

# 2022

## Together for change – Wind for a sustainable future

Sustainability report 2022



## GLOBAL PRESENCE

The Nordex Group's key markets – read more on p. 12



# WE ARE NORDEX

↗ GRI 2-1, 2-6

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 9,100 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 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 44 GW of wind energy capacity in over 40 markets, and in 2022, generated revenues of EUR 5,694 million. At production facilities in Brazil, Germany, Denmark, India, and Spain, the Group produces nacelles, rotor blades, and concrete towers.

Our mission at the Nordex Group is to develop clean power plants that generate 100% renewable energy for the world. As a manufacturer of innovative onshore wind turbines, we focus on delivering high-performance, cost-competitive wind farms, creating value for our customers and empowering them to provide sustainable and affordable energy for a cleaner and more peaceful world.

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 key sustainability topics for the period 2022–2025 and beyond: 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 from our sustainability performance in 2022.



## PRODUCT DIMENSION

**60.7** Mt CO<sub>2</sub>e avoided  
2021: 58.9 Mt CO<sub>2</sub>e avoided

**5,694** sales revenues  
in EUR million  
2021: EUR 5,444 million

**5.22** GW installed capacity  
2021: 6.68 GW

**2.7–6.5** g CO<sub>2</sub>e/kWh Product  
Carbon Footprint

**4.4** customer satisfaction  
in the Sales area  
(scale 1–6, 6 = best)  
2021: 4.4 (Sales  
and Service Area)



## ENVIRONMENTAL DIMENSION

**5,299** kg carbon emissions  
in our own operations  
(scopes 1+2) per  
installed capacity  
2021: 2,214 kg CO<sub>2</sub>e/MW

**31,069** kWh energy consumption  
per installed capacity  
2021: 17,910 kWh/MW

**16%** waste from production  
sites to landfills  
2021: 17%

**48%** waste recovery  
2021: 55%

**56%** more waste production  
per installed capacity  
2022: 4,989 kg/MW  
2021: 3,205 kg/MW

**25.6** m<sup>3</sup> water withdrawal  
per installed capacity  
2021: 14.8 m<sup>3</sup>/MW



## SOCIAL DIMENSION

**75%** of employees  
participated in  
Compass Dialogs<sup>1</sup>  
2021: 68%

**16.4%** proportion  
of women  
2021: 16.5%

**17.5%** proportion of  
female leaders/  
managers<sup>2</sup>  
2021: 17.1%

**1.5** Lost Time Injury  
Frequency (LTIF) –  
Group level  
2021: 3.2

<sup>1</sup> Core process of employee development

<sup>2</sup> Includes women in positions on M1 to M4 level; all management positions are evaluated with MERCER according to the IPE (International Position Evaluation) methodology



## GOVERNANCE DIMENSION

**57%** of employees, including  
all members of the  
Management Board,  
completed a course on  
preventing corruption  
2021: 55%

**72%** fulfillment of ISO 37001  
requirements (Anti-  
corruption management  
systems)  
2021: n/a

**172** conducted audits  
of Nordex-specific  
component suppliers as  
well as construction and  
service-related suppliers  
2021: 240

**100%** of certified balsa wood  
2021: n/a

# 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 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 with french quotation marks as exemplified by this paragraph. «

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# FOREWORD BY THE MANAGEMENT BOARD

➤ GRI 2-22



**José Luis Blanco**  
Chief Executive Officer (CEO)

## Dear Readers,

The Nordex Group works at the heart of the energy sector's green transformation. Our products and services contribute directly to the fight against global warming as we seek to create a cleaner and more peaceful planet.

We are proud of the fact that our installed total output of 44 GW worldwide avoided approximately 60.7 million tonnes of CO<sub>2</sub>e in 2022 alone.

The unwavering commitment of Nordex's employees meant we were able to make a great contribution again to ending the fossil fuel age while simultaneously increasing our company's market share in a challenging economic environment. We did this by working tirelessly to enhance our products and by investing in new turbine types to ensure we can continue to offer high-performance wind farms at competitive prices.

The importance of renewable energy sources in tackling climate change while at the same time reinforcing energy independence and stability has never been as apparent as it is today. Economic policy timetables have been accelerated, and steps are being taken at the regulatory level to finally remove longstanding obstacles such as excessively lengthy approval processes.

## Foreword by the Management Board



**Dr. Ilya Hartmann**  
Chief Financial Officer (CFO)

However, 2022 was a very challenging year for our industry. The war in Ukraine, the inflationary environment, and the repercussions from China's zero-Covid policy are just three examples of this, each of which alone would have constituted an exceptional year. While these complex and concurrent events once again helped to boost awareness for the importance of our industry, the cost of precursors also exploded and only strict delivery management enabled us to avoid acute bottlenecks in processing our order book.

A cyber security incident at the end of March also placed wide-ranging restrictions on our internal IT infrastructure. This event adversely impacted various operating processes, caused production delays and triggered postponements in the commissioning of new turbines, particularly in Germany. The early introduction of appropriate security protocols meant we could prevent third-party turbines and systems from being compromised. However, it caused delays in the implementation of sustainability projects and the introduction of systems for the reliable collection of key figures and data.

We have set ambitious targets in our 2025 Sustainability Strategy in 2021, and despite these myriad challenges in the reporting year, we are proud to report examples for our success in several areas in 2022:

- › We identified specific climate risks and opportunities for the Nordex Group within the context of the Task Force on Climate Related Financial Disclosures (TCFD).

- › Two new life-cycle analyses for Nordex' N155 and N163 turbines once again demonstrated, at 5.5 and 2.7g CO<sub>2</sub>e/kWh respectively, the extremely small ecological footprint of generating power using onshore wind turbines. By comparison, the emissions for generating a kilowatt-hour of power by burning lignite are 1,054g CO<sub>2</sub>e.
- › Thanks to our robust processes and the great care shown by our employees, we reached our target of lowering our lost time injury frequency rate (LTIF) to below 1.5 (per million hours worked) by 2025 in 2022.
- › We continued to pursue our target of tackling unconscious bias in our day-to-day business as well as in our recruitment and promotion processes by introducing new diversity and inclusion training sessions.
- › By carrying out a detailed analysis of our supplier management, we laid the foundation for further optimizing our procurement processes and aligning them with all requirements of the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz).

The Nordex Group will continue doing what we started doing decades ago to make our vision and mission a reality: establishing an energy sector that is fit for the future and fed exclusively by renewable energy sources while playing a vital role in creating resilience, peace, and stability around the globe. The

Sustainability Strategy serves as a roadmap for specific actions and measures to achieve our ambitious goals by 2025 and beyond.

We would like to thank our colleagues for their exceptional and unwavering work, their passion and motivation, and for being a constant source of inspiration to us. We would also like to thank all of our stakeholders for their trust and commitment. After all, it is only by working together that we can continue along what will undoubtedly be a challenging yet pioneering path.

Sincerely yours,  
the Management Board

Hamburg, March 2023

**José Luis Blanco**  
Chief Executive Officer (CEO)

**Dr. Ilya Hartmann**  
Chief Financial Officer (CFO)

**Patxi Landa**  
Chief Sales Officer (CSO)

# HIGHLIGHTS 2022

With our commitment to sustainability, we pursue a holistic approach above and beyond our “green” business model. Below, we present special projects from 2022 fostering and representing our sustainability performance.

### Unconscious Bias Training – Pilot Roll-Out

» The diversity of our workforce is one of our company’s assets. People of different genders and ages with distinct cultural backgrounds, attitudes and lifestyles enrich our company and contribute to our success. In the reporting year, the Nordex Group developed a training module focusing on unconscious biases in the workplace. This was one of the first measures of this social focus topic from our Sustainability Strategy 2025 to be implemented. The first step involved rolling out the pilot to all People & Culture (P&C) employees worldwide. In the second step, we will assign the e-learning module to all management levels.

### Sustainability and Health Day in Hamburg

Nordex’ 4<sup>th</sup> Sustainability and Health Day was held at our head office in September 2022. The richly varied program of talks, workshops, hands-on activities and information stands covering a range of sustainability and health topics attracted employees from many different departments. This year the Sustainability department focused on packaging avoidance and resource conservation following the motto of “Zero Waste.100% Health.” Occupational health support was represented, among others, by move UP, a local service partner for health management, which offered presentations and practical activities relating to back health.



### TCFD Climate Risk and Opportunity Assessment

The Nordex Group has assessed its climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Taxonomy requirements. Following an initial gap analysis, we identified and evaluated more than 20 climate-related



The Sustainability Team at the Sustainability and Health Day in Hamburg

risks and opportunities each. The most relevant ones were prioritized by analyzing their impact in the context of low-, medium- and high-emission scenarios. Based on the outcome of this scenario analysis, we assessed adaptation solutions in response to the main physical risks and have summarized them in a climate change adaptation plan.

## Highlights 2022



All Environmental Product Declarations can be found on our website



### EcoVadis Gold Standard and CDP “B” Score

In July 2022, the Nordex Group was once again awarded an EcoVadis Gold Medal in recognition of its successful sustainability efforts. To receive this medal, companies must achieve a total score of between 67 and 75 points. This time we scored 71 (2021: 66 points) out of a maximum of 100 points. The latest result puts the Nordex Group in the top 1% of all general industrial machinery manufacturers assessed by EcoVadis (for more information see p. 31). The Nordex Group was also able to improve its score in the CDP climate rating (B, 2021: B-). Companies that score a “B” have addressed the environmental impacts of their business, ensure good environmental management and are taking action to manage their environmental impact.

### Reduction of the Product Carbon Footprint

To assess the environmental impact of our products and identify optimization potential, we set the goal of preparing a Life Cycle Analysis (LCA)<sup>1</sup> for all relevant turbines. After our first LCA study in 2020 for the N149/4.0-4.5 turbine with a steel tower<sup>2</sup>, we analyzed two more turbine types in 2022: N155/5.X turbines with steel towers and N163/5.X turbines with concrete towers with emissions of 5.5 as well as 2.7g CO<sub>2</sub>e per kWh of electricity generated. The

<sup>1</sup> The LCA study was not part of the audit by PwC.

<sup>2</sup> Result of the pilot LCA study: 6.5g CO<sub>2</sub>e per kilowatt-hour of electricity generated

results of our analysis highlight the very low specific carbon footprint of wind energy, and they also show that the carbon footprint continues to decrease with the new turbine models due to performance improvements and lifetime extension measures. Based on the results of these LCAs, we published two Environmental Product Declarations (EPD) to provide harmonized and externally verified sustainability information.

### RoSPA Renewable Energy Sector Award for Health and Safety Achievements for Nordex UK and Ireland

In 2022, Nordex UK & IE won the prestigious Renewable Energy Sector Award from the Royal Society for the Prevention of Accidents (RoSPA) for the first time, having been awarded Gold for the last six consecutive years. The award is known for its high health and safety standards. Organizations that receive a RoSPA Award are recognized as world leaders in health and safety practices. Every year nearly 2,000 entrants vie to achieve the highest possible accolade in the UK’s longest-running health and safety industry awards. «



Baroness Eaton, Deputy President of the Royal Society for the Prevention of Accidents, presents the award to our colleague David Goodfellow

# ABOUT THIS REPORT

🔗 [GRI 2-2, 2-3, 2-4, 2-5, 2-14](#)

Sustainability reporting is much more than just a legal requirement for us. 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 continue improving the sustainability of our business.

## CONTENT AND STRUCTURE

» This Sustainability Report provides detailed information on our environmental, social, and governance (ESG) performance. Part II, Sustainability Management, looks at how we embed sustainability in our organization, and offers an overview of our current ratings awards and EU taxonomy disclosures. We also evaluate the current achievements of our Sustainability Strategy 2025, discuss the progress made towards the Sustainable Development Goals (SDGs), and describe our stakeholder management structure. Part III, Contribution to Sustainability, reflects our Sustainability Strategy 2025 in detail and is structured around ESG topics and our core competence, our products. Our latest materiality analysis identified seven main topics that are structured in the following as chapters summarizing our current

sustainability-related developments, management approaches, risks and opportunities, activities, and key figures. Finally, we address the overall progress we have made in the first year of our Sustainability Strategy 2025 with respect to our action plan for each topic. The last section of the report, Further Information/Appendix, contains the GRI Index, audit information, explanations, and abbreviations. Together with the Nordex Group's 2022 Annual Report, which is published simultaneously, the 2022 Sustainability Report therefore provides a comprehensive picture of the Company's current situation.

