for this, and we expect and require all of our subcontractors and suppliers to comply with it for the entire duration of their business relationship with the Nordex Group. Furthermore, the Principles of the UN Global Compact on Human Rights, Labor, Environment, and Anti-Corruption provide fundamental guidance for our business activities. Given the Nordex Group's extensive supplier base, a core

Global Sourcing

We organize our Sourcing department into three main areas of activity:

Components and Services

The Nordex Group has specialized teams for different components and services.

Centralized and Decentralized Sourcing

Nordex sources components and services from globally active suppliers, where the collaboration is partially regulated through framework agreements. The majority of the Company's annual sourcing activities are focused on two global sourcing centers in Germany and Spain, as well as regional sourcing centers in China, the USA, Brazil and India, where we continued to ramp up our activities during 2021 to support our activities locally.

Strategic and Operational Responsibility

The Strategic Sourcing department is responsible for supplier and material group management as well as for concluding framework agreements. The Operational Sourcing department handles day-to-day material and service management such as placing purchase orders and follow-up on deliveries. Moreover, the Sourcing department is involved in our cross-functional cost of energy (COE) program to reduce the cost of energy, and it closely collaborates with suppliers. All cost of energy (COE) initiatives are analyzed regarding their compliance with occupational health and safety aspects, as well as with the applicable environmental regulations, before being implemented.

objective is to uphold our environmental and social standards in our overall sourcing process, as well as in our supplier management. Our new supplier due diligence approach covers all demands placed on our suppliers regarding finance, quality, compliance as well as social and environmental aspects along the supply chain to meet all legal and business requirements.

Upholding human rights is especially important to us. We strictly prohibit any kind of child labor, forced labor, discrimination, harassment, or retaliation and investigate whether conflict minerals are sourced from conflict-affected or other high-risk areas (CAHRAs). We established due diligence measures to prevent purchasing minerals from these areas. We also actively promote equal opportunities for and the equal treatment of employees, as well as full

Governance

Responsible Sourcing

compliance with laws and regulations on freedom of association and collective bargaining. Environmental protection and supply-chain responsibility are an integral part of the supplier audits carried out. We require the same attitude and action from our business partners and suppliers along our entire supply chain.

CHALLENGES, RISKS, AND OPPORTUNITIES

The main challenge for the Global Sourcing department is to secure materials and services procurement for the timely production, construction, and servicing of wind turbines by the Nordex Group – at the planned cost and quality, at all required sites while ensuring compliance with social and environmental standards. The production and delivery reliability of our suppliers is a particular challenge here.

Our Risk Management department monitors all material risks throughout the Group. Global Sourcing continuously monitors risks related to the supply chain, due diligence and audits, as well as fallback action planning. Cost of energy (COE) management is fundamental in overcoming these challenges. At the same time, it represents an opportunity to remain competitive in the demanding wind power market.

MEASURES 2021

Given our extensive supplier base, we regularly review our supplier due diligence processes for optimization potential. This is why setting standards for collaboration with our suppliers has been identified as a key component of our Sustainability Strategy 2019 to 2021. As a result, we developed a comprehensive supplier review process to ensure that we have the most competitive, sustainable, and reliable suppliers. The implementation was started with a pilot phase in 2021 and our objective is to fully roll out the updated supplier review process at the beginning of 2022.

The Company received firm orders for a total of 1,636 wind turbines with an output of 7.95 GW in 2021, exceeding the high order intake of the previous year despite occasional delays caused by the COVID-19 pandemic (6.0 GW in 2020). Carefully controlled supply-chain practices are needed to ensure the timely and efficient fulfillment of orders. These practices encompassed the following sub-strategies:

- › The COVID-19 pandemic has been an unexpected challenge which we managed very carefully right from the beginning with all of our suppliers to ensure the continuity of our suppliers and installations globally in order to minimize the risks and impact on our business performance and ensure the health of all internal and external parties involved.

- › There were no major changes in our supplier base for major components compared to 2020, meaning that suppliers were able to enjoy the benefits of scale for efficient production and accompany us in our global production footprint with a local supply chain.
- › We continued comprehensive actions to build up a supply chain for our local production in India for up to 4 GW with the aim of delivering substantial volumes, leading to significant cost savings and supporting mid-term competitiveness to constantly reduce the cost of energy and increase the penetration of renewable energies. This initiative already results in shorter transport distances from our factories to installation sites as well as a further reduction in the environmental impact.
- › Furthermore, we successfully continued migrating our local supply in Brazil from the AW3000 platform to the Delta4000 platform to build up a sustainable supply chain for local demand.
- › In addition, we continued to expand the production capacity in our smart logistics approach for our existing suppliers in India and China to reduce outbound logistics costs and emissions thanks to denser packing.
- › We continued our efforts in the reuse or omission of transport equipment for gearboxes and generators, which decreases the consumption of new raw materials, especially timber and steel.

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Responsible Sourcing

Supplier Engagement

In many instances, our main suppliers have specific expertise and long-standing experience, which is why we cooperate with them in many areas such as product development and process design. We also communicate regularly with our suppliers at annual international congresses or our supplier conference days.

As we developed our Sustainability Strategy 2025 in 2021, several suppliers participated in our stakeholder roundtable. During the roundtable we talked with some of our suppliers, customers and investors about sustainability developments, requirements, and the possibility of collaborating in certain areas. This was a fruitful exchange for us and our stakeholders, and we intend to maintain this close contact to build on our relationships. One of the main demands voiced by our customers and investors was increased supply chain transparency with regard to human rights and working conditions. Active supplier engagement was also called for to reduce the carbon footprint of our turbines and improve the circularity of our products. Our suppliers were generally very open and responsive to the needs expressed by the Nordex Group, our customers, and investors. Our new Sustainability Strategy 2025 addresses our stakeholders' perspectives and requirements:

We want to engage more intensively with and positively impact the supply chain in the coming years. We will work to ensure and promote compliance with laws (especially human rights, environmental, and social standards) and ethical business practices

in our supply chain within our sphere of influence, and to actively reduce carbon emissions in the supply chain.

Analysis of conflict minerals

In 2021, we conducted an assessment on the usage of conflict minerals. Our goal was to analyze the potential use of conflict minerals, i.e. tin, tungsten, tantalum and gold (3TG), in our sourced products and components to identify risks in our supply chain and be able to establish measures if necessary. This assessment ensures that sourcing the minerals does not directly or indirectly finance or benefit armed groups in CAHRAs or is connected to abuses of international law, including human rights violations or environmental infringements.

All relevant suppliers were asked to provide information on the usage of such materials, whether they are sourced from CAHRAs, and whether related policies, management systems and due diligence processes are in place. The assessment showed that only few components are affected and the amounts of 3TG in those components – mostly solder or gold coated electrical contacts – are extremely low. As the majority of suppliers of those components handle the risks via policies and due diligence processes, we consider the overall risk of human rights violations or environmental infringements in this regard to be low.

In addition to this analysis, we extended our Supplier Code of Conduct that we ask suppliers to agree on with a paragraph on the usage of conflict minerals and made it part of Nordex's supplier due diligence process to ensure compliance with regulatory requirements.

Nordex suppliers

[GRI 204-1](#)

The key materials, products, and services purchased by the Nordex Group are:

- › Direct materials: nacelle components, steel tower sets, concrete tower sets and concrete tower raw materials, rotor blade sets, and rotor blade raw materials
- › Indirect materials: tools, equipment, ancillaries
- › Services: transportation, cranes and installation

In the 2021 reporting year, the Nordex Group worked with around 12,000 suppliers. There has again been an increase in sourcing expenditures of 48% to approximately EUR 5,144 million (EUR 3,485 million in 2020). It has to be noted that collecting data is now no longer based on purchase orders but on invoices. The share of sourcing expenditures with suppliers who have their head office or production sites in Europe increased slightly to approximately 58% (54% in 2020). In this region, 31% (30% in 2020) of total sourcing expenditures were on

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Responsible Sourcing

products and services from German suppliers, while 8% (8% in 2020) were with Spanish suppliers. For other supply markets, we have a diversity reflected in the expenditures in Turkey, America, China, Asia, Brazil, and Africa (see table below).

Supplier countries of origin in %¹

	2021	2020	2019
Germany	30.6	29.5	26.7
Europe (excluding Germany and Spain)	19.4	16.4	14.7
Turkey	11.0	8.7	6.8
America (excluding Brazil)	10.5	7.7	8.8
Spain	8.1	7.9	14.7
China	7.8	8.6	11.4
Asia (excluding China)	5.2	5.1	6.3
Brazil	4.8	7.3	7.6
Africa	2.2	8.9	2.9
Australia	0.4	0.0	0.1

¹ Differences to totals may arise owing to rounding.

Regarding the products and services, the Nordex Group procures from suppliers, and our sourcing activities were distributed as shown in the table across the following areas:

Sourcing activity by area in %¹

	2021	2020	2019
Nacelle	31	31	39
Services ²	18	23	17
Rotor blades	15	13	18
Tower	14	14	13
Site Services	11	11	10
Others	9	8	3

¹ Differences to totals may arise owing to rounding.

² Services include indirect expenditure.

Verification of supplier compliance with values and standards

It is very important to us that our suppliers comply with the values and standards set out in the Group's Code of Conduct for the entire duration of their business relationship with the Nordex Group. To ensure compliance with our values, we subject relevant suppliers to a regular assessment program involving visits and audits. Relevance is determined by defined criteria. Alongside regular audits, we perform special event-driven audits in cases of noticeable quality issues, relocations, or process changes, for example. The core aspects we review as part of each audit include the upholding of human rights, statutory occupational health and safety standards, as well as the quality of products and processes. Our Finance department also continually monitors our main suppliers for credit risk, based on their supply volume and criticality to the Nordex Group. The

Finance and Sourcing departments may decide to take preventive measures against any potential negative impacts on the Company's business activities.

We audit new suppliers before we engage in a business relationship with them. The results are then used to classify each supplier based on clearly defined indicators that also define the frequency of regular audits. If a potential supplier does not meet especially critical requirements – particularly if they are found to violate human rights, for instance, through using child labor, forced or compulsory labor, or if serious shortfalls in occupational health and safety are identified – we refrain entirely from working with the company.

Overall in 2021, we conducted 240 audits of Nordex-specific component suppliers as well as construction and service-related suppliers (2020: 142). Execution of these audits was still impacted by the COVID-19 pandemic and related travel restrictions. We managed this situation by using our local Nordex Group auditors in combination with remote audit activities. Our processes require that we qualify new suppliers regarding their working practices, upholding of human rights, impact on society, and environmental aspects. As in the previous year, we are pleased to report that we registered no incidents that were subject to disclosure requirements. We received no formal complaints in relation to the Company's supply chain, nor did we terminate any business relationships owing to human rights violations, corruption, unacceptable work practices, or negative impacts on society or the environment.

Governance

Responsible Sourcing

The aspects of compliance, environmental protection, and supply chain responsibility are an integral part of the audits carried out.



Sustainability Strategy 2025 – Responsible Sourcing

Measure	Indicator	Year
Goal 1: Ensure and promote compliance with laws (especially human rights, environmental, and social standards) and ethical business practices in our supply chain within our sphere of influence		
Set up harmonized due diligence process for ESG topics (including onboarding, assessment, audits, continuous improvement)	Qualitative	2022
Update Supplier Code of Conduct	Qualitative	2022
Ensure supplier commitment to the Nordex Supplier Code of Conduct	% new suppliers committed to SCoC % high-risk suppliers committed to SCoC % suppliers committed to SCoC	2022
Assess all high-risk suppliers on ESG topics	% high-risk supplier assessment coverage	2022
Conduct supplier assessment on conflict minerals to achieve full transparency about conflict minerals in the supply chain	% of suppliers assessed on conflict materials	2022
Audit all high-risk suppliers on ESG topics (via harmonized due diligence process for ESG topics)	Number of audits total/ESG-related audits and % high-risk suppliers coverage	2022
Train all high-risk suppliers on ESG topics	% of high-risk supplier training coverage	2023
Risk analysis, preventive and remedial measures for indirect suppliers (Tier 2 and beyond) in case of substantiated knowledge (via harmonized due diligence process for ESG topics)	Number of cases and % coverage for analysis/measures	2022
Participate in sector initiatives	Qualitative	Ongoing
Embed legal requirements on ESG criteria and auditing in supplier contracts	% new contracts with updated ESG criteria	2023
Conduct capacity building with suppliers	Number of corrective actions/capacity actions/number of overdue actions	2023

Governance**Responsible Sourcing**

Measure	Indicator	Year
Anchor business conduct in contracts with suppliers	Number of supplier contracts including compliance agreement	2023
Train suppliers in high-risk areas on our understanding of ethical business conduct	Number of supplier employees who received compliance inductions	2023
Assess all relevant direct suppliers on ESG topics	% of suppliers assessed on ESG	2025
Goal 2: Reduce carbon emissions in the supply chain (scope 3)		
Define goal for suppliers' commitment to science-based targets	% of suppliers (by number or sourcing volume) committed to science-based targets	2022
Ensure certification of suppliers to achieve 100% certified sustainable forest balsa wood sourcing	% of certified balsa wood	2023
Assess energy consumption of suppliers and improve share of renewable energy in the supply chain	% renewable energies at suppliers	2024
Goal 3: Engage with and positively impact the supply chain		
Develop ESG reporting for supply chain and implement this in awarding decisions	Qualitative	2023
Engage in initiatives with suppliers for waste reduction and recycling (e. g. packaging, re-use)	Number of initiatives with suppliers on recycling/waste reduction	2024
Define socially responsible sourcing criteria to improve socially responsible sourcing	Qualitative	2025

Outlook 2022

The Nordex Group has set itself the goal of further reducing its cost of energy in 2022. In order to improve our profitability and to be a sustainable company, we have set up a comprehensive company program, which started to yield improvements from 2021 and will be continued in 2022. A significant contribution is again expected from Global Sourcing. Optimizing the existing supply chain and establishing a competitive supplier network in the regions relevant to the Nordex Group will play a key

role in achieving this goal. A critical aspect involves continuing to build up a local supply chain of up to 4 GW in India by using existing capacities and inducing current EU partners to ramp up their local capacities. Furthermore, our Global Sourcing department is working to implement additional IT systems in line with the demands of our main stakeholders and our global SAP roll-out project. 2021 was a challenging year in terms of supply chain risks and commodity price increases, especially for steel, resins, copper

and aluminum. Although we noticed a moderate fall in the prices of some raw materials toward the end of 2021, we expect prices to remain at a high level. As a consequence, 2022 will involve managing supply risks caused by the pandemic, as well as continuing, ramping up, and geographically diversifying production capabilities for nacelles (China, Brazil and India), rotor blades (India, Brazil and Mexico), and steel towers, as well as other important subcomponents.

Governance

Responsible Sourcing

In keeping with our Sustainability Strategy 2025, we will continue to roll out our updated supplier due diligence processes next year. We have also begun preparing for the Supply Chain Due Diligence Act that will come into effect in Germany in 2023, as well as the other European and global regulations that are expected. We plan to implement management systems that will help us better understand and address the risks in the supply chain, and we will set up a harmonized due diligence process for ESG topics, including onboarding, assessments, audits, and continuous improvement. Following a risk analysis, we will start assessing and auditing all high-risk suppliers on ESG topics next year.

We additionally plan to update the Nordex Supplier Code of Conduct in 2022 and ensure that our suppliers are committed to this code. We will continue participating in sector initiatives regarding responsibility along the supply chain, and we will define goals for our suppliers' commitment to science-based targets.

Our N117/3000 turbines in the wind park Beaujolais Vert in France.



Governance

Business Ethics, Compliance and Integrity

Business Ethics, Compliance and Integrity

Regulatory Compliance and preventing corruption

MANAGEMENT APPROACH

↗ GRI 102-16, 102-17, 206/103, 206-1, 307-1, 419/103, 419-1

Our company is committed to using resources in full awareness of our legal, social, environmental, and economic responsibilities. All people we are interacting with are treated with a clear sense of social responsibility. We collaborate respectfully with our customers, suppliers, contractors, and shareholders, as well as with our neighbors and local communities. All our business decisions and activities are based on our strict compliance with laws and regulations as well as our strong company values.

In our business activities and decisions, we commit to complying with all laws and regulations which are applicable in the countries where we do business. Acting with integrity and, moreover, acting within the law, forms the basis of our good reputation. This is an essential foundation for the trust placed in us by our customers, shareholders, and business partners, as well as the public. It also ensures the sustainable success of the Nordex Group.



Our Human Rights Policy



Our Codes of Conduct for Employees and Suppliers

Our Values: Integrity, Respect, Collegueship and Ownership

Our corporate culture is based on our core Company values of Integrity, Respect, Collegiality and Ownership, as well as on the principles and standards of conduct set out in the company guidelines, leadership principles, and especially in our Codes of Conduct for employees and suppliers.

Our Codes of Conduct for Employees and Suppliers

As a common yardstick for responsible and good conduct, the Nordex Group established a Code of Conduct for all our employees which describes our principles for legally compliant and responsible behavior. It applies as a basis of the corporate guidelines to all colleagues of the Nordex Group.

The Code of Conduct for Nordex employees comprises the following five core principles:

1. Compliance with applicable Law
2. Avoiding conflicts of interest
3. Protecting Company property
4. Upholding the Code of Conduct
5. Aspiring towards ethical standards

The Code of Conduct is binding for all employees of the Nordex Group.

In addition to the Code of Conduct for employees, we established a special Code of Conduct for Contractors and Suppliers ("Supplier Code of Conduct") in which we expect from them to adhere to the principles of integrity and ethical, lawful

conduct throughout the entire duration of the business relationship with us. Our business decisions and activities are also subject to the demand to uphold human rights globally. This includes all our investment commitments. In accordance with our Codes of Conduct, the ethical guidelines of the UN Global Compact and the Organization for Economic Cooperation and Development (OECD) as well as the UN Universal Declaration of Human Rights that stipulates zero tolerance for child labor, forced labor, discrimination, and retaliatory measures, provide fundamental guidance for all our business activities. Every Nordex Group employee is required to implement these values and guidelines in their daily work. Managers have a special responsibility here as role models, supporters, and representatives of Company management.