## REPORTING PERIOD AND SCOPE

The 2022 Sustainability Report was prepared following the Global Reporting Initiative (GRI) framework. The Nordex Group has reported in accordance with the GRI Standards<sup>1</sup> for the period from 01 January 2022 to 31 December 2022. This is the seventh time we have reported on our Nordex sustainability activities in this form, and the Company will continue to update and publish its sustainability-related information annually. The disclosures made in this report generally apply to all Group companies and entities as included in the Nordex Group's basis of consolidation.

<sup>1</sup> We used the revised Universal Standards that came into effect for reporting in January 2023.

With regard to the environmental indicators, we 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 "Climate Change and Decarbonization" and "Environmental Protection", relate to the Nordex Group's active production sites in Brazil, Denmark, Germany, India, 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 2021 report, the following changes occurred within the scope of the 2022 report: In May 2022, the Nordex Group split the nacelle assembly facilities in Chennai, India, into three individual units that now focus on the assembly of either machine houses, cabinets, or drivetrains. An engineering and technology center opened in the same area in late 2022.

The Nordex Group has also made changes in its production of concrete towers. While we resumed production in Lagoa do Barro and started in Cajuína, Brazil, in the third quarter of the reporting year, the Brazilian concrete tower factory in Areia Branca

## About this Report

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

<sup>1</sup> Rotor Blade Technology Center

<sup>2</sup> Additional drive train factory. The top-box factory has transitioned to a cabinet factory.

<sup>3</sup> Blade Engineering and Technology Center

ceased production by the end of 2021. Additionally, we closed the tower factory in Motilla, Spain, in August 2022. Further closures have taken place in Spain and Denmark where the nacelle assembly facility in La Vall d'Uixó and the blade technology center in Stenstrup ceased production in the second quarter of 2022. Finally, the production site in Rostock, Germany, stopped its blade manufacturing operations and has now shifted to blade engineering activities. The environmental KPIs for these plants therefore refer only to the respective active quarters of 2022.

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 2022, this applied to two

production sites in China, assembling machine houses, rotor hubs and drivetrains. Based on the same process model, work at a suppliers' concrete tower production operation continued at a production facility in Mexico in the first quarter of the reporting year. These sites are outside the scope of this report.

### 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 French quotation marks bracketing 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. The Sustainability Report 2022 uses the revised GRI Universal Standards 2021 and has adopted the required changes compared to the Sustainability Report 2021. This has been applied in the description of the materiality analysis 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 3: Material Topics 2021). The GRI Index on page 147 refers to the corresponding report 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.

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

## About this Report

(GAS 20). 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.

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 (=aligned activities) according to the EU taxonomy.

### Approval by the Supervisory Board

The Supervisory Board is responsible for reviewing and approving the Sustainability Report. The Sustainability Report was presented and approved in a Supervisory Board meeting in March 2023 together with the Annual Report.

### 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 (Aktiengesetz, 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 the International Standard on Assurance Engagements 3000 (ISAE 3000, revised) in a limited assurance engagement. The auditor's Independent Practitioner's Report is provided on p. 153 ff.

### 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.



More information about the Nordex Group is provided in the Annual Report 2022, p. 24 ff.

### 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 are clearly identified by French quotation marks bracketing the respective text.

«

# ABOUT THE NORDEX GROUP

➤ GRI 2-1, 2-6, 201-1



Further information on our products and services on p. 42 ff



Further information on countries of operation on the Nordex website.

## OUR PRODUCTS AND SERVICES

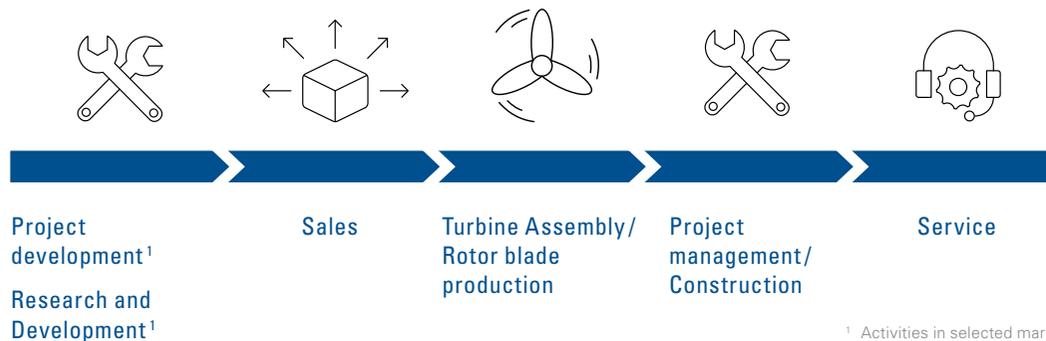
» As a wind power pioneer, the Nordex Group has been driving the development of the onshore wind sector with cutting-edge products since its foundation in 1985. We focus on the development, production, and installation of complete wind turbine systems, including control software and key components. Turbine 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 the Nordex Group itself or by our contractors. «

In the reporting period, the Nordex Group once again extended the range of the globally-successful Delta4000 platform with another highly-efficient wind turbine: the N175/6.X – our specialist for light wind speeds. Our Delta4000 product portfolio now includes eight 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 44 GW across a total of more than 40 countries.

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



<sup>1</sup> Activities in selected markets

## About the Nordex Group

While the Nordex Group headquarters strives for overall excellence and sets global standards, our regional entities and their local offices and service points 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 350 service points worldwide. Via this network, we provide services directly to the wind farms that have been installed and handed over to the customer. Nordex Service offers customers a wide range of services, including complete solutions with 24-hour remote monitoring, preventive maintenance, and customer training to complete modernization of our wind turbines. Our service contracts ensure and optimize the electricity production yields of Nordex customers. 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.

Our Delta4000  
N149/5.X at the  
Bedburg wind farm  
on the renaturalised  
Garzweiler minesite,  
Germany



At the end of 2022, the Nordex Group's Service organization was supporting around 10,600 wind turbines worldwide with a total nominal output of 31.2 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.

EUR

5,694

million Sales in 2022  
(2021: EUR 5,444 million).

#### OUR OWNERSHIP AND CUSTOMERS

The listed holding company Nordex SE has its registered office in Rostock, Germany. The majority of Nordex SE shares (59.0%) 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 41.0% in Nordex SE. Our company's head office is 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 Nordex operating business comprises two divisions, International and Europe, as well as global lead functions including rotor blades, nacelles and engineering. The operating divisions manage the legally independent national companies.

Our own production sites are located in Germany, Brazil, Denmark (only first and second quarter of 2022), India, 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

The Nordex Group faced several challenges and a difficult market environment in 2022, which affected our financial condition, cash flows, margins, and results of operations. The direct and indirect impact of the war in Ukraine and COVID-related lockdowns in China, supply chain disruptions, and internal footprint reconfiguration measures resulted in additional costs. Furthermore, a cyber incident in late March 2022 forced us to shut down our IT system as a precaution, and the subsequent clean-up and system restoration created additional costs in terms of IT spending and delays in the production and commissioning of turbines.

## About the Nordex Group

In financial year 2022, the Nordex Group generated sales of EUR 5,693.6 million (2021: EUR 5,444.0 million). Prior unallocated sales and consolidation, the Projects segment contributed 90% and the Service segment 10% to Group sales. The net loss in the reporting year came to EUR –497.8 million. As of the 31 December, 2022 reporting date, the company had about 9,100 employees worldwide. In financial year 2022, the Nordex Group's installed capacity was with 5.2 GW significantly below the previous year's figures due to the above-mentioned reasons, with 1,129 wind turbines being installed in 19 countries. The largest single markets by installed capacity were the Germany, Finland, Spain, USA, Brazil, and France.

As of the 31 December 2022 reporting date, the Group's total assets stood at EUR 4,756.7 million, of which EUR 878.1 million, or 18.5%, represented equity. Longer-term borrowing mainly comprised a corporate bond. As a company with sustainable business practices, the Nordex Group 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 1.41 bn credit facility certified as being sustainable, including an ancillary facility, which is

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.



The key financial figures are provided in detail in our Annual Report 2022, p. 94 ff

### Financial data of the Nordex Group

in EUR million	2022	2021	2020
Sales	5,693.6	5,444.0	4,650.7
Gross revenue	5,991.1	5,051.7	4,345.5
Earnings before interest and taxes (EBIT)	–426.7	–107.3	–61.8
Free cash flow	–513.9	–24.5	–120.4
Capital expenditure	204.8	168.7	162.9
Consolidated net profit/loss for the year	–497.8	–230.2	–129.7
Cost of materials	–5,505.0	–4,224.8	3,798.1
Staff costs	–561.1	–473.7	434.0

[GRI 201-1](#)

### Direct economic value generated and distributed

in EUR million	2022	2021	2020
Direct economic value generated	5,693.6	5,440.0	4,286.4
Economic value distributed			
of which were operating costs	5,207.5	4,685.3	3,973.3
of which were employee wages and benefits	561.1	473.7	434.0
Payments to providers of capital	24.6	122.7	98.4
Payments to the government	–50.1	6.4	22.6
Community investments	n/a	n/a	n/a
Economic value retained	–775.9	151.9	–241.9

[GRI 201-1](#)

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# SUSTAINABILITY MANAGEMENT



# STRATEGY AND MANAGEMENT

➤ GRI 2-12, 2-13, 2-14, 2-17

» The Global Sustainability Management department (or: Sustainability 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.

During the reporting period, the Sustainability department was assigned to the central Quality, Health, Safety & Environment (QHSE) organizational unit, which reports directly to the Management Board. From 2023 onwards, the Sustainability department reports directly to the Chief Financial Officer of the Nordex Group.

The function of sustainability management is to efficiently implement the Nordex Sustainability Strategy and to coordinate sustainability reporting. The responsibilities of the Sustainability department include managing and communicating internal and external processes, overseeing and consulting on the management of sustainability impacts, coordinating different departments with ESG impacts, and engaging in ongoing dialog with various stakeholder groups (see "Stakeholder Dialog" section, p. 18). The Sustainability department also handles the growing regulatory reporting requirements. Furthermore, it supports and initiates local sustainability projects and activities in Germany.

On a thematic level, the Sustainability department focuses on product-related sustainability with analyses of product carbon footprints, consolidated environmental reporting and driving the Nordex Group's climate strategy development and implementation. The department interacts closely with the Product Strategy and Engineering departments concerning product-related sustainability and life cycle assessments. The Sustainability department is responsible for the Group-wide monitoring of environmental indicators and reports to the Management Board and senior management on key environmental indicators and the implementation status



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

**Strategy and Management**

of various measures to reduce waste generation as well as energy and water use on a quarterly basis. To develop the basis of Nordex' climate strategy and reduce the Company's carbon and energy footprint, the department has established an annual corporate carbon footprint (CCF) analysis and a climate risk and opportunity assessment in alignment with TCFD recommendations.

The Management is informed about sustainability-related activities and developments at least once a month and provides strategic guidance. Updates on sustainability development at the Nordex Group are also part of the regular presentations to the Supervisory Board.