Human Rights Policy

In 2021, we created a Human Rights Policy as well as a Diversity and Inclusion Policy. In keeping with the United Nations Guiding Principles on Business and Human Rights (UNGPs), our Human Rights Policy is an expression of our commitment to the United Nations Universal Declaration of Human Rights, the International Labour Organisation's (ILO) core labor standards, and the ILO's Declaration on the Fundamental Principles and Rights at Work. We follow the OECD Guidelines for Multinational Enterprises and the principles outlined in the UN Global Compact, as well as international legislation wherever we operate.

Governance

Business Ethics, Compliance and Integrity

We commit to conducting our business in accordance with the above-mentioned ethical standards, our values, and the laws where we operate. We strive to be open and fair in our dialogue with stakeholders and to communicate effectively with external parties, ensuring that trusted and accessible consultation mechanisms are available. We also make efforts to address key issues relevant to our sector, business activity, and supply chains, including modern slavery and exploitative labor practices; child labor; all forms of discrimination; fair wages, working hours, and conditions; health, and safety; and the right to freedom of association. Moreover, we continue to develop our due diligence processes to help identify risks and ensure that we understand the best approaches to preventing and mitigating them. Finally, we do not tolerate or condone the abuse of human rights in any part of our business or supply chains, and we take all allegations of abuse seriously. We will work to effectively remedy any incidence of human rights abuse using our internal grievance mechanisms.

Training and evaluation

Experts from the Nordex People & Culture and Corporate Compliance departments support our employees and managers both by offering training courses on values, policies, guidelines, and our Code of Conduct, and by providing advice on a case by-case basis.

Preventing Corruption

[GRI 102-17, 205/103, 205-1, 205-2, 205-3](#)

The Nordex Group has zero tolerance for any form of corruption. Every employee is responsible for effectively preventing corruption, and we expect the same from our business partners.

The Corporate Compliance department supports the divisions, managers, and employees to act in accordance with the applicable laws, policies, and guidelines as part of their compliance obligations. The core task of Corporate Compliance is to implement an effective Compliance Management system that successfully promotes corruption risk awareness and integrity. This includes, in particular, the sustainable prevention of possible misconduct and violations with regard to any form of corruption. The aim is also to uncover and put an end to legal violations, to investigate suspected breaches in this regard and, if necessary, intervene immediately, and to prevent future misconduct as far as possible. The interdisciplinary Business Ethics Committee supports these efforts as part of its general purpose to promote the implementation of our Codes of Conduct and compliance with them, to further develop and adapt the Codes, and to manage investigations into possible material violations of the Codes.

At the Nordex Group, we identify, evaluate, avoid, and mitigate corruption risks at different stages in the value chain and its core processes and activities, especially during sales and sourcing. In 2021, these risk assessments were more closely integrated into these processes.

Corruption risks are also taken into account when reviewing the activities of Group companies. In this process, all the Group companies are classified according to a risk-based ranking using the following factors:

- › Corruption Perceptions Index (CPI)
- › Employee turnover
- › Assessment by specialist departments and the Compliance team
- › Economic development

The distribution of corruption risks within the Nordex Group mirrored the CPI. No significant risks were identified in the reporting period.

Commitment and training by employees and business partners

We use our Code of Conduct, policies, guidelines, risk assessments, individual advice, and training to raise our employees' awareness of risks and enable them to prevent and detect potential corruption issues. We inform all new employees in detail of our Code of Conduct and the anti-corruption guidelines it contains, and we formally oblige them to comply with the code. Since 2020, all of our industrial workers have also been required to complete an

Governance

Business Ethics, Compliance and Integrity

e-learning course on preventing corruption once every two years. By the end of 2021, a total of 4,774 employees, including all members of the Management Board, had completed the course (also see the table below). This represents 75% of the relevant group of employees.

Two new training courses were introduced in 2021 to further increase awareness of corruption risks and our regulations for preventing, detecting, and responding to them: the Compliance Induction for New Employees, and the Compliance Induction for Managers. The Compliance Induction for New Employees is part of our onboarding program for new employees worldwide and focuses on preventing corruption right from the start at the Nordex Group. A total of 405 new employees received this training.

The Compliance Induction for Managers is aimed at all employees with managerial responsibilities worldwide. It emphasizes their specific role and responsibilities regarding preventing corruption. In 2021, a total of 466 managers were trained.

Region	Trained Staff ¹		
	2021	2020	2019
Africa	35	21	30
Asia (incl. Australia)	223	180	35
Europe (excl. Germany, Spain)	1,252	788	182
Germany	1,996	1,362	783
Spain	690	623	215
North America	338	225	54
South America	240	159	69
Total	4,774	3,358	1,368

¹ by risk based target group

We also expect our subcontractors and suppliers to act ethically, lawfully and with integrity, and to strictly comply with the principles that were set out by the UN Global Compact and are described in our Code of Conduct for subcontractors and suppliers. Our subcontractors and suppliers are required to commit to this in writing.

Whistleblower system

Nordex introduced the whistleblower system “notify!” at the end of 2018. Nordex Group employees as well as our business partners’ employees can use it to submit and discuss any indications of misconduct, irregularities or maladministration in connection with the Nordex Group’s business activities. They have reporting channels available to them to do this: getting in touch personally with the staff of Corporate Compliance, using an internet-based reporting platform, or using a central hotline/e-mail/ mailing address. Where this is not restricted by country-specific regulations, reports can be submitted anonymously.

Every report is followed up confidentially, independently, and competently. The Company does all that it can to protect reporters from negative consequences. The Corporate Compliance department validates all new reports. The matter is then discussed and evaluated by the Business Ethics Committee, which also steers any necessary investigations and consequences.

In 2021, there were a total of 48 inquiries with requests for assistance in individual matters, or expert evaluation. There was a total of 30 reports submitted through the whistleblower system concerning potential misconduct or maladministration.

Governance

Business Ethics, Compliance and Integrity

Compliance inquiries, reports and cases

	2021	2020	2019
Inquiries	48	39	25
Reports received	30	51	14
Ongoing reviews/ investigations (at the end of the reporting period)	20	27	7
Confirmed reports with improvement/ disciplinary measures initiated	7	18	5

Reports received in 2020: 51; this includes all reports (= reports to Corporate Compliance and reports via the whistleblower system); actual reports via whistleblower system in 2020: 19

Reports received in 2021: 30; this includes only the reports via the whistleblower system; actual all reports including reports to Corporate Compliance and detected by others: 48

Competition in the business environment

The Nordex Group conducts its business activities with integrity and in full compliance with all applicable laws. This includes compliance with all applicable competition laws and regulations and avoidance of any form of competition law violations. Compliance with all laws, including competition laws, is equally expected from our employees and business partners, and especially from our suppliers and other third parties acting on our behalf. To ensure such compliance, we train and commit our employees within the framework of the Code of Conduct. We also require our subcontractors and suppliers to sign our Supplier Code of Conduct as a precondition for doing business with us.

Our e-learning program on competition law provides a basic understanding of the issues. It aims at explaining the general antitrust principles that are applicable worldwide and to sensitize managers and employees to antitrust matters, especially those working in risk-prone areas. The program provides examples, exercises and practical tips for dealing with competitively sensitive situations in a lawful way to help this target group identify antitrust risks and become more aware of its own responsibilities so that infringements are prevented and all employees understand the risks of anti-competitive behavior. Managers and employees who are particularly exposed to risks also complete two modules covering proper conduct in the event of inspections by competition authorities and when being involved in associations, especially participating in association events. By the end of October 2021, the training was rolled out to all managers worldwide and further particularly exposed target groups (in total about 1,500 employees). The training program is due to be completed by the end of October 2022 and will be repeated every two years.

CHALLENGES, RISKS AND OPPORTUNITIES

Integrity is a core value for trust-based, ethical, and legally compliant collaboration among employees, and with our customers, our suppliers, all other business partners, and the general public. As regulatory frameworks become ever more extensive and given the global nature of today's business activities, legally compliant conduct to prevent corruption and fraud remains vitally important to the

Nordex Group. Unlawful behavior and misconduct by employees and third parties acting on behalf of the Nordex Group can cause considerable damage – economically, legally and to the Company's reputation.

Violations of competition law can result in substantial sanctions for companies and thus significantly jeopardize our current and future activities. We therefore identify and evaluate potential aspects relevant to competition before launching any business activity. We apply a high degree of sensitivity both to contractual agreements and to our dealings with business partners. Agreements or actions that inhibit free trade or restrict competition are not permitted.

In 2021, there were no incidents of non-compliance with laws and/or guidelines in the social and environmental domains that resulted in significant fines or non-monetary sanctions.

MEASURES 2021

In the reporting year, we continued several measures relating to regulatory compliance, preventing corruption, and human rights.

We focused on raising risk awareness, broadening the understanding of compliance requirements and regulations, and further enhancing our compliance management system. This involved introducing two new training courses, enhancing our due diligence with respect to our business partners, updating the whistleblower system, and including experts in our Compliance organization to increase the professional support for Nordex and its activities.

Governance

Business Ethics, Compliance and Integrity

Human Rights Policy and risk and gap assessment

In addition to developing a Human Rights Policy, we conducted a risk and gap assessment in 2020/2021. This assessment covered all parts of our business to ensure that we could identify areas with the potential for human rights risks. The risk and gap assessment found that we had high human rights risks in business areas such as sourcing and sales in countries with relaxed labor laws, as well as in our supply chain which deals with labor from these countries. The main countries were in Asia, South America, and Africa, and they were mostly in business areas such as Sourcing, Sales, and Logistics. To mitigate these risks, we launched a supplier due diligence initiative involving a questionnaire sent to all first-tier suppliers. This aims to ascertain the risks in various areas, including human rights, and to ensure that these risks are identified and communicated to our buyers so that suppliers can mitigate the risks themselves or avoid them entirely. Our initial focus has been on business areas that we could direct influence, such as within the Company and directly our among our first-tier suppliers.

ESG Governance

MANAGEMENT APPROACH

We actively engage with our internal and external stakeholders to develop structural engagement processes. With this, we aim to ensure transparency as well as cooperative development and improvements regarding ESG topics.

Internally, this involves integrating sustainability into our business culture, as well as developing and strengthening governance structures and processes which enable the coordination and management of sustainability measures, including aspects of good governance such as board refreshment, independence, and ESG-related remuneration.

Externally, we intend to meet our stakeholders' growing demand for information by engaging in a dialogue with our key stakeholder groups, monitoring environmental indicators, and enhancing and reporting on our sustainability performance.

ESG communication and anchoring sustainability in our corporate culture

Internal and external sustainability communication on ESG issues is an important part of ESG governance. It provides our stakeholders with information on how the Nordex Group meets ESG criteria and what risks and opportunities might arise for Nordex's investors, customers, and partners as a result of its current sustainability performance. For internal stakeholders especially, ESG communication is

used to create a common understanding of sustainability at Nordex. We look for opportunities for our employees to participate in sustainability issues and to develop sustainable solutions for our products and services, as well as for our everyday work. We are pursuing the internal and external goals of making sustainability activities transparent, anchoring sustainability even more deeply in our corporate culture, and further improving our ratings.

While GRI standards provide a global framework for sustainability reporting to increase the transparency and comparability of sustainability performance, the Nordex Group makes use of further recognized approaches as well. These include ESG criteria, which are largely defined by sustainability ratings, and the technical assessment criteria of the classification system of the EU Taxonomy Regulation (see p. 28).

Additionally, our impact reporting on sustainable development goals (SDGs) provides an insight into the impact of Nordex's business activities on global sustainability issues. We focus on different orientation frameworks depending on the target group.

Anchoring sustainability in our corporate culture

In order to anchor sustainability more firmly in the company, we strengthened various measures for internal sustainability communication. For example, since 2021, the presentation of Nordex's Sustainability department and sustainability issues has been a fixed component of the onboarding process for new employees. We also enhanced our resources

Governance

Business Ethics, Compliance and Integrity

for sustainability communication by adding a staff position to support existing tasks (ESG ratings, sustainability reporting, projects, and campaigns in Germany, etc.). The organization's intranet was

expanded and updated so that employees are fully informed about internal processes, sustainability topics, goals, and progress. In addition, an extensive employee survey which evaluated employee

communication on sustainability issues was carried out as part of our strategy development process. Approximately 11% of all employees (around 1,000 employees) worldwide took part in the survey.

Participants of the employee survey

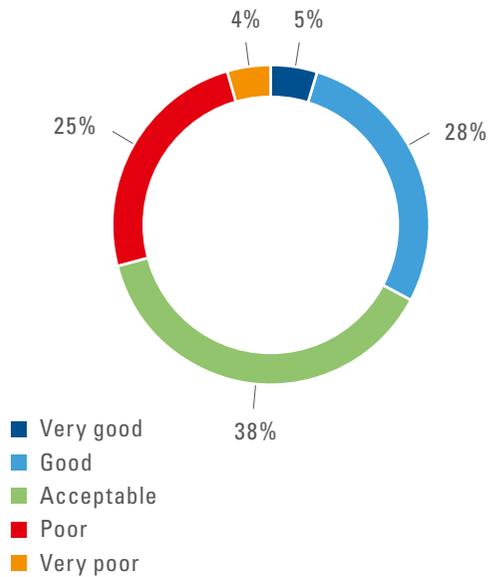
969
employees

>27
departments

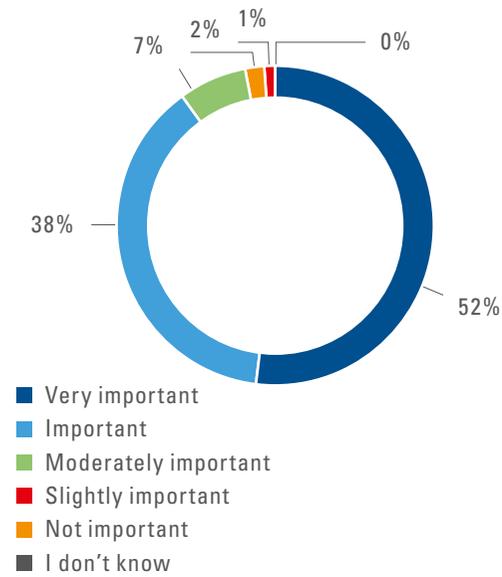
29 countries
(workplace)

Insights of the sustainability employee survey

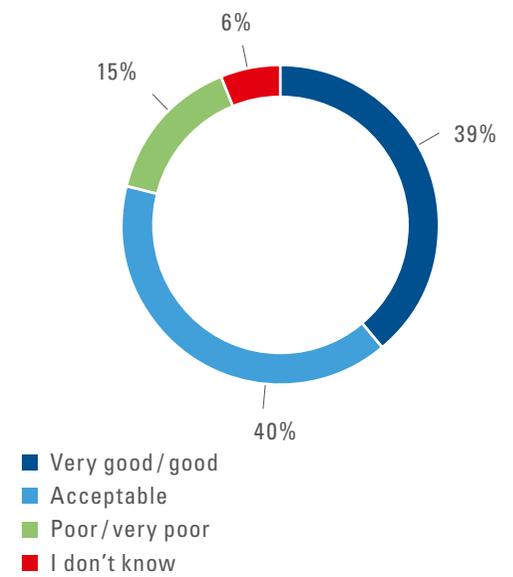
How would you rate your level of knowledge regarding the Nordex Group's sustainability activities?



How important is it for you personally to work for a company that contributes to climate protection and sustainable development with its business model?



How well prepared is your department for sustainability-related challenges?



Governance

Business Ethics, Compliance and Integrity

Around 90% of the survey respondents stated that it is important or very important to them to work for a company that contributes to climate protection and sustainable development through its business model. This is encouraging with regard to the ambitious measures in our new Sustainability Strategy 2025.

While around 1/3 of the respondents rate their level of knowledge concerning Nordex's sustainability activities as 'very good' to 'good', another 1/3 feel they have not been informed well enough. The employee perception of sustainability progress at our company and the evaluation of core topics, gaps, and suggestions were also helpful. We take these into consideration in the annual evaluation of our sustainability activities.

Corporate governance

The Nordex Group believes that good corporate governance practices serve the long-term interests of stakeholders, strengthen the board and management, and further enhance the public trust that the Nordex Group has earned over the past decades. Our corporate governance principles govern how we do business daily, enabling us to outperform and lead the way to sustainable growth. They provide a framework that defines the roles, rights, and responsibilities of different groups within the organization, the board's role in risk oversight, public policy engagement, and the Nordex Group's commitment to sustainability.

Working practices of the Management Board

The Management Board manages Nordex Group at its own discretion with the aim of achieving sustained improvements in enterprise value and of attaining the agreed targets. It conducts the Company's business in accordance with statutory provisions and the provisions of the Company's Articles of Incorporation and Rules of Procedure for the Management Board. In addition, it works in a spirit of trust with the Company's other governing bodies.

The Management Board defines the long-term goals and strategies for the entire Nordex Group and determines the principles for the corporate policy derived from these. It coordinates and supervises all significant activities. It determines the range of products, develops and deploys executive staff, allocates resources and makes decisions on financial management and Group reporting.

Supervisory Board

The Supervisory Board is responsible for monitoring and advising the Management Board. In accordance with the Articles of Incorporation, it comprises six members who are elected by the shareholders at the Annual General Meeting. The Supervisory Board is directly involved in all decisions of fundamental significance for the Company; it also consults with the Management Board on the Company's strategic orientation and regularly discusses with it the progress being made on implementing business strategy.

Diversity policy for the Management Board

The Supervisory Board, together with the Management Board as required, addresses long-term succession planning by appointing to the Management Board internal or external candidates who are best suited in terms of their qualifications and personality. Selecting the most suitable internal candidates is based on the systematic human resources development of internal managers that comprises the following elements:

- › Identifying suitable candidates with different specialties, nationalities and genders at an early stage of the search process.
- › Systematically developing internal managers by enabling them to take on roles with increasing responsibility, preferably in different business areas, regions and functions. In this context, managers are fostered particularly through personalized measures such as coaching or systematic human resources development programs.
- › Training internal managers with regard to material company values to ensure that they act as a role model when upholding and implementing them.