**STAKEHOLDER DIALOG**

At the Nordex Group, we take the concerns of our stakeholders very seriously. It is important to us to continuously evaluate the impact we have on our stakeholders and assess our goals and measures accordingly. 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 will continue and intensify this fruitful approach and work together to pursue our mutual goals. «

**Stakeholders of the Nordex Group**

➤ GRI 2-29



**Stakeholder engagement for Sustainability in 2022**

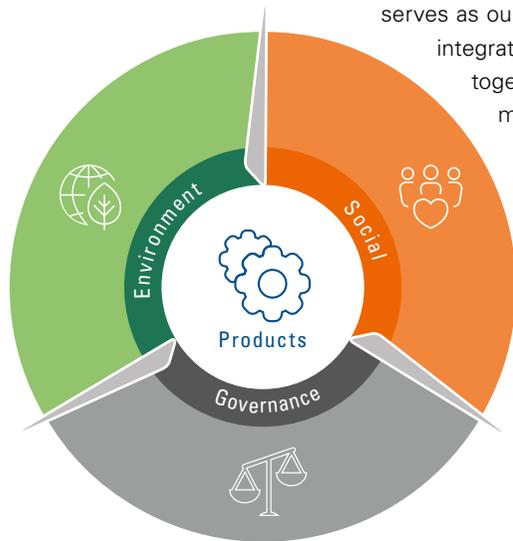
Stakeholder Group	Ongoing engagement and involvement in the materiality assessment
Shareholders/investors/analysts	Conferences, calls, ongoing collaboration
Customers	Ongoing collaboration, fairs, calls
Suppliers	Ongoing collaboration, fairs, calls
Nordex employees	Internal website, news and action days, eOnboarding and Welcome Days, ongoing collaboration with internal experts/Global Sustainability Network
Nordex management	Monthly presentations, workshops
Regulatory affairs	Desktop analysis
Science/research	Participating in studies/ongoing partnerships
Associations	Engagement in working groups
Media	Desktop analysis

## Our Sustainability Strategy 2025

➤ GRI 2-29

» In the reporting year the Nordex Group started to implement the Nordex Sustainability Strategy 2025 that we developed in 2021 in an integrative process involving our most relevant internal and external stakeholders. The strategy is structured in line with the ESG (Environment, Social, Governance) framework, and sustainable products are at the core of our strategic model. 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. Our 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. The strategy enables the



Nordex Group to fulfill our own high sustainability ambitions while meeting external legal requirements and addressing the growing sustainability demands from our stakeholders.

### MATERIALITY ANALYSIS PROCESS

➤ GRI 3-1, 3-2

The Nordex Sustainability Strategy 2025 forms the framework for responsible action in all areas of the Company. In order to identify the key sustainability issues where the Nordex Group has an impact on its stakeholders (inside-out, i.e., impact materiality) as well as the areas where sustainability patterns impact the Nordex Group’s business (outside-in, i.e., financial materiality), we conducted a comprehensive materiality analysis in 2021. This provided us with an overview of current sustainability trends, developments and stakeholder requirements, as well as the opportunities and risks facing our business in relation to sustainability.

We gained initial insights through desk research, including analyses of current and future regulations, ESG ratings, peer group benchmarks and media screening. We also conducted several internal and external expert interviews with senior management as well as representatives from academia and WindEurope, the European wind association. Internally, the views of several departments in the Global Sustainability Network were taken into account, as was the valuable input of our employees which we collected directly via an online survey with around 1,000 participants. To engage our external stakeholders, the Nordex Group’s Global Sustainability department conducted a stakeholder roundtable in 2021. Finally, we held two management workshops to incorporate management perspectives and to discuss and confirm the final list of material topics and respective targets and measures. The following graphic provides an overview of the general materiality analysis process. More details on the process, methodology, and results can be found in the previous Sustainability Report 2021, p. 18-21.

Strategy and Management

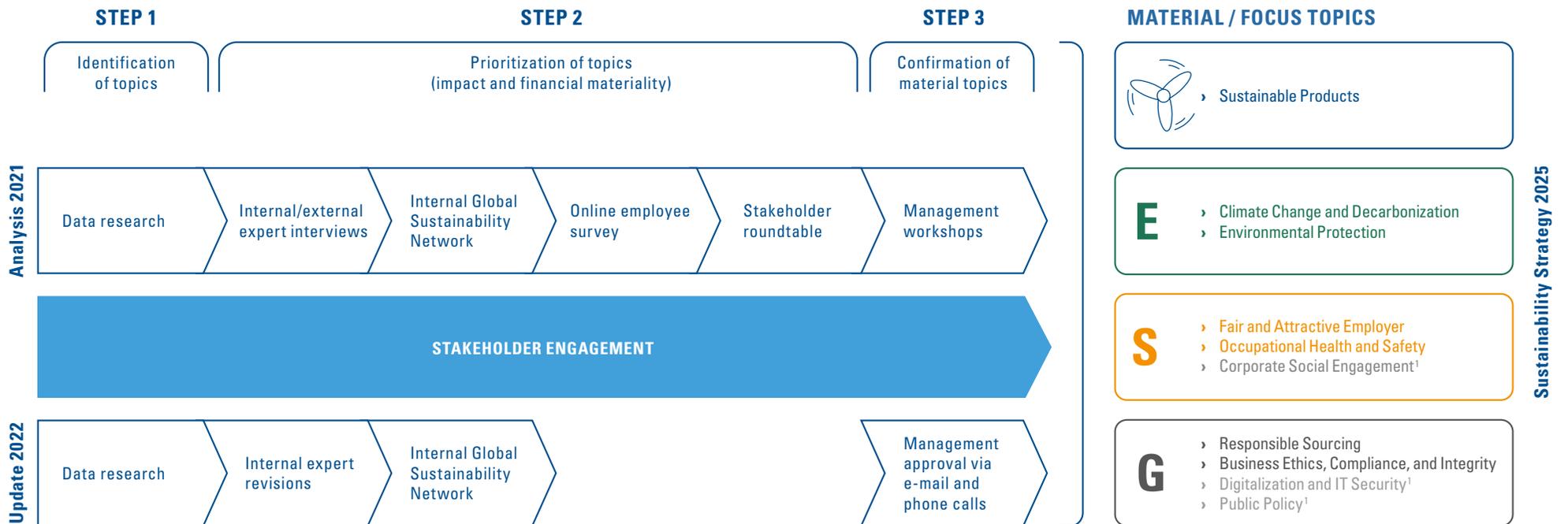
**Impact and Risk Analysis**

Nordex operates in different countries where it has an impact on society, the environment and human rights. We examined the effects of the Nordex Group’s business activities parallel to our annual materiality assessment 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 the company 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. 55 of the Annual Report 2022.

**Materiality analysis process and stakeholder engagement**



<sup>1</sup> Topics are not material and not part of the sustainability strategy. As they are also important to the Nordex Group, they are additionally addressed in the report.

**Strategy and Management**

Details on specific risks and opportunities as well as negative or positive impacts for each material topic are addressed in the individual chapters of this Sustainability Report. Our mitigation steps are illustrated in our management approach and the improvements we make in line with our defined targets and measures. The analysis is based partly on the results of the materiality analysis, and partly on updated assessments made by the specialist departments.

**Update of Materiality Analysis Process in 2022**

The Sustainability department revised the materiality analysis process in 2022. This involved revisiting the previous process with its multiple analytical steps (see figure "Updated materiality matrix for 2022") and comparing it with current developments. To classify the relevance of the topics in Nordex's sustainability reporting, the Sustainability department checked the EFRAG's drafts of the new European Sustainability Reporting Standards (ESRS) and the GRI Universal Standards. It also reviewed the

sustainability requirements of rating agencies, regulatory ESG frameworks, and the media, as well as reports and strategies from companies in our peer group. The resulting data, together with information from internal experts from various departments, revealed slight changes in the materiality of some topics. We summarized the insights from this update process in a preliminary materiality matrix that the Global Sustainability Network discussed, adapted, and confirmed, before our Management Board approved it.

**Our Material Topics**

The matrix (left) displays all material topics and their evaluation in terms of impact materiality (inside-out perspective) and financial materiality (outside-in perspective). Apart from minor changes, the materiality analysis update in 2022 did not lead to any new material topics. The blue box in the matrix contains the final prioritized material issues that we will address more intensively through clear sustainability goals and projects now and in the coming year. We have incorporated these focus topics into the Sustainability Strategy 2025 and regularly monitor their implementation status. They also form the basis for the issues addressed in this Sustainability Report where they are complemented by the topics of Corporate Social Engagement, Digitalization, and Public Policy (see "Materiality analysis process and stakeholder engagement," shown in grey).

**Updated materiality matrix for 2022**

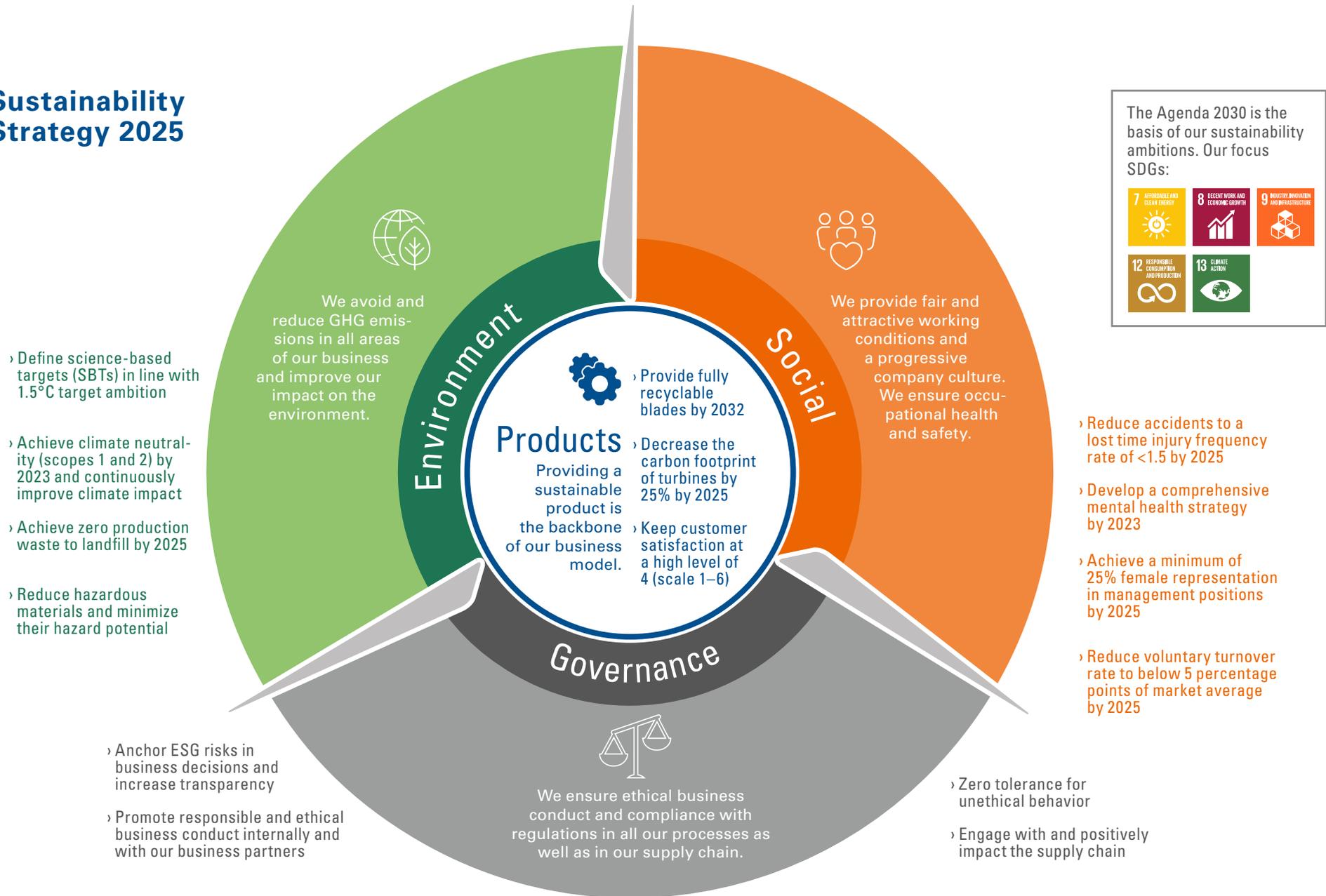
Inside-out<sup>1</sup>



<sup>1</sup> Impact Nordex has on a particular topic through its business activities.