This should enable the Supervisory Board to ensure sufficient diversity in terms of professional background and experience, cultural context, internationality, gender and age when appointing Management Board members. Irrespective of these individual criteria, the Supervisory Board is confident that only

Governance

Business Ethics, Compliance and Integrity

an all-encompassing assessment of individual candidates can ultimately determine appointments to the Management Board of Nordex SE. Overall, this is intended to ensure that the Management Board as a whole currently has the following basic desirable profile in terms of the diversity concept:

- › Extensive management experience in technical and commercial areas of work
- › International experience based on origin and/or professional activity
- › Balanced age structure to ensure the continuity of the Management Board's work and enable smooth succession planning

The target figure for the proportion of women in the Management Board was set by the Supervisory Board in 2020 at 25% by 2025 (2021: 0%).

Requirements profile for the Supervisory Board of Nordex SE (including Diversity Policy for the Supervisory Board)

The Supervisory Board seeks to achieve a composition that ensures it can provide high-quality supervision and advice to the Management Board at all times. The Supervisory Board takes the view that its ability to function efficiently – thus ensuring the sustainable development of the Company – depends largely on its diversity in addition to professional and personal skills.

In light of this, the Supervisory Board has adopted a detailed profile of requirements for its composition. In addition to the statutory key requirements and

recommendations set out in the German Corporate Governance Code adopted on 16 December 2019 and officially published on 20 March 2020 (the GCGC), this profile includes the Supervisory Board's objectives regarding its composition, the skills and expertise of the entire Supervisory Board, and a diversity concept for the Supervisory Board. The details of the requirements profile are published in the annual report and can be found in the Corporate Governance Statement chapter.

The target figure for the proportion of women on the Supervisory Board was set in 2020 in accordance with section 111 (5) of the German Stock Corporation Act (AktG). This figure was set at 16.67% for the Supervisory Board by 2025 (2021: 33.3%).

CHALLENGES, RISKS AND OPPORTUNITIES

We do not currently see any significant risks regarding sustainability communication or anchoring sustainability in our organization. In fact, we consider ESG governance topics to offer real opportunities now and in the coming years.

The transparent communication of Nordex's sustainability performance is the key to working with internal and external stakeholders on innovative solutions and improvements. We use sustainability ratings to identify gaps and determine our progress in relation to various ESG topics. Ratings are a benchmarking tool that we take very seriously. We can use them to highlight the position of the Nordex Group with respect to our good performance and progress in

our industry sector. But they also reveal our opportunities and risks in relation to sustainability issues. We use this knowledge to meet the demands of our customers, partners, and other stakeholders.

Sustainability can only be lived if there is a common understanding of sustainability in the organization and employees are able to shape and participate in the relevant issues. Many of our employees consider sustainability issues to be important (see survey). They also perceive a need for improvement, however. In the future, we want to use various campaigns and projects outside of our German headquarters to raise our employees' awareness of sustainability issues in their day-to-day work and create a platform for them to work on sustainability at their sites. A large number of employees have made various suggestions for improvement here. Depending on their priority, these suggestions will be addressed to strengthen motivation and confidence in Nordex's sustainability activities.

The Nordex Group takes the view that transparency and effective corporate governance are critical, especially to a listed company like Nordex SE. Awareness of ESG issues has grown significantly among the general public and the investor community, and it is expected to increase even further. Consequently, there are risks to not fulfilling transparency standards or good corporate governance principles. The Nordex Group is aware of these risks and works continuously to improve its transparency and ensure that all governance standards are met as far as possible. One significant risk can arise at

Governance

Business Ethics, Compliance and Integrity

the annual general meeting, when certain (qualified) approval rates are needed to pass resolutions on specific agenda items. The Nordex Group addresses this risk with a clear process involving active, early, and transparent communication with investors and proxy voters. If certain complicated agenda items are to be addressed in an upcoming general meeting, Nordex SE provides a fact book covering the most relevant information about them in a way that is easy to understand. The fact book is available to all shareholders in German and English on the Company's website. This proved to be helpful for our investors regarding the resolutions about the new remuneration system for the Management Board.

With 122 employees, #TeamNordex made a contribution to climate protection and healthy mobility during the StadtRadeln events in Rostock and Hamburg.



This item was on the agenda of almost all German public listed companies in 2021. Nordex SE received the second-best voting result in the MDAX, with an approval rate of 99.37%.

Sustainability performance is also becoming increasingly important in the capital market. Large investors now often include ESG ratings in their investment decisions, which can result in certain large investors no longer being allowed to invest in shares if they do not have a sufficient ESG rating. By contrast, a good ESG rating can have a positive influence on investment decisions. For Nordex SE, therefore, both risks and opportunities arise from the ESG rating of its business.

MEASURES 2021

The sub-topic of ESG governance has become more relevant to us in recent years. We have integrated targets for this in our new Sustainability Strategy 2025 and will continue with several additional projects in the coming years.

We strengthened our sustainability communication in 2021. We are in regular contact with our stakeholders and have emphasized our communication of key facts from our sustainability reporting. The employee survey on sustainability communication and the identification of sustainability topics from the employees' point of view was one of the many projects that will provide important hints for future development areas.

In 2021, there was a change to the Nordex Group's Supervisory Board. The board now has four male and two female members, meaning that the proportion of women is one third (1/3). The Nordex Group has also introduced a new remuneration scheme for the Management Board which reflects the latest legal requirements and includes long-term incentives connected to an ESG key performance indicator.

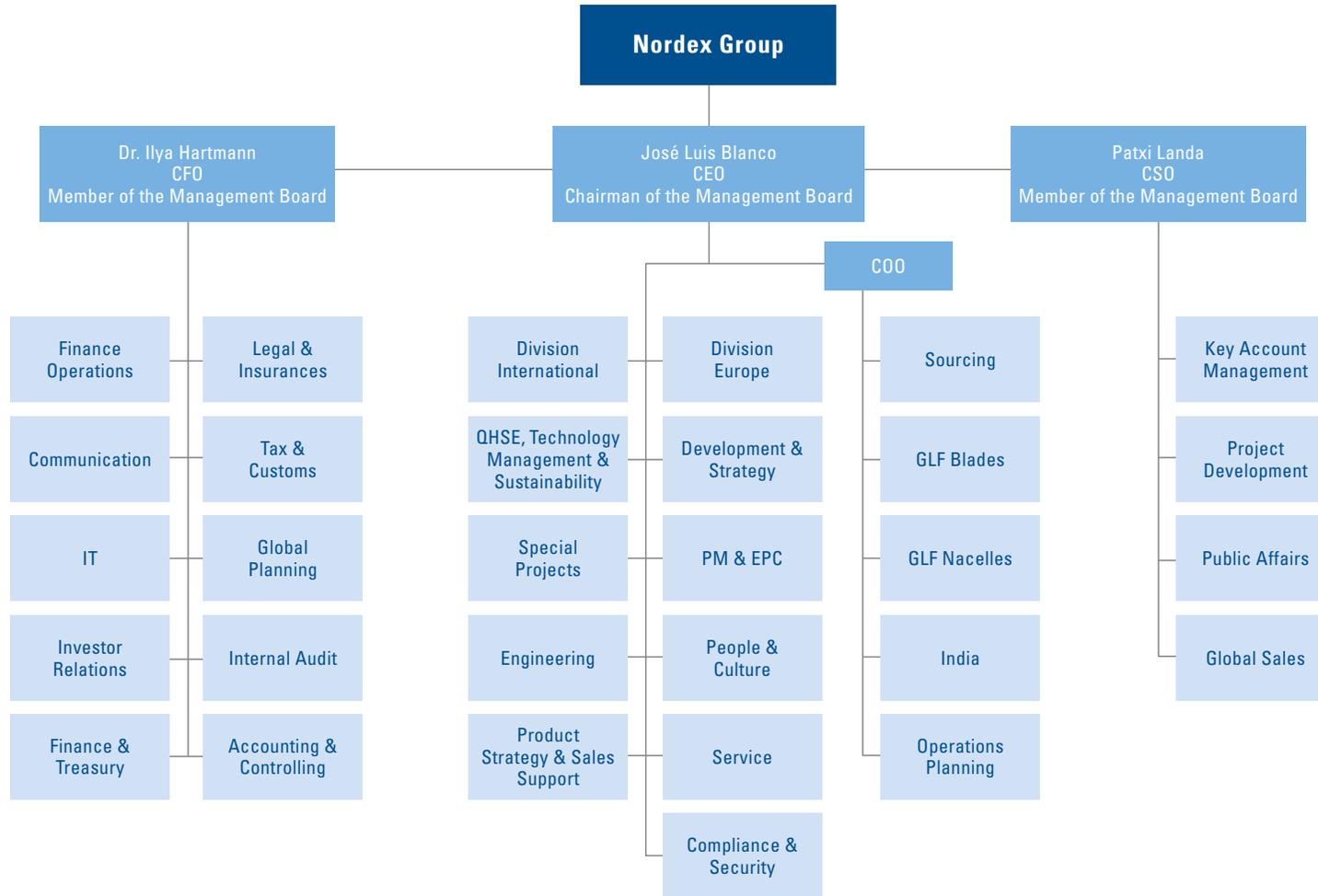
Unfortunately, our Sustainability and Health Day in Hamburg had to be cancelled again due to the COVID-19 pandemic. However, we carried out small local activities like the annual City Cycling initiative in Hamburg and Rostock, Germany. We are pleased to have contributed to climate protection and healthy mobility as #TeamNordex in Rostock and Hamburg. 122 employees participated in this event and saved a total of 3,535 kg CO₂ emissions. In Rostock we took 6th place out of 137 teams. and in Hamburg we came 37th out of 736 teams.

Since ESG governance has become a strategic topic in our new Sustainability Strategy 2025, we will carry out further projects and measures on a global level in the coming years.

Governance

Business Ethics, Compliance and Integrity

Organizational structure of the Nordex Group (simplified presentation)



Governance

Business Ethics, Compliance and Integrity



Sustainability Strategy 2025 – Business Ethics, Compliance and Integrity

Measure	Indicator	Year
Goal 1: Systematically anchor environmental, social, human rights, and business ethics risks in business decisions and continuously increase transparency with regard to risk identification, risk assessment and risk management		
Carry out ESG risk analysis in order to update the assessment and consolidate a generic ESG risk profile (activities, regions, partners)	Number of suppliers with (high) risk potential	2022
Anchor ESG criteria in the sales-gate process and implement project risk assessment to evaluate all high-risk wind park projects	Number of low-risk suppliers	2022
Promote human rights as an important goal within the Company, with 100% of managers signing the Human Rights Policy annually	Percentage of managers signing the Human Rights Policy annually	annually, starting from 2022
Goal 2: Promote responsible and ethical business conduct internally and with our business partners		
Conduct integrity and ethical due diligence for 100% of customers	Number of customers undergoing customer due diligence	2023
Anchor business conduct in contracts with customers	Number of customer contracts including compliance clauses	2023
Annual employee training on the Nordex Group Code of Conduct conducted by 100% of employees	Training rate	2025
Goal 3: Zero tolerance of unethical behavior		
Achieve certification of anti-bribery management systems (ISO 37001)	Qualitative	2022
Employee training on prevention of bribery and corruption completed by 100% of employees at two-year intervals	Training rate	ongoing
Goal 4: Increase communication and transparency regarding ESG (environment, social, governance) performance		
Sign the UN Global Compact and maintain active status	Qualitative	2024
Goal 5: Anchor sustainability as part of all departments and the company culture		
Establish a worldwide Nordex Sustainability/SDG Network for local sustainability solutions	Qualitative	2023
Conduct a “SDG campaign” to promote the ESG criteria and SDGs and their integration in the company culture	Qualitative	2025
Offer sustainable alternatives in the business environment and set incentives for employees regarding climate friendly and sustainable consumption	Number of implemented projects	2023
Conduct measures and projects to raise awareness for sustainability and health topics	Qualitative	ongoing

Governance

Business Ethics, Compliance and Integrity

Outlook 2022

Our business ethics, compliance and integrity and activities in 2022 will be guided by our Compliance Action Plan 2022. We will focus on finalizing the updates to our Code of Conduct, further strengthening its integration into relevant company processes, raising awareness and conducting training for employees prone to high corruption risks, and further developing our compliance management system with a focus on regulatory requirements, policies, and evaluations.

Our Supplier Code of Conduct explains our labor and human rights requirements and explicitly requires our business partners to comply with them. Our initial focus has been on business areas that we could easily influence, such as within the Company and our among our first-tier suppliers.

To implement all the human rights principles outlined in our policy, we have developed a questionnaire that must be completed and signed by all of our P&C representatives in every country after they are briefed on our requirements. This questionnaire will be signed yearly from the beginning of 2022 by the respective P&C managers and representatives. It

covers all important aspects of our Human Rights Policy to ensure that they are implemented and followed in these countries. We will also implement, improve, and refine our due diligence processes to mitigate human rights risks in our supply chain, and we will ensure that proper reporting channels are in place for our customers, suppliers, and employees to enable swift and decisive action. We will continue our communication measures in this area in 2022.

With the implementation of our new Sustainability Strategy 2025, we plan to increase communication and transparency regarding our ESG performance. In 2022, we will work with an internal taskforce on EU Taxonomy activities and strategy for Nordex. We are additionally preparing projects for anchoring sustainability in our departments and company culture, which will become increasingly important in the coming years. For example, we are planning to hold our Sustainability and Health Day in Hamburg in 2022 to raise awareness of sustainability and health topics.

Strong performance: In 2021, a total of 1.619 wind turbines were installed in 22 countries.



Digitalization

Digitalization is one of the main pillars of a sustainable economy and thus a key to the future of our industry. We are developing a comprehensive digitalization scheme for our business processes and working to digitalize parts of our business model. We strongly promote our values and aim to work together with our partners on our mission. The Nordex Group strives for harmonized data management processes worldwide and implements leading practices and standard solutions that comply with legal and country-specific requirements.

We have already made significant progress in our strategy to digitalize our business. Tools such as SAP, ServiceNow, Upvise, and databases have been introduced across the Nordex Group. We have been able to increase the acceptance of all tools, which in turn has a great influence on the success of our efforts. For this reason, we are continuously working on the digitalization of our learning and training formats as well as our standardized remote onboarding process. One core element in the context of production is the first SAP S/4 Hana implementation for one of our blade production sites.

We have also implemented a number variety of IT tools to improve communication and collaboration in the commissioning of our production sites around the globe. This enables remote assistance by specialists as well as virtual training and video tools. The pandemic has transformed our approach to remote work. Digitalization and modern workplace tools helped us to achieve the highest degree of collaboration amongst our global distributed workforce under these difficult circumstances.

When it comes to digitalizing parts of our business model, our customer plays an important role as a driver of progress. The core components of this development are the customer portal, digital wind farm reports, engineering, service, and IT. You can find out more about our Predict to Prevent program for reliably detecting trends and our IoT platform for monitoring all Nordex turbines under service contracts in the chapter on 'Sustainable Products'.

Public Policy

FINANCIAL ASSISTANCE

[↗ GRI 201-4](#)

Financial assistance beyond subsidies can include, but is not limited to, investment grants, research and development (R&D) grants, and government equity interests in Nordex SE. The Nordex Group itself receives no subsidies for its products. The remuneration our customers receive for the electricity

generated using Nordex wind turbines is related to the business activities of our customers. Potential subsidies in the context of power generation depend on the respective state regulations.

In 2014, Nordex received an investment grant to expand its facility in Rostock. The assets for which the grant is provided must be retained in the facility in question for a period of five years after payment of the last tranche of the grant, i.e. until 2022. In addition, an annual average of around 1,026 jobs must be maintained permanently during this period. As in the previous year, no investment grant was paid in 2021. Nordex projects received research and development (R&D) grants of EUR 968 thousand (2020: EUR 936 thousand). These relate to Company and joint projects in experimental, industrial and fundamental research that we are carrying out as part of specific technical programs defined by the federal government.

Our customers make regular use of export credit agency (ECA) financing instruments. As an exporter affected by this system, we support these guarantees by providing the necessary information and binding declarations. In doing so, we are also directly involved in the financial guarantees. In individual cases, we apply for our own supplier and production coverage to safeguard against specific risks associated with our customers' wind farm projects. In the reporting period, the Nordex Group generated new business worth EUR 494.7 million (2020: EUR 973.9 million) that was partly or wholly covered by ECAs.

Governance

Public Policy

In 2020, the Nordex Group secured a revolving credit facility for EUR 350 million that was collateralized under COVID-19 loan guarantee programs launched by the Federal Republic of Germany and the states of Mecklenburg-Western Pomerania and Hamburg. The revolving credit facility was fully repaid and guarantees returned in August 2021. The objective was to protect the Company's operating business against the impact of the COVID-19 pandemic.

In the reporting year, Nordex received EUR 110 thousand in tax relief for 2019 in Germany under the German Electricity and Energy Tax Act. For 2021, the Company applied for tax relief for 2020 in the amount of EUR 126 thousand. The payment for 2020 is still outstanding as of the date of this report. The Nordex Group has not received any awards or other benefits involving financial support.

POLITICAL CONTRIBUTIONS / LOBBYING

7 GRI 415-1

As an international company active in manufacturing, installing, and servicing wind turbines, our business activities and projects are affected by a number of political and regulatory activities and decisions. The Nordex Group therefore represents and advocates for its interests with the respective stakeholders, directly or through its engagement with sector-specific trade associations.

The Nordex Group manages its lobbying activities at a regional level, with a global coordination position at the head offices. This means that the advocacy work within the respective national/regional trade associations and with regional, national, and local stakeholders is covered by the respective national or regional units of Nordex. Global coordination at the head office is undertaken by a senior staff function. Some lobbying activities that concern corporate, international, and supranational aspects are covered from the head offices as well.