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

# Sustainability Strategy 2025



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

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

## Strategy and Management

### STRATEGY IMPLEMENTATION OVERVIEW

We have set specific targets and measures for all of these topics. These are presented in the following chapters together with the progress made in 2022

and the tasks for the coming years. The table below provides a broad overview of the milestones for the main targets in the Sustainability Strategy 2025.

Focus Topic	Goals	2022 target achievement and explanation	Implementation status 2022
<b>Our Products</b> 			
<b>Sustainable Products</b> For further information regarding products measures, see p. 42 ff	<b>Goal 1: Provide fully recyclable blades by 2032</b>	In 2022, we took action to increase the proportion of fully recycled polyethylene terephthalate (PET) foam and engaged in R&D partnerships and concept studies to further advance the use of recycled materials in the manufacture of wind turbines	
	<b>Goal 2: Decrease carbon footprint of turbines by 25% by 2025</b>	In 2022, we conducted two comprehensive LCA studies for our N155/5.X and N163/5.X turbines. With 5.5 and 2.7 g CO <sub>2</sub> e emissions per generated kWh <sup>1</sup> , the results again revealed a very low specific carbon footprint. Compared to our Delta4000 turbine which was analyzed in 2019, we can report a decrease for the two turbines of 15% and 58%, respectively.	
	<b>Goal 3: Keep customer satisfaction at a high level of 4 (scale 1 – 6)</b>	In the reporting year, the Nordex Group achieved a customer satisfaction score of 4.4 as per the conducted survey (2021: 4.4). The Service survey is conducted biannually, occurring next in 2023.	
<b>Environment</b> 			
<b>Climate Change and Decarbonization</b> For further information regarding climate measures, see p. 58 ff	<b>Goal 1: Manage and adapt to climate risks and opportunities</b>	In the reporting year, the Nordex Group conducted a comprehensive assessment of climate-related risks and opportunities according to TCFD recommendations and EU Taxonomy requirements, and summarized solutions in response to the main physical risks in a climate change adaptation plan.	
	<b>Goal 2: Define science-based targets (SBTs) in line with 1.5°C target ambition</b>	Following its SBT commitment in 2021, the Nordex Group initially planned to develop targets based on the corporate carbon footprint (CCF) 2021. However, due to changes in the upstream value chain and limits in data availability resulting from the cyber attack, we decided to define the SBTs based on the CCF 2022 in 2023.	

<sup>1</sup> The LCA studies were not part of the audit by PwC.

**Strategy and Management**

Focus Topic	Goals	2022 target achievement and explanation	Implementation status 2022
	<b>Goal 3: Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact</b>	We developed a climate action plan for scopes 1 and 2 in 2022 that will undergo a final review in the first half of 2023. In the same period, we will finalize and publish the global Green Electricity Policy. Furthermore, we will identify suitable carbon offset projects to compensate for remaining scope 1 and 2 emissions by the end of 2023.	 
<b>Environmental Protection</b> For further information regarding environmental measures, see p. 71 ff	<b>Goal 1: Achieve zero production waste to landfill by 2025</b>	We made progress in evaluating the factories' waste streams for potential improvements, such as preventing the landfilling of production waste. For example, fabric is now being supplied to size, thereby reducing the waste to landfill. Accordingly, in 2022, the landfill rate slightly decreased to 16%.	
	<b>Goal 2: Increase waste recovery rate by five percentage points by 2025 (baseline recovery rate in 2021: 55%)</b>	An interdepartmental project has taken on the challenge of improving the packaging rate. In 2023, the Nordex Group will continue developing local action plans to increase reuse and recycling, as well as initiating several measures to achieve this goal. However, in 2022, the recovery rate decreased to 48% primarily due to not yet adjusted processes at some new sites.	
	<b>Goal 3: Reduce waste generated per MW produced – specific to production areas: for blades by 5% and for towers and nacelles by 10% by 2025</b>	We have kicked off local action plans, training campaigns and process adjustments and will develop them from 2023 onward to further improve resource efficiency. In 2022, waste decreased by 15% at the blade production sites, but increased by 11% in the nacelle assembly sites and by 33% in the concrete tower factories.	
	<b>Goal 4: Reduce hazardous materials and minimize their hazard potential</b>	We have already initiated the assessments of substances of concern as well as the development of substitution plans for all blacklisted chemicals (incl. substances of very high concern) and will complete that task in 2023. We eliminated further hazardous chemicals in 2022, but also further expanded the registry, leading to a total of 765 hazardous materials recorded in the reporting year.	
	<b>Goal 5: Increase water efficiency</b>	We started the first measures to reduce water withdrawal in production factories for concrete towers and rotor blades. Nacelle production has integrated rainwater usage analysis results into its Strategic Roadmap 2025. In 2022, water withdrawal per installed MW increased by 72%.	
<b>Social</b> 	<b>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</b>	In the reporting year, we kicked off measures defined for Sustainability Strategy 2025 to ensure that we are an attractive and innovative employer and to reduce voluntary turnover compared to the industry. We also implemented a new learning management system. Our global voluntary turnover rate was 11.3% in 2022 and will be compared to the market average from 2023 onward.	

## Strategy and Management

Focus Topic	Goals	2022 target achievement and explanation	Implementation status 2022
			■ Achieved
	<b>Goal 2: Optimize talent programs and provide further programs for employee development</b>	In 2022, we developed an e-learning training module on unconscious bias to tackle prejudice in the workplace and introduced a new leadership program. Regarding our existing management talent program, UPWIND, we have maintained the minimum participation rate of 40% for women.	
	<b>Goal 3: Achieve a minimum of 25% female representation in management positions by 2025</b>	In 2022, the D&I Council worked on the first awareness measures to reach a minimum of 25% female representation in management positions by 2025 <sup>1</sup> . No definite increase in the number of women in management positions was observed in comparison to 2021 (0.4%).	
	<b>Goal 4: Promote sustainable commuting and business travel and establish a global concept for sustainable mobility</b>	In 2022, we made preparations for the revision of Nordex's company car guidelines. We integrated a sustainable transformation of the car fleet into the climate action plan for scopes 1 and 2. We will form a global mobility task force in 2023 to develop further sustainability aspects in the company car guidelines, commuting and business travel policy, and bike infrastructure standards in Germany.	
<b>Occupational Health and Safety</b> For further information regarding health & safety measures, see p. 99 ff	<b>Goal 1: Reduce accidents to a lost time injury frequency (LTIF) of less than 1.5 per 1 million working hours by 2025</b>	In the reporting year, we continued several measures for creating a safe working environment, including safety campaigns and QHSE strategy workshops. We achieved a global LTIF of 1.5, which translates to a reduction of the indicator of 53% in 2022 compared to 2021 (LTIF: 3.2).	
	<b>Goal 2: Develop a comprehensive mental health strategy by 2023</b>	We launched the first initiatives to promote mental health at the country level in 2022 and will expand them next year to form a global/Europe-wide program.	
	<b>Goal 3: Reduce accidents in the supply chain</b>	We took the first steps by redefining the global contract management process to improve the evaluation of suppliers on safety issues.	
<b>Governance</b> 			
<b>Responsible Sourcing</b> For further information regarding sourcing measures, see p. 115 ff	<b>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</b>	In 2022, we continued our ESG assessment of new suppliers and conducted 172 audits of suppliers. In preparation for upcoming legislation, we conducted a gap analysis regarding compliance with the German Supply Chain Due Diligence Act in 2022. To improve ESG due diligence, we will continue to partner with industry working groups regarding supply chain sustainability, and we will also update our Code of Conduct for Contractors and Suppliers and work toward creating more transparency next year around issues such as conflict minerals.	
	<b>Goal 2: Reduce carbon emissions in the supply chain (scope 3)</b>	The Nordex Group will define SBTs for its scope 3 emissions in 2023, including its supply chain. In this process, we will also set the specific supplier engagement target.	

<sup>1</sup> Further targets for the proportion of women on the Management Board, the Supervisory Board and the first two management levels to be implemented at the Nordex Group companies in Germany by 31 December 2025 were set in 2020 in accordance with Section 76 (4) of the German Stock Corporation Act.

## Strategy and Management

Focus Topic	Goals	2022 target achievement and explanation	Implementation status 2022
			■ Achieved
	<b>Goal 3: Engage with and positively impact the supply chain</b>	The Nordex Group continued to collaborate closely with its suppliers. We will develop a dedicated ESG reporting system for our supply chain, work with suppliers on waste reduction and recycling initiatives, and develop criteria for socially responsible sourcing.	
<b>Business Ethics, Compliance and Integrity</b> For further information regarding the business ethics measures, see p. 123 ff	<b>Goal 1: Systematically anchor environmental, social, and human rights as well as business ethics risks in business decisions and continuously increase transparency with regard to risk identification, risk assessment, and risk management</b>	100% of P&C managers signed the Human Rights Policy in 2022. Moreover, we began anchoring ESG criteria in the sales gate process with a current focus on Compliance criteria in 2022. In the coming year, we will initiate a comprehensive ESG risk analysis process.	
	<b>Goal 2: Promote responsible and ethical business conduct internally and with our business partners</b>	In 2022, we updated the Nordex Group Code of Conduct. We continued offering trainings on bribery and corruption in which 57% of our employees participated. In 2023, we will introduce a training on the Nordex Group Code of Conduct for employees, and we will continue to promote ethical business conduct externally with customers.	
	<b>Goal 3: Zero tolerance for unethical behavior</b>	We completed the assessment of sections of ISO 37001 as well as a gap analysis and fulfilled 72% of the requirements. The certification process will take place in 2023.	
	<b>Goal 4: Increase communication and transparency regarding ESG (environment, social, governance) performance</b>	In 2022, the Sustainability department continued its direct stakeholder engagement in around 70 dialogs with customers, suppliers, and investors. The Nordex Group plans to sign the UN Global Compact and achieve active status by 2024.	
	<b>Goal 5: Anchor sustainability as part of all departments and the company culture</b>	In 2022, we held our annual Sustainability and Health Day at our headquarters in Hamburg and continued participating in the CityCycling initiative. We have already introduced small incentives for a more sustainable working environment at various sites, and will report on them from 2023 onward. Moreover, we will launch further initiatives to raise awareness of sustainability in the coming years.	

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Further information can be found here: [sdgs.un.org](https://sdgs.un.org)

# 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 strategic 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 highly efficient onshore wind turbines, we contribute continuously to increase the share of renewable energy in the global energy mix. With the current energy crisis triggered by the Russian invasion of Ukraine, our industry has received additional attention on how important clean and independent energy production is. Against this background, politicians especially in Europe have planned many measures and have already implemented them, at least partly, to boost renewable energy production. The turbines already installed by the Nordex Group with a combined rated output of 44.1 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 interim shortages of some components and logistics bottlenecks in 2022, the success in reducing the cost of energy in recent years has enabled wind energy to prevail over conventional generation capacities in economic competition.

In 2022, our relative energy consumption increased by 73% to 31,069 kWh/MW (2021: 17,910 kWh/MW) (also see p. 63 ff). Since 2021 we have achieved the target of “100% green electricity.” We use various electricity procurement mechanisms to maintain this target. Wherever possible, Nordex sites have switched to green electricity supply contracts. As this is not feasible for all sites, 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.

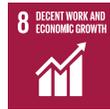
Going beyond electricity, the Nordex Group started the development of a climate action plan on scope 1, 2 and 3 GHG emission reduction in the reporting year. This plan involves initiatives such as revising corporate car guidelines and energy efficiency measures at our production sites, and collaborating with suppliers to reduce energy consumption and promote energy efficiency in the supply chain.

## > Sustainable Development Goals

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



## Sustainable Development Goals (SDGs)



### 8 | Decent Work and Economic Growth

The Nordex Group generated a direct economic value of EUR 5,963.6 million in 2022 (2021: EUR 5,440.0 million). The economic value retained was EUR –775.9 million in 2022 (2021: 151.9 EUR million) (see p. 15). Despite several economic challenges such as the economic downturn triggered by the war in Ukraine, we were able to perform numerous installations, even if the number remained below our expectations (2022: 5.2 GW). In Germany, we were even the market leader in terms of installations in 2022.

As of the reporting date (31/12/2022), we employed more than 9,100 people. By operating sites for example in Brazil, India, Mexico, China, 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 Contractors and Suppliers (see p. 115 ff). We are also committed to diversity and gender-independent pay levels. Our Diversity and Inclusion Policy as well as our Human Rights Policy create a common principle of equality, avoidance of workplace violence and sexual harassment within the organization and with our partners. We also invest in the professional development of women and provide technology

training (see, e.g., initiatives in Turkey, p. 109). 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. We achieved

growth of 16.3% from 2021 to 2022 with regard to the installed GW. This places us among 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 voluntarily engaging with the wider wind industry through groups such as WindEurope, where we are supporting 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, and we support the establishment of sustainable and resilient infrastructures in developing and emerging countries. As a member of Res4Africa, for example, we are fostering the expansion of renewable energies in Africa and promoting sustainable development on the continent.

Our systems are extremely efficient and their technological standard is already very high. Nonetheless, we are constantly working on scientific research programs to further advance innovation. One of our aims is to identify sustainable end-of-life options for Nordex wind turbines in order to achieve true circularity. In connection with this, the Nordex Group

## Sustainable Development Goals (SDGs)

joined the RenerCycle circular economy program, which focuses on industrial refurbishment as well as material recovery and recycling, with the latter specifically targeting blade and hub cover recycling. In the reporting year, the Nordex Group and several of its business partners were granted public funding for the Horizon Europe research project known as EoLO-HUBs started in early 2023. With regard to adaptation to climate change, 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 toward 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 toward 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. 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 N175/6.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. 69 ff). 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 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 Sustainability Strategy has seen widespread participation (see Sustainability Report 2021, p. 18 ff and current one, p. 17 ff), 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.



### **13 | Climate Action**

Our product portfolio is designed to promote greener energy generation on a global level. All Nordex turbines running in 2022 avoided around 60 megatons (Mt) of CO<sub>2</sub>e 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 we purchase 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 to green electricity directly. In 2021, our direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) increased by 139% to 5,299 kg/MW in relation to installed capacity. We regularly calculate the Nordex Group's Corporate Carbon Footprint

### Sustainable Development Goals (SDGs)

(CCF), where we disclose all relevant climate data, including scope 1 to 3 emissions (also see p. 65 ff). Nordex's Sustainability Strategy 2025 includes long-term goals for counteracting climate change and its effects, addressing all emissions (scopes 1, 2 and 3). In keeping with our commitment to the Science Based Targets initiative (SBTi) in late 2021, we initially planned to define ambitious science-based targets in line with the 1.5°C target ambition already in 2022. However, due to changes in the upstream value chain and limited data availability resulting from the cyber attack, we decided to define the SBTs based on the CCF 2022 only in 2023. Furthermore, the Nordex Group conducted a comprehensive climate-related risk and opportunity assessment in 2022 in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

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).

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



# ESG RATINGS

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. Additionally, we used the ratings to inform the materiality process. 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. The Nordex Group once again received a gold medal in recognition of its sustainability achievements in 2022 from EcoVadis. This is one of the leading solutions for monitoring sustainability in global supply chains. With 71 points, the latest result puts us in the top 1% of all general industrial machinery manufacturers assessed by EcoVadis, acknowledging our ongoing efforts to make sustainability an integral part of all our activities throughout the Nordex Group.

ISS ESG, one of the world's leading rating agencies in the field of sustainable investments, gave the Nordex Group a 'B' rating. This means that we continue to hold 'Prime Status', which is awarded to companies whose environmental and social activities are above the industry average. The Carbon Disclosure Project (CDP), which focuses on environmental impact, gave the Nordex Group a score of "B" in the category of climate change in the reporting period. We focused on climate change and decarbonization in the reporting year, and we are very pleased that we improved our rating in 2022 (2021: B-).

## Nordex Sustainability Ratings

Ratings	Industry	Scale	Industry Average	Nordex Group Score 2021	Nordex Group Score 2022	Change to previous year
	Manufacture of general-purpose machinery	1 – 100 100 » best	43/100 42 <sup>nd</sup> percentile	66/100 Gold status 31/05/2021	71/100 Gold status 30/06/2022	↗
	Machinery	A+ – D- A+ » best	C	B <sup>1</sup> PRIME 19/12/2020	B <sup>1</sup> PRIME 19/12/2020	→
	RE Equipment	A – D A » best	B-	B- 12/07/2021	B 13/12/2022	↗
	Electrical Equipment	AAA – CCC AAA » best	BB	A 13/07/2021	A 08/09/2022	→
	Electrical Equipment	Risk Rating 0 – 100 0 » best	69 <sup>th</sup> place of 223 Companies	24.8/100 Medium 30/09/2021	25.0/100 Medium 29/06/2022	↘

<sup>1</sup> Interest margin of one of the Nordex Group's financial instruments is tied to this rating.

## EU TAXONOMY

» The EU “Green Deal” comprises the ambitious goal of achieving CO<sub>2</sub> 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 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, which also applies to the Nordex Group. Companies have to determine which activities are considered as Taxonomy-eligible, i.e., that are described in the Commission’s delegated acts and thereby potentially contribute to at least one of the environmental objectives, depicted

in the following figure. For the first time, from 2023 on, companies are also required to assess whether their eligible activities are Taxonomy-aligned and could thus be classified as environmentally sustainable. Eligible activities become Taxonomy-aligned if they make a substantial contribution to at least one of the environmental objectives according to Annex I and II of Commission Delegated Regulation (EU) 2021/2139 while at the same time not significantly harming any of the five other environmental objectives and complying with Minimum Safeguards according to Regulation (EU) 2020/852. Companies must disclose the proportion of Taxonomy-aligned turnover (derived from products or services), their Capital Expenditure (CapEx), and certain Operating Expenses (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable. Furthermore, the qualitative information relevant to disclosure in Section 1.2 of Annex I to the Delegated Act (EU) 2021/2178 is required.

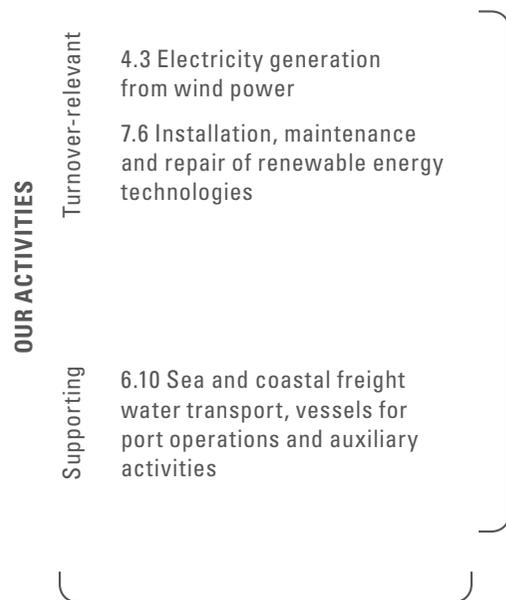
The Nordex Group is not affected by the Complementary Climate Delegated Act including specific nuclear and gas energy activities, as no 4.26-4.31 activities are being carried out. The Nordex Group therefore refrains from disclosing these specific tables.

The Nordex Group supports the Taxonomy Regulation as an important step toward a sustainable transformation of the economic system. As in the previous reporting year, we are presenting the assignment and the proportion of our Taxonomy-eligible activities. Additionally, we describe to which extent these eligible activities are Taxonomy-aligned.

**OUR ACTIVITIES AND ASSESSMENT OF TAXONOMY-ELIGIBILITY AND -ALIGNMENT**

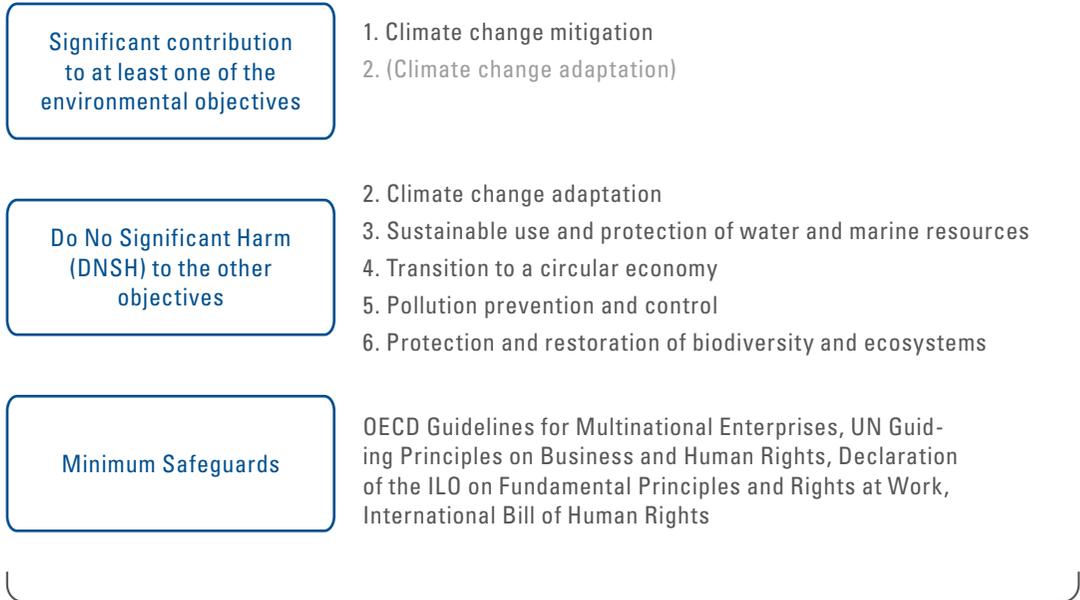
**ELIGIBILITY ASSESSMENT**

Listed in Annex I and II of Commission Delegated Regulation (EU) 2021/2139 and accordance with activity description



**ALIGNMENT ASSESSMENT**

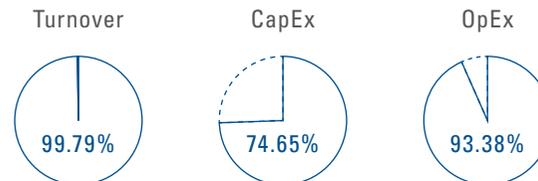
Compliance of activity with all three EU Taxonomy criteria sets described below



**Eligibility**



**Alignment**



## EU Taxonomy

### TAXONOMY ELIGIBILITY ASSESSMENT

Our business activities are primarily contributing to the first environmental goal, “Climate change mitigation.” Additionally, we are also contributing to “Climate change adaptation,” for instance in product development by adapting our wind turbines to extreme climatic conditions. In order to avoid double counting, however, we assign the contribution of our business activities exclusively to the first environmental objective if an activity contributes to both objectives at the same time.

For our core business, two of the economic activities (see following table) currently listed in the EU Taxonomy (Annex I of Delegated Regulation (EU) 2021/2139) are relevant (Taxonomy-eligible) for the environmental objective “Climate change mitigation”:

- › Electricity generation from wind power (4.3)
- › Installation, maintenance and repair of renewable energy technologies (7.6)

As far as the exposure of our business model is concerned, our revenue-relevant corporate activities are covered to a high degree by the activities of the Taxonomy Regulation. In our financial reporting we divide our activities into the business areas “Projects” and “Service.” The “Projects” segment comprises all products and services associated with activity 4.3. The “Service” segment comprises activities for existing turbines after handover to the customer, allocated to activity 7.6.

### Assignment of Nordex’ main business activities to the EU Taxonomy

EU Taxonomy activity	Description of Nordex activity	NACE code	Allocation to Nordex segment	Climate change mitigation	Climate change adaptation
4.3 Electricity generation from wind power	Development, production, project management and installation of complete wind turbine systems, including control software and key components. A part of the components (nacelles, hubs, rotor blades and tower) of commissioned wind turbines is produced in-house, another part is manufactured by sub-contractors according to Nordex specifications or sourced from external suppliers. Besides, we are responsible for the set-up and operationalization of wind turbines.	C28; C.28.11 (“Manufacture of turbines”) F42.22 (“Installation of wind energy plants”)	Projects	✓	✓
7.6 Installation, maintenance and repair of renewable energy technologies	Provision of services such as maintenance & inspection, troubleshooting & repair, remote monitoring, preventive maintenance, and maintenance customer training as well as modernization.	F42; F42.22 (“Installation of wind energy plants”)	Service	✓	✓

## EU Taxonomy

Generally, the activities related to a wind turbine manufacturer or OEM business model including installation and service activities are not clearly defined in the Taxonomy Regulation and descriptions, and therefore require an interpretation.

The Nordex Group chose to adjust the allocation of its business activities compared to last year following the publication of the [FAQs Disclosures Delegated Act](#) as well as the [FAQs on the Climate Delegated Act](#) in December, 2022. Previously, our "Projects" segment was partially allocated to "Manufacture of renewable energy technologies" (3.1) and "Installation, maintenance and repair of renewable energy technologies" (7.6) activities. As the segment "Projects" generates revenues from multiple services that are delivered as one single bundle, the allocation of the revenues to economic activities should follow the accounting treatment under IFRS 15. The Nordex Group is responsible for the overall management of the site and provides various activities including engineering, procurement, construction of the structure, installation of equipment and finishing at the customer's site. Since these service components are not distinct, revenue is allocated entirely to the bundle. Consequently, the Nordex Group follows this approach by allocating these revenues to a single economic activity in line with FAQ No. 22 on the Disclosures Delegated Act (published in December, 2022). Based on FAQ No. 139 on the Climate Delegated Act, which limits activity 7.6 (installation, maintenance and repair of renewable energy technologies) to wind turbines and ancillary technical equipment that are installed on-site as

technical building systems, The Nordex Group allocates the revenue from this bundle of performance obligations to activity "**Electricity generation from wind power," (4.3)** as the services related to the construction and installation of the wind turbines are the determining aspect of the bundle. Consequently, the part of constructing the wind turbine is not disclosed separately (under activity 3.1).

The Taxonomy-eligible economic activity "**Installation, maintenance, and repair of renewable energy technologies" (7.6)** covers respective on-site measures in this field for "Climate change mitigation" and is associated with the activity description "Installation, maintenance, and repair of renewable energy technologies, on-site." From our perspective, the addition "if installed on-site as technical building systems" of activity 7.6 in the technical screening criteria (as highlighted in FAQ No. 139 to the Climate Delegated Act) does not fit to most of the Nordex services. At the Nordex Group, we work in and on wind farms that generally run independently of technical building systems. However, we still consider these activities and criteria as they are closely related to and contribute to the environmental goal of "Climate change mitigation" and the FAQs do not address service and maintenance activities that are the main source of revenues in our segment "Services." Moreover, as such services are an integral part of activity 7.6, the description of activity 4.3 refers to activity 7.6 to determine the applicable technical screening criteria to assess Taxonomyalignment. Consequently, the differentiation between activity 4.3 and 7.6 for maintenance

services does not affect Taxonomyalignment but only the presentation of the activity. As the title and description of activity 7.6 match our business segment "Service," the Nordex Group reports revenues generated from the maintenance of wind farms under activity 7.6 (Installation, maintenance and repair of renewable energy technologies) and uses the respective technical screening criteria to assess Taxonomy-alignment.

In addition, we have evaluated activities outside our core business, taking a certain threshold of the Group's CapEx and OpEx into account. The report excludes investments and expenses that are immaterial both individually and cumulatively in their "group," and have no influence on the informative value of the report or the results in total. There are no further capital or operational expenditures that relate to assets or processes associated with Taxonomy-aligned economic activities or to the purchase of output from Taxonomy-aligned economic activities or individual measures that enable the target activities to become low-carbon or reduce greenhouse gas emissions.

Only the following supporting activity for the environmental objective "Climate change mitigation" that relates to the production and installation activity of the Taxonomy-aligned economic activity (4.3) is relevant for the Nordex Group:

- › Sea and coastal freight water transport, vessels for port operations and auxiliary activities (6.10)

## EU Taxonomy

Since 2022, the Nordex Group has leased a vessel for transporting the components of wind turbines from production to project sites that are covered by activity 6.10 “Sea and coastal freight water transport, vessels for port operations and auxiliary activities” (cf. NACE code H.50-2.0 “Sea and coastal freight water transport”). We took up this supporting activity in order to be able to act more independently of the logistics disruptions prevailing worldwide.

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 our overall business activity. These items include administrative activities such as Sales and Distribution, Human Resources, and Real Estate Management and thus belong to the category of non-eligible activities.

### TAXONOMY ALIGNMENT ASSESSMENT

In order to analyze the Taxonomy alignment of our business activities, the Sustainability department assumed a coordinating role. The department is in regular contact and is consulted by representatives from Accounting, Controlling, Investor Relations and Corporate Development. In addition, we commissioned external consultants to ensure the correct and unified interpretation of the regulatory requirements.

### Compliance with Minimum Safeguards

The Minimum Safeguards require management procedures which comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including

the core labor standards of the International Labor Organization and the International Bill of Human Rights. For the Nordex Group, these ethical guidelines are a fundamental orientation, as expressed in our Human Rights Policy, our Code of Conduct for Employees, as well as our Code of Conduct for Contractors and Suppliers. Due diligence processes for existing and new suppliers are in place and will be adapted to comply with upcoming regulations respecting human rights and other ethical standards. We continuously work to refine our due diligence process to identify risks, and the best preventive and remedial measures. Our compliance management system includes clear processes for monitoring, detecting, and mitigating misconduct and violations relating, among others, to any form of corruption. In the area of anti-corruption and fair competition, we promote awareness among our employees through compliance and anti-competitive training. We did not identify significant corruption risks in reporting year 2022. Tax policy and compliance are governed by the appropriate organizational structure of Corporate Tax & Customs and form an integral part of our overall risk management system. During the last five years the Nordex Group has not been convicted in any formal proceedings.

While having adequate processes and procedures in place to ensure compliance with the requirements of the Minimum Safeguards, we did not identify a violation of them for any of our activities.

### Alignment on Substantial Contribution and DNSH criteria

- › Since the DNSH criteria for the environmental objective “Climate change adaptation” are to be met for all previously mentioned Taxonomy-eligible economic activities, these are described across activities in the first step. To avoid significant harm on the environmental objective “Climate change adaptation,” it requires an analysis of potential physical climate risks. To determine our compliance here, we conducted a climate risk and opportunity analysis following the TCFD framework.

We considered chronic and acute physical risks. We conducted a site-specific high-emissions scenario analysis, evaluating the climate impacts on all production sites and main offices worldwide on the background of a 4°C to 5°C temperature increase. In addition, we performed a region-based assessment of physical risks for service activities. As a result, we identified two main physical risks for all activities: Heat waves and changing precipitation patterns and types. In response to these two risks, we assessed adaptation solutions and summarized them in a climate change adaptation plan.

### 1. Turnover-relevant activities

For our turnover-generating activity 4.3, the Substantial Contribution criteria require the generation of electricity from wind power that is fulfilled by the described projects and services above. Once a wind turbine is erected and connected to the grid, the customer benefits from the performance of the



For more information on compliance with the Minimum Safeguards, see the chapters “Responsible Sourcing”, p. 115 ff and “Business Ethics, Compliance and Integrity”, p. 123 ff



Further details on the methodology and the identified risks can be found in the chapter “Climate Change and Decarbonization,” p. 60

## EU Taxonomy

wind turbine. This activity meets all DNSH criteria for the remaining environmental objectives. Therefore, all related turnover, CapEx and OpEx are considered as Taxonomy-aligned. Most of the DNSH criteria are assessed through our environmental risk or aspect assessment, conducted by QHSE Managers on an annual basis for all activities, products, and services under the Nordex Group's operational control (see chapter "Environmental Protection," p. 71 ff).

- ▶ With respect to **"Sustainable use and protection of water and marine resources,"** there are no DNSH criteria to follow, as our business activities do not cover offshore wind installations.
- ▶ As for the objective **"Transition to a circular economy,"** we have defined clear strategic goals to promote the use of recycled materials for production as well as the recyclability of our wind turbines. While the standard lifetime of turbines is 20 years, most of our turbines are designed and certified for an extended lifetime of 21 to 35 years. Further developments towards a longer lifetime lead to an increase in ecological and economic efficiency.
- ▶ We fulfill the requirements for the objective **"Protection and restoration of biodiversity and ecosystems,"** which is also an integral part of our product development approach (see chapter "Sustainable Products", p. 50 ff), as shown by the results of the environmental risk or impact assessment looking at flora and fauna aspects on an annual basis, with no medium or high risks reported in 2022.

For our second turnover-relevant **activity 7.6**, the Substantial Contribution criteria require that at least one of the listed measures "Installation, maintenance, and repair of technologies for renewable energies" (7.6) are covered. The measure that corresponds to Nordex' business model is the "installation, maintenance, and repair of wind turbines and the ancillary technical equipment." As described above, associated activities run independently from technical building systems, which does not influence the contribution impact on the environmental objective "Climate change mitigation." As the activity fulfills the DNSH criteria for "Climate change adaptation," all related turnover, CapEx and OpEx are considered as Taxonomy-aligned. There are no other DNSH criteria that have to be fulfilled for this activity.

### 2. Supporting activities

The leased vessel for transporting wind turbine components allocated to activity **"Sea and coastal freight water transport, vessels for port operations and auxiliary activities" (6.10)** does not meet the Technical Screening criteria due to the lack of compliance with prescribed CO<sub>2</sub> limits. Thus, related CapEx are not aligned.

### Our KPIs and Accounting Principles

Nordex' total values for the year 2022 on which we based the calculation in accordance with the EU Taxonomy amounted to EUR 5,694 million for sales, EUR 301 million for CapEx, and EUR 67 million for OpEx. In accordance with the Taxonomy Regulation, sales correspond to the sales revenue in the consolidated income statement (see Annual report,

p. 94 ff) which we determined in accordance with the requirements of IFRS 15. We determined the relevant CapEx on the basis of the definition of the Taxonomy Regulation (Article 8 Para. 2c of Regulation (EU) 2020/852) and the Commission Delegated Regulation (EU) 2021/2178. It results from the total of additions to and changes in the scope of consolidation of property, plant and equipment, intangible assets (excluding goodwill), and right of use assets under IFRS 16. The disclosures on CapEx are not part of a CapEx plan. Relevant OpEx are defined by the Taxonomy Regulation as direct non-capitalized costs/expenses for research and development, building refurbishment, short-term leasing, maintenance and repair, and other direct expenses related to the day-to-day maintenance of property, plant, and equipment. They are reported in Article 8 Para. 2b of Regulation (EU) 2020/852 and the supplement to Regulation (EU) 2020/852, Annex I.