Concerning financial assistance and political contributions, Nordex has established a Group-wide Donations Guideline which prohibits political donations and financial assistance to political parties or candidates seeking public office, for example.

We master every challenge: safe heavy transports are also part of it.



GRI INDEX

7 GRI 102-55

GRI Standard	Brief description	Page	Note
GRI 101: Reporting Principles 2016			
GRI 102: General Disclosures 2016			
Organizational profile			
GRI 102-1	Name of the organization	123	Nordex SE
GRI 102-2	Activities, brands, products, and services	10, 11	
GRI 102-3	Location of headquarters	11	Hamburg
GRI 102-4	Location of operations	11	
GRI 102-5	Ownership and legal form	11	For further information please see the Nordex Annual Report 2021, p. 26
GRI 102-6	Markets served	11	
GRI 102-7	Scale of the organization	11	
GRI 102-8	Information on employees and other workers	66, 78	
GRI 102-9	Supply chain	91	
GRI 102-10	Significant changes to the organization and its supply chain	-	In the reporting period, there were no material changes in the size, structure and ownership of the Nordex Group or in the supply chain.
GRI 102-11	Precautionary principle or approach	47	See also Annual Report 2021, p. 56, 'Principles of the risk management system'

GRI Standard	Brief description	Page	Note
GRI 102-12	External initiatives	18	
GRI 102-13	Membership of associations	18	
Strategy			
GRI 102-14	Statement from senior decision-maker	6	
Ethics and Integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	98	
GRI 102-17	Mechanisms for advice and concerns about ethics	98, 99	
GRI 102-18	Governance structure	11	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	18, 19	
GRI 102-41	Collective bargaining agreements	66	
GRI 102-42	Identifying and selecting stakeholders	18	
GRI 102-43	Approach to stakeholder engagement	18	
GRI 102-44	Key topics and concerns raised	18	
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	8	For further information please see the Nordex Annual Report 2021, p. 104

GRI Index

GRI Standard	Brief description	Page	Note
GRI 102-46	Defining report content and topic boundaries	8	
GRI 102-47	List of material topics	18	
GRI 102-48	Restatements of information	–	No changes from the previous year.
GRI 102-49	Changes in reporting	8	
GRI 102-50	Reporting period	8	
GRI 102-51	Date of most recent report	–	The last Sustainability Report was published in March 2021 and covered the 2020 financial year.
GRI 102-52	Reporting cycle	8	The Nordex Sustainability Report is published annually.
GRI 102-53	Contact point for questions regarding the report	123	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	8	This Sustainability Report was prepared according to the Core option.
GRI 102-55	GRI content index	112	
GRI 102-56	External assurance	118	
Economic performance			
GRI 201: Economic Performance 2016			
GRI 201-1	Direct economic value generated and distributed	11, 13	This indicator is not reported on an individual market basis.
GRI 201-2	Financial implications and other risks and opportunities due to climate change	47	
GRI 201-4	Financial assistance received from government	110	

GRI Standard	Brief description	Page	Note
Procurement Practices			
GRI 204: Procurement Practices 2016			
GRI 103	Management approach	91	
GRI 204-1	Proportion of spending on local suppliers	93	
Anti-corruption			
GRI 205: Anti-corruption 2016			
GRI 103	Management approach	99	
GRI 205-1	Operations assessed for risks related to corruption	99	
GRI 205-2	Communication and training about anti-corruption policies and procedures	99	
GRI 205-3	Confirmed incidents of corruption and actions taken	99	
Anti-competitive Behavior			
GRI 206: Anti-competitive Behavior 2016			
GRI 103	Management approach	98	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	98	
Materials			
GRI 301: Materials 2016			
GRI 301-1	Materials used by weight or volume	–	Information regarding the life cycle assessment can be found on www.nordex-online.com/en/sustainability

GRI Index

GRI Standard	Brief description	Page	Note
Energy			
GRI 302: Energy 2016			
GRI 103	Management approach	48	
GRI 302-1	Energy consumption within the organization	49	
GRI 302-3	Energy intensity	49, 50	
GRI 302-4	Reduction of energy consumption	49	
GRI 302-5	Reductions in energy requirements of products and services	49, 50	
Water and Effluents			
GRI 303: Water and Effluents 2018			
GRI 103	Management approach	55	
GRI 303-1	Interactions with water as a shared resource	60	The water consumption is not a material topic for the Nordex Group.
GRI 303-3	Water withdrawal	60, 61	
GRI 303-4	Water discharge	60, 61	
GRI 303-5	Water consumption	61	

GRI Standard	Brief description	Page	Note
Biodiversity			
GRI 304: Biodiversity 2016			
GRI 103	Management approach		
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	61	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	61	
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	61	
Emissions			
GRI 305: Emissions 2016			
GRI 103	Management approach	48	
GRI 305-1	Direct (scope 1) GHG emissions	51	
GRI 305-2	Energy indirect (scope 2) GHG emissions	51	
GRI 305-3	Other indirect (scope 3) GHG emissions	49	
GRI 305-4	GHG emissions intensity	51	
GRI 305-5	Reduction of GHG emissions	49	

GRI Index

GRI Standard	Brief description	Page	Note
Waste			
GRI 306: Waste 2020			
GRI 103	Management approach	56	
GRI 306-1	Waste generation and significant waste-related impacts	56	
GRI 306-2	Management of significant waste-related impacts	56	
GRI 306-3	Waste generated	58	
GRI 306-4	Waste diverted from disposal	58	
GRI 306-5	Waste directed to disposal	58	
Environmental Compliance			
GRI 307: Environmental Compliance 2016			
GRI 103	Management approach	55	
GRI 307-1	Non-compliance with environmental laws and regulations	98	Nordex was not aware of any significant fines in the period under review
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016			
GRI 103	Management approach	91	
GRI 308-1	New suppliers that were screened using environmental criteria	91	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	91	

GRI Standard	Brief description	Page	Note
Employment			
GRI 401: Employment 2016			
GRI 103	Management approach	66	
GRI 401-1	New employee hires and employee turnover	66	
GRI 401-3	Parental leave	73	
Labor/Management Relations			
GRI 402: Labor/Management Relations 2016			
GRI 402-1	Minimum notice periods regarding operational changes	66	
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018			
GRI 103	Management approach	80	
GRI 403-1	Occupational health and safety management	80	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	80	
GRI 403-3	Occupational health services	80	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	80	
GRI 403-5	Worker training on occupational health and safety	80	
GRI 403-6	Promotion of worker health	80	
GRI 403-7	Prevention and mitigation of occupational health and safety	80	

GRI Index

GRI Standard	Brief description	Page	Note
GRI 403-9	Work-related injuries	80	
Training and Education			
GRI 404: Training and Education 2016			
GRI 103	Management approach	67	
GRI 404-1	Average hours of training per year per employee	67	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	67	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	67	
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016			
GRI 103	Management approach	73	
GRI 405-1	Diversity of governance bodies and employees	73	For further information on the controlling bodies please also refer to the Nordex 2021 Annual Report, p. 156f: 'Nordex SE corporate governance bodies'.
GRI 405-2	Ratio of basic salary and remuneration of women to men	66	
Non-discrimination			
GRI 406: Non-discrimination 2016			
GRI 103	Management approach	73	
GRI 406-1	Incidents of discrimination and corrective actions taken	73	

GRI Standard	Brief description	Page	Note
Freedom of Association and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016			
GRI 103	Management approach	73	
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	66, 73, 91	
Child Labor			
GRI 408: Child Labor 2016			
GRI 103	Management approach	91	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	91	
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labor 2016			
GRI 103	Management approach	91	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	91	
Human Rights Assessment			
GRI 412: Human Rights Assessment 2016			
GRI 103	Management approach	91	
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	91	

GRI Index

GRI Standard	Brief description	Page	Note
Local Communities			
GRI 413: Local Communities 2016			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	88	
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016			
GRI 103	Management approach	91	
GRI 414-1	New suppliers that were screened using social criteria	91	
GRI 414-2	Negative social impacts in the supply chain and actions taken	91	
Public Policy			
GRI 415: Public Policy 2016			
GRI 415-1	Political contributions	111	The Nordex Group-wide Donations Guideline precludes donations to political parties.

GRI Standard	Brief description	Page	Note
Customer Health and Safety			
GRI 416: Customer Health and Safety 2016			
GRI 103	Management approach	42	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	42	
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance 2016			
GRI 103	Management approach	98	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	98	Nordex was not aware of any significant fines in the period under review.