The basis for the breakdown of financial information by activity are the operating functions at the Group level from which the segment reporting ("Projects" and "Service") is derived. If necessary, we further broke down information using appropriate keys. Turnover can be directly allocated to the defined activities (4.3 and 7.6) on the basis of segment reporting. In the reporting year 2022, the main source of Taxonomy-aligned turnover for activities 4.3 and 7.6 was revenue from contracts with customers. As far as CapEx and OpEx are concerned, we used an appropriate allocation key also based on the operating functions to allocate the respective positions to the activities. The distribution of the components



For further details on the consolidated income statement, see the Annual Report 2022, p. 94 ff

## EU Taxonomy

of the Taxonomy-aligned CapEx are as follows: EUR 163 million (73 %) are attributable to additions to property, plant, and equipment, EUR 34 million (15 %) are associated with additions to intangible assets and EUR 27 million (12%) occurred from additions to capitalized right-of-use assets. In reporting year 2022, there were no acquisitions through business combinations at the Nordex Group that would have to be taken into account for the calculation of CapEx. Key elements of the Taxonomy-aligned OpEx according to the definition of the Taxonomy Regulation were repair and maintenance, non-capitalized research and development costs, and costs relating to short-term and low-value leases. We can clearly identify operating expenditures that relate to assets or processes associated with Taxonomy-eligible and aligned economic activities by the internal organizational structure, thus avoiding double counting.

99.79% of Nordex' business activities generating turnover in year 2022 were Taxonomy-eligible (2021: 99.99%). Of this, 89.96% corresponds to the project activity "Electricity generation from wind power" (4.3) and 9.83% to the service activity "Installation, maintenance, and repair of renewable energy technologies" (7.6). 99.79% of Nordex' business activities ("Projects" and "Service") were Taxonomy-aligned in year 2022.

97.59% of the Nordex Group's total CapEx additions in year 2022 was assessed to be Taxonomy-eligible (2021: 94.86%), and 74.65% Taxonomy-aligned.

The alignment proportion includes the investments directly allocated to "Projects" and "Service" (4.3, 7.6) (74.65%).

Of the Nordex Group's total OpEx in year 2022, 93.38% were Taxonomy-eligible operating expenditure (2021: 92.45%), and 93.38% Taxonomy-aligned operating expenditure. The alignment proportion again includes the investment directly allocated to "Projects" and "Service" (4.3, 7.6) (93.38%).

### Relevant KPIs

		Turnover		CapEx		OpEx	
		in EUR million	in %	in EUR million	in %	in EUR million	in %
<b>TAXONOMY-ELIGIBLE</b>	<b>TAXONOMY-ALIGNED</b>						
	Activity 4.3	5,121.96	89.96	200.91	66.84	53.50	80.39
	Activity 7.6	559.89	9.83	23.49	7.81	8.64	12.98
	Activity 6.10	0	0	0	0	0	0
	<b>Total</b>	<b>5,681.85</b>	<b>99.79</b>	<b>224.40</b>	<b>74.65</b>	<b>62.14</b>	<b>93.38</b>
	<b>NON-TAXONOMY-ALIGNED</b>						
	Activity 4.3	0	0	0	0	0	0
	Activity 7.6	0	0	0	0	0	0
	Activity 6.10	0	0	68.95	22.94	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>68.95</b>	<b>22.94</b>	<b>0</b>	<b>0</b>
<b>NON-TAXONOMY-ELIGIBLE</b>		<b>11.71</b>	<b>0.21</b>	<b>7.24</b>	<b>2.41</b>	<b>4.41</b>	<b>6.62</b>

In our appendix (p. 148 ff), we illustrate all EU Taxonomy activities in tables, showing the total numbers and share of Taxonomy-eligibility and -alignment along the Substantial Contribution and DNSH criteria as well as Minimum Safeguards. «

# MEMBERSHIPS AND PARTNERSHIPS

➤ GRI 2-28

The Nordex Group 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 Association)
- › TWEA (Turkish Wind Energy Association)
- › Global Alliance for Sustainable Energy
- › Res4Africa Foundation

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 (Associacao Brasileira de Energia Eolica)
- › AEE (Asociacion Empresarial Eolica)
- › AWEA (American Wind Energy Association)
- › CEA (Camara Eolica Argentina)
- › ANEV (Associazione Nazionale Energia del Vento)
- › PSEW (Polish Wind Energy Association)
- › AMDEE (Asociacion Mexicana de Energia Eolica)



## WindEurope

The Nordex Group is 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 we tackle here are responsibility in the supply chain as well as recycling and circularity.



Global Alliance for Sustainable Energy

## Global Alliance for Sustainable Energy

The Nordex Group is one of the 17 founding members of this alliance, which is working to make the energy sector, including renewables, a 100% sustainable industry. The network grew in 2022 as more members joined, and the alliance took an additional step toward formalizing and institutionalizing its work by establishing an association under Dutch law.

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 technical working groups are focusing on the topics of net zero and decarbonization, circularity, and human rights. The Nordex Group actively engages in all working groups and co-chaired the working group on circularity until September 2022.

## Res4Africa Foundation

The Nordex Group is an active member of RES4Africa. 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 dialog between the most relevant energy stakeholders willing to mobilize investments in clean energy technologies. The current focus of Nordex' engagement is a qualification program in South Africa's Nkangala region.

## Memberships and Partnerships

### Collaboration with Universities

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 engage 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.

We hosted several student groups this year. In June, Nordex’ Global Technical Academy in Hamburg welcomed a group of around 40 students from the International Business and Sustainability master’s degree program at the University of Hamburg. Another student group from the Catholic University Eichstätt-Ingolstadt visited us in September. The students had the chance to see the nacelle up close and get some insights into the complex technology. We also introduced them to Nordex’ Sustainability Management program. The Sustainability team explained our strategic approach with a specific

focus on climate change, decarbonization and life-cycle assessments for wind turbines. The feedback from the students and professors was very positive.

Interesting exchange with students from the University Eichstätt-Ingolstadt, Nordex Academy

Practical insights: Students visiting from the University of Hamburg, Nordex Academy



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# OUR SUSTAINABILITY CONTRIBUTION



# OUR PRODUCTS



Providing a sustainable product is the backbone of our business model. Over the past several years, we have reduced the carbon footprint of our wind turbines, as evidenced by the Product Carbon Footprint calculations of two further turbine types in the reporting year. For 2023, we plan to continue on this path and have set ourselves ambitious goals on our agenda for further improving product sustainability.



Main Targets	Indicator	Baseline 2021	2022	Status
Provide fully recyclable blades by 2032	Rotor blade recyclability	–	n/a <sup>1</sup>	●
Decrease carbon footprint of turbines by 25% by 2025	Product Carbon Footprint	6.5 g CO <sub>2</sub> e/kWh	N155/5.X: 5.5 g CO <sub>2</sub> e/kWh (-15%) N163/5.X: 2.7 g CO <sub>2</sub> e/kWh (-58%)	●
Keep customer satisfaction at a high level of 4 (scale 1 – 6)	Customer satisfaction level	Sales: 4.4 Service: 4.4	Sales: 4.4 Service: n/a	●

<sup>1</sup> Indicator under development in 2023. For further details see p. 55 ff

## Our Products

### Sustainable Products



More information about our latest wind turbine generation

# SUSTAINABLE PRODUCTS

## Our Newest Wind Turbine Generation

As a wind industry pioneer, 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 transition of the energy industry. Based on the experience of more than 7.4 GW in operation and over 12.8 GW in construction with the Delta4000 turbine, this platform is the backbone of our ongoing development efforts. After the successful launch of the Delta4000 6MW+ class in 2021, we presented the N175/6.X turbine at the WindEnergy Hamburg fair in September 2022. With the N175/6.X, we maintained our modular approach to using systems and technologies with a proven track record while simultaneously making changes that are necessary for handling a higher rating and significantly reduce the cost of energy.

### Expanded Range of Applications for Nordex Turbines Worldwide

Our Delta and Delta4000 turbines are in high demand in northern countries, as they can easily operate at sites with average temperatures as low as  $-20^{\circ}\text{C}$ . The proven Nordex Cold Climate Package helps to develop profitable cold climate sites. The cold climate variant (CCV) of the turbine has an extended operating range and is ready for operation at an outside temperature of as low as  $-30^{\circ}\text{C}$ .

Our effective, advanced anti-icing system heats the most aerodynamically important surfaces of the rotor blades as required and reduces ice buildup in an energy-efficient way. This technical optimization delivers higher energy yields at sites with frequent ice formation on the rotor blades.

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

Optimized design based on proven technology: the N175/6.X – Nordex' specialist for light-wind speeds

### New Features at a Glance

- › 175m rotor
- › Single-piece, newly designed 85.7-meter long rotor blade
- › +15% swept area compared to N163/6.X
- › +22% more yield in low wind conditions compared to N163/5.X & N163/6.X
- › 106.0 DB(A)
- › At 6.22 MW
- › Sound, power, & load optimized modes
- › Hub height: Up to 179m, project and site-specific



## Our Products

### Sustainable Products

## Economic and Environmental Efficiency and Circularity

### MANAGEMENT APPROACH

7 GRI 3-3; 301-2

» 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.

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 energy transition 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 44 GW. These turbines provide clean, safe electricity in more than 40 countries around the world. By replacing electricity from other (non-renewable) sources and thus avoiding GHG emissions, Nordex' wind turbines have a positive impact on the environment. All Nordex turbines running in 2022 avoided around 60 Mt of GHG emissions in that same year – this is more than an entire country such as Greece emits over a whole twelve months (Greece 2021: 53 Mt CO<sub>2</sub>e).<sup>1</sup>

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 Sustainability Strategy 2025.

The Nordex Group considers a variety of aspects in its efforts to achieve economic and environmental efficiency and a circular economy: Cost of energy, product carbon footprint, SF6-free switchgear, digital sustainability, repair and refurbishment, disassembly and recycling, and repowering. Past and present measures, targets, and further details relating to these topics are described in the following. Wind turbines and wind farms can also have impacts on local biodiversity. We discuss these potential impacts and our technical solutions in a supplemental section on p. 50 ff. «

Nordex turbines running in 2022 avoided around

# 60 Mt

of GHG emissions in that same year – this is more than an entire country such as Greece emits over a whole twelve months (Greece 2021: 53 Mt CO<sub>2</sub>e).

<sup>1</sup> GHG emissions: Carbon dioxide equivalent emissions; calculation based on wind farms commissioned in the past 20 years, from 2003 to 2022, using the results of our LCA study (6.5g CO<sub>2</sub>e/kWh) as an 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 436g CO<sub>2</sub>e/kWh in 2020.

## Our Products

### Sustainable Products



#### Cost of Energy (COE) Program

In the last decade, the COE for onshore wind power has fallen by around 70%, making it the most competitive source of energy together with utility-scale solar PV. The COE program at the Nordex Group has driven this development in two ways: by reducing costs (cost-down measures) and by increasing our wind turbines' productivity (value-up measures).

Through hundreds of cost-down and value-up measures, the program evaluates, prioritizes and executes ideas with an end-to-end approach, considering the entire turbine life cycle. By doing so, the COE program was able to soften the impact of inflationary pressure on rising costs and help stabilize our operations. The COE of wind power remains the lowest of any source of energy.

The N163/5.X from our proven Delta4000 series, Germany

The COE for onshore wind power has fallen by around 70%.

In addition to establishing standard approaches to COE improvement globally, the COE program has reached wider Nordex communities in different regions, where it promotes improvement measures that not only save costs, but also foster the Company's environmental and social sustainability. For example, our concrete tower factories allow our subcontractors to use the test sample concrete to make paving stones that local residents can use at home, free of charge. The waste management industry would otherwise need to dispose of these concrete test samples professionally, at a high cost and with an environmental impact. Another successful example comes from our Service area: Our Service department introduced the Xtended Power upgrades for various turbine generations, which increases the annual energy production up to 3% depending on the site wind conditions. We have already successfully implemented such upgrades in several markets.

**Our Products**  
Sustainable Products

**Our Product Carbon Footprint**

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<sup>1</sup> for the Delta4000 turbines according to ISO 14040/44, we found that the specific carbon footprint for producing 1 kWh of electricity can be as low as 2.7g CO<sub>2</sub>e over a turbine’s entire life cycle.<sup>1</sup> We published our first LCA study in

2020 and analyzed two more turbine types in 2022, further establishing the LCA methodology in-house, raising awareness of life cycle impacts throughout our functions and departments, and evaluating the environmental impact of our products to identify optimization potential and track improvements. Based on the results of these LCAs, we created two Environmental Product Declarations (EPD) to provide harmonized and externally verified sustainability information.

**Lower Material Use and Efficiency Gains through Modularization**

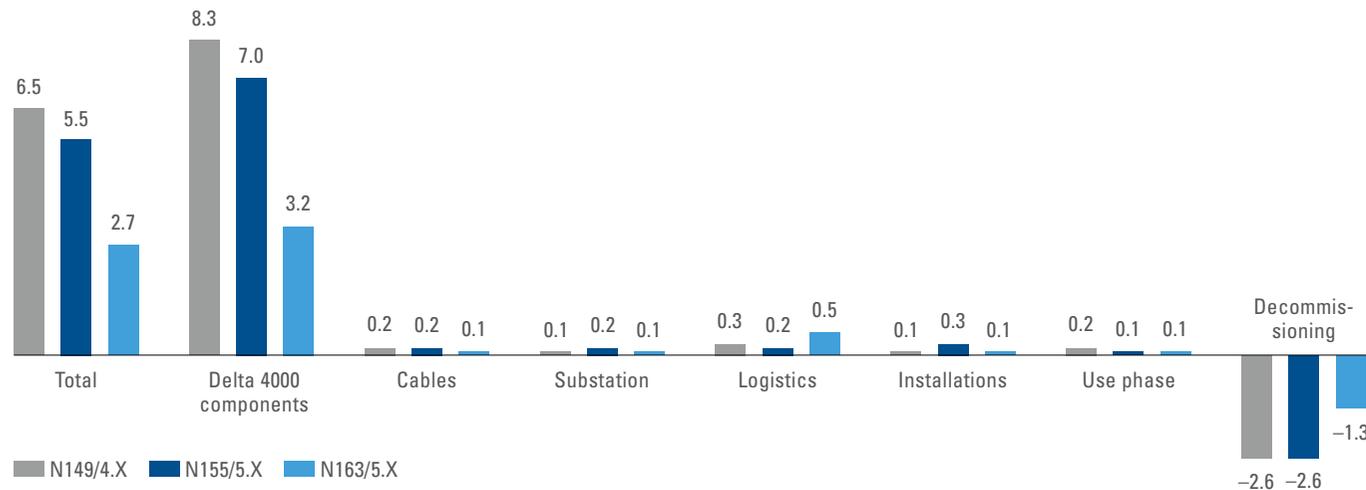
Since the Delta4000 turbine is designed for the global market, we pay special attention to harmonization and the modularity of components. When developing the N175/6.X, we try to intelligently reuse components and production resources from previous turbines in the Delta4000 product range, which helps to reduce our resource use. We harmonize the parts and components on the Delta4000 platform wherever possible and economically feasible. This facilitates material handling and stockkeeping at the different production sites worldwide as well as 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.

We are also investigating new turbine foundation technologies that use prefabricated concrete slabs. This new foundation concept aims to produce significantly less GHG emissions in the fabrication of wind turbine foundations than traditional manufacturing using 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. We will install the first turbine using this new concept in 2023.



For more information please see our LCA reports and Environmental Product Declarations on our website

**Climate impacts of Delta4000 turbines in g CO<sub>2</sub>e/kWh**



<sup>1</sup> The LCA studies were not part of the audit by PwC, but was externally audited by DEKRA and ICMQ.

## Our Products

### Sustainable Products

#### **Path to SF6-free Switchgear**

Sulphur hexafluoride (SF6) is only used indirectly in wind turbines as an insulating gas in medium-voltage switchgear. These medium-voltage switchgears with SF6 insulating gas are generally used in electrical distribution networks and are not exclusively installed in wind turbines.

While preparing our LCA, we carried out a risk analysis for SF6 emissions (see LCA of a Nordex Windfarm with Delta4000 turbines, p. 46). In a theoretical case of total SF6 emissions, the global warming potential of electricity from wind energy rises from 6.5 to 7.4g CO<sub>2</sub>e per kWh produced over the entire life cycle, which corresponds to an increase of around 14%. If SF6 is released, this is indicated by a signal light and corresponding error message. As the gas is many times heavier than air, it collects at the bottom of the tower of the wind turbine, either in the entrance area or, if available, in the basement area. The gas must then be extracted by a specialist company and disposed of properly. The Nordex Group is not aware of any case where the gas has ever been released.

In 2022 we introduced our first SF6-free switchgear for voltages up to 24 kV and a short circuit current of up to 16 kA. We sold this SF6-free switchgear for a Spanish wind farm and will install it in 2023. As soon as SF6-free switchgears fulfill our required specifications for levels above 24 kV/16 kA as well as for physical dimensions, we will add them to our product line. Our suppliers indicate that solutions for voltage levels up to 36 kV may be available by the end of 2025.

#### **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 we have also 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' Predict to Prevent (P2P) program is just one example of avoiding downtime through event prediction. Using extensive remote control and maintenance abilities helps to significantly lower the number of trips to the windfarm and has resulted in savings every year. This demonstrates that our efforts are both ecologically and economically relevant. The Company'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 continued 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 necessary to transport a conventional crane to a site. By repairing components uptower, we avoid not only greenhouse gas (GHG) emissions but also the damage to vegetation that can occur when clearing the crane pad for assembly and operation.

## Our Products

### Sustainable Products

If a component cannot be repaired directly on site, we remove it from the turbine and transport it to one of our repair facilities. We operate several workshops for electrical components and established our own repair center for mechanical parts in 2021. In the reporting year, we managed to increase our portfolio of electrical refurbishments by approximately 10%. Moreover, we are in the process of expanding our mechanical workshop facility to further increase our annual repair volume. 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 facilities, 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 that the refurbished parts meet our technical and quality standards. This approach reduces material consumption and ensures that no materials are wasted. Particularly considering the ongoing 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 our P2P predictive maintenance program, which uses state-of-the-art data science technology to deliver early warnings about the impending breakdown of turbine components. This enables us to minimize downtime and secondary damage for our customers while maximizing energy production.

### **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 analyzing 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 local people around the wind farm who already accept it because they know the benefits 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 often makes it impossible to obtain the relevant permits in a fast process.

## Our Products

### Sustainable Products

#### **Dismantling and Recycling of Wind Turbines**

» As advances in wind turbine technology make electricity generation ever more efficient with higher energy yields, the dismantling of first-generation turbines is becoming increasingly important. This calls for environmentally friendly and economically sustainable disposal, as well as the recycling of components and materials wherever possible. Therefore, 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 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 was set up to develop an industry standard for dismantling wind turbines. The working group also submitted the resulting document to the International Electrotechnical Commission (IEC) with the aim of establishing an international standard. This process is already under way, but it will take time before it is implemented.

Internal analyses and sectoral calculations show that currently around 85% to 95% of the materials used in a wind turbine are recyclable. To further enhance recyclability, 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).

Additionally, the Nordex Group is now part of Horizon Europe, an EU framework program for research and innovation (2021–2027). We will be a key actor here as one of the beneficiary partners in the “Wind turbine blades End of Life through Open HUBs for circular materials in sustainable business models” (EoLO-HUBs) project. EoLO-HUBs will establish long-term collaboration between key actors with access to relevant demonstration scenarios to ensure that almost 90% of wind turbine materials are recycled, creating a circular economy that generates jobs and reduces GHG emissions by 2030.

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. This prevents the emission of chlorine gas when incinerating blade waste, among other benefits. We conducted feasibility studies for blade design adjustments at the Nordex R&D Center in 2022.



Our Delta4000 turbine N149/5.X in Germany: The hub height reaches up to 164m

## Our Products

### Sustainable Products

Our N163/5.X turbines of the Delta4000 series in Sweden. Due to the harsh winters with temperatures down to minus 33 C on site, the turbines are designed as a cold climate variant.



To further increase material efficiency, we introduced a painted coating system 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.

### Overview of recycled content

In addition to improving wind turbine recyclability, the Nordex Group has set the goal of increasing its use of recycled materials. For this purpose, we carried out a concept study on recycled content in parallel with the two new LCAs<sup>1</sup>. The recycled content currently amounts to 7.36% for the N155/5.X and 7.45%<sup>1</sup> for the N163/5.X wind turbine. In this study, the primary data was still very limited and we assumed a recycled content rate of 0% for data gaps. «

<sup>1</sup> The LCA studies were not part of the audit by PwC.

## Impact on Biodiversity

↗ GRI 304-2

» 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, we analyze potential negative impacts 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 ISO 14001 standards.

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 impacts on the environment, the vegetation of a designated area might be affected and degraded by site preparation for the wind farm installation and the construction of 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 ecological values, and cultural environments, as much as possible.

An example of how detailed we analyze the impacts on flora and fauna (e.g., birds and bats), as well as on land use, can be found in the Environmental Product Declaration. «

## Our Products

### Sustainable Products

#### **Turbine Control Systems to Protect Flora, Fauna and Local Residents**

» 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. This also entails the required turbine control to slow down the rotor in a defined period when a protected species has been detected. The project will continue until the end of 2023.

To ensure that turbines can be operated even on sites with an extensive regulatory burden while still contributing effectively to the energy transition, 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 N175/6.X turbine is available with 14 sound-reduced modes ranging from ~106 dB(A) down to 97.4 dB(A). When

operated at 104.5 dB(A), the turbine still produces more than 5,800 kW while its noise is equal to or below 40 dB(A) at a distance of 500m. This noise level is comparable to a quiet public library or a whisper.

#### **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 economic and technological developments to make this a reality. To achieve this long-term goal, we collaborate with industry partners and suppliers, participate in research projects, and are active in working groups. 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. Beyond these challenges, wind energy is a key contributor to the energy transition and thus to the increased use of renewable energy. Wind turbines therefore make a positive contribution to the issue of climate change. The growing public awareness of wind turbines represents another opportunity. Developing the necessary energy transition and technical improvements in sound emissions will lead to greater public acceptance.

#### **SUSTAINABILITY STRATEGY 2025**

In 2022, we conducted two comprehensive LCA studies of wind farms equipped with our Delta4000 turbines, one with N155/5.X turbines using steel towers, the other with N163/5.X turbines using concrete towers. The results highlight the very low specific carbon footprint of wind energy and demonstrate that, due to performance improvements and lifetime extensions, the carbon footprint is decreasing with every new turbine model. The turbine's lifetime plays an important role here: When running a turbine for 30 instead for 25 years, the specific carbon footprint can be reduced from 6.7 to 5.6g CO<sub>2</sub>e/kWh. The findings support our goal to reduce the carbon footprint of our Nordex wind turbines by 25% by 2025.

Another important way of reducing the environmental impact of wind turbines is to increase their recyclability, especially regarding the blades. Nordex has set itself the goal of offering fully recyclable blades by 2032. To achieve this goal, Nordex is involved in internal and external programs, and parallel to this it intends to increase the recycling content of its wind turbines.

For further information on the implementation of measures, see Action Plan "Sustainable Products," p. 55ff. «

## Our Products

### Sustainable Products

## Customer Orientation and Product Quality

### MANAGEMENT APPROACH

➤ GRI 3-3

» 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 lifetime of our products.

Our customers' satisfaction is decisive to our business success. It is therefore fundamentally important for us to take into account our customers' perspectives, understand their needs, and continually adjust our range of products and services accordingly. We rely on ongoing, intensive customer dialogue to manage customer satisfaction. For example, we use regular customer satisfaction surveys to have a basis for our performance management, 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.

### Survey of Customer Satisfaction in Sales and Service

2022 was a challenging year once again. Due to various events, such as the war in Ukraine, the lockdown in China, and the ongoing COVID situation, the year was impacted by cost volatility. Our customers understand that the margins of wind turbine manufacturers need to improve, and that onshore wind energy is the most competitive source in many markets where there is room for higher offtake rates. We must therefore find a fair approach and a win-win situation for everyone in the interest of a sustainable future.

In terms of customer meetings and general business travel, we are back to normal for the most part. This year we also participated in various trade fairs, such as the WindEurope Annual Event