AUDIT OPINION

7 GRI 102-56

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING ¹

To Nordex SE, Hamburg

We have performed a limited assurance engagement on the separate non-financial group report of Nordex SE, Hamburg, (hereinafter the "Company") for the period from 1 January 2021 to 31 December 2021 (hereinafter the "Separate Non-financial Group Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, which are marked as unassured.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their

own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section EU Taxonomy of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section EU Taxonomy of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the imminent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY CONTROL OF THE AUDIT FIRM

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial group report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

RESPONSIBILITY OF THE ASSURANCE PRACTITIONER

Our responsibility is to express a conclusion with limited assurance on the Separate Non-financial Group Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Separate Non-financial Group Report, other than the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU Taxonomy of the Separate Non-financial Group Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- › Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- › Inquiries of the executive directors and relevant employees involved in the preparation of the Separate Non-financial Group Report about the preparation process, about the internal control system relating to this process and about disclosures in the Separate Non-financial Group Report
- › Identification of likely risks of material misstatement in the Separate Non-financial Group Report
- › Analytical procedures on selected disclosures in the Separate Non-financial Group Report
- › Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and combined group management report of the Nordex Group
- › Evaluation of the presentation of the Separate Non-financial Group Report
- › Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Separate Non-financial Group Report
- › Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

ASSURANCE OPINION

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Separate Non-financial Group Report of the Company for the period from 1 January 2021 to 31 December

2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU Taxonomy of the Separate Non-financial Group Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, which are marked unassured.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 23rd March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Meike Beenken
Wirtschaftsprüferin
[German public auditor]

Glossary

AVOIDED EMISSIONS This term – also referred to as Scope 4 emissions – describes the GHG emissions that are avoided through the generation of electricity by the entire Nordex wind farm fleet compared to the use of other energy sources (global electricity mix).

BLACK AND GREY LISTS Guidelines that define criteria for operating materials and hazardous materials not to be used within the Nordex Group to improve occupational health and safety and environmental protection.

CARBON DIOXIDE EQUIVALENT (CO₂E) A measurement unit that is used to calculate the contribution of all greenhouse gases (GHG) to the greenhouse effect. To support comparison of their climate impacts, emissions of other GHGs such as methane or nitrous oxide are presented in CO₂-equivalents.

CLIMATE NEUTRALITY means achieving a net zero balance between greenhouse gas emissions and greenhouse gas absorption.

COE (COST OF ENERGY) Describes the cost of converting a form of energy (e.g. wind) into electrical energy.

CORPORATE CARBON FOOTPRINT Includes all greenhouse gas emissions that are directly and indirectly caused by a company along the whole value chain.

E-LEARNING E-learning denotes online learning formats.

EMPLOYEES We define employees as people employed directly at Nordex, excluding interns, trainees, students, and apprentices.

ENGINEERING Research and Development Company area.

GEARBOX The gearbox is located between the slow-rotating rotor shaft and the fast-rotating generator shaft. By using a gearbox, the generator shaft rotates up to one hundred times faster than the rotor shaft.

GENERATOR A wind turbine's generator converts mechanical energy into electrical energy.

HYBRID TOWER Extremely high tower construction made from combined steel and concrete segments.

INSTALLED CAPACITY This describes the maximum total output of all power plants (here wind turbines) installed in one area.

INVERTER Wind turbines are typically operated using variable rotor rotation speeds. An inverter adjusts the electricity supplied by the generator, with its variable frequencies and voltages, to the network frequency, phase length, and voltage required by the electrical network so that constant, grid-compliant electrical energy can be supplied to the network.

ISO 9001 Internationally recognized quality management standard.

ISO 14001 Internationally recognized environmental management standard.

ISO 14040 Internationally recognized standard that describes the principles and framework for life cycle assessment.

ISO 14044 Internationally recognized standard that describes requirements and guidelines for life cycle assessment.

ISO 45001 Internationally recognized occupational health and safety standard. It is the successor to the OHSAS 18001.

ISO 50001 Internationally recognized energy management standard.

KILOWATT HOUR A kilowatt hour (kWh) is the amount of energy measured in kilowatts (kW) that is generated or consumed within one hour.

LIFE CYCLE ASSESSMENT (LCA) A method used to evaluate the potential environmental impacts of a product through its complete life cycle.

LOST TIME INJURY FREQUENCY The lost time injury frequency (LTIF) indicates the number of occupational accidents per million working hours that cause one or more days' absence from work.

MEGAWATT One megawatt (MW) equals 1,000 kilowatts.

MEGAWATT HOUR One megawatt hour (MWh) equals 1,000 kilowatt hours.

List of Abbreviations

NACELLE The key components to convert wind power into electrical energy (drivetrain, generator, part of the electrical system, backup systems, etc.) are installed in the nacelle. The nacelle is mounted on the tower. The rotor, including the rotor blades, is attached to the rotor shaft in the nacelle.

NOMINAL OUTPUT The nominal output is a system's maximum generated electrical power specified by its manufacturer.

OHSAS 18001 Internationally recognized occupational health and safety standard.

ONSHORE WIND TURBINE Wind power systems installed on land.

PHYSICAL RISKS describe direct and indirect risks arising for the Nordex Group as a result of climate change.

PROJECT MANAGEMENT Once handed over by Sales, the Project Management department assumes responsibility for a project until it is handed over to the customer, as well as internally to the Service department.

REPOWERING Refers to the replacement of wind turbines that are either about to reach or have already reached the end of their planned design life with more efficient turbines.

SCIENCE-BASED TARGET (SBT) refers to a greenhouse gas emission reduction target defined under consideration of the requirements defined by latest climate science to meet the goals of the Paris Agreement.

SERVICE Nordex Service comprises a number of activities – from remote monitoring, preventive maintenance, on-site repairs and retrofitting additions, to the complete modernization of wind energy systems.

SF6-FREE SWITCHGEAR Switchgear that uses no sulfur hexafluoride as insulation medium.

STAKEHOLDER Stakeholders are both internal (e. g. employees) and external (e. g. customers, competitors, and the community) parties with an interest or concern in our activities and a relationship with our Company.

TRANSITORY RISKS describe risks which arise for the Nordex Group as a result of the change towards a decarbonized economy.

WATER STRESS refers to the situation when the available amount of water does not meet the water demand or when water quality is too poor.

WIND FARM Wind farms comprise multiple, jointly-operated wind turbines.

AktG Stock corporation act
AWP Acciona Windpower
 (Corporación Acciona Windpower S.L.)
CAHRAs Conflict-affected or other high-risk areas
CapEx Capital expenditures
CCF Corporate carbon footprint
CDP Carbon disclosure project

CEO Chief Executive Officer
CHP Combined heat and power
CLICCS Cluster of Excellence Climate, Climatic Change, and Society
COE Cost of energy
CO₂ Carbon dioxide
CO_{2,e} Carbon dioxide equivalent
CPI Corruption perceptions index
CSR-RUG CSR Directive Implementation Act
 (CSR-Richtlinie-Umsetzungsgesetz)
dB(A) A-weighted decibels
D&I Diversity and inclusion
EACs Energy attribute certificates
EBIT Earnings before interest and taxes
ECA Export Credit Agency
EPC/PM Engineering procurement construction/
 project management
EPD Environmental product declaration
ESG Environmental, social and governance
EU European Union
EUR Euro
GHG Greenhouse Gas
GLF Global lead function
GmbH Limited liability corporation
 (Gesellschaft mit beschränkter Haftung)
GRI Global reporting initiative
GTA Global Technical Academy
GW Gigawatt
GWO Global Wind Organisation
HGB German commercial law
 (Handelsgesetzbuch)
HSE Health, safety, and environment
IAS International Accounting Standard
IEA International Energy Agency

List of Abbreviations

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<u>IFRS</u>	International Financial Reporting Standards	<u>PPE</u>	Personal protective equipment
<u>ILO</u>	International Labour Organisation	<u>PV</u>	Photovoltaics
<u>ISAE 3000</u>	International Standard on Assurance Engagements 3000	<u>PwC</u>	PricewaterhouseCoopers
<u>IT</u>	Information technology	<u>P2P</u>	Predict to prevent
<u>kg</u>	Kilogram	<u>P&C</u>	People & Culture
<u>KPIs</u>	Key performance indicators	<u>QHSE</u>	Quality, health, safety and environment
<u>kt</u>	Kiloton	<u>R&D</u>	Research and development
<u>kWh</u>	Kilowatt hour	<u>SBTi</u>	Science Based Targets initiative
<u>LCA</u>	Life cycle assessment	<u>SBTs</u>	Science-based targets
<u>LL</u>	Lessons learnt	<u>SDGs</u>	Sustainable development goals
<u>LMS</u>	Learning Management System	<u>SED</u>	Socio-economic development
<u>LTi</u>	Lost time injury	<u>SF6</u>	Sulfur hexafluoride
<u>LTIF</u>	Lost time injury frequency	<u>SR</u>	Rates of severity
<u>m</u>	Meter	<u>SVHC</u>	Substances of very high concern
<u>MI</u>	Megaliter	<u>TCFD</u>	Task force on Climate-related Financial Disclosures
<u>Mt</u>	Megatonne	<u>UN</u>	United Nations
<u>MW</u>	Megawatt	<u>VDMA</u>	Association of the Mechanical Engineering Industry Association (Verband Deutscher Maschinen- und Anlagenbau)
<u>MWh</u>	Megawatt hour	<u>VOC</u>	Volatile organic compounds
<u>NESA</u>	Nordex Energy South Africa	<u>3TG</u>	Tin, tungsten, tantalum and gold
<u>OECD</u>	Organisation for Economic Cooperation and Development		
<u>OpEx</u>	Operational expenditures		



In 2021, we produced nacelles in Brazil, Germany, India, and Spain.

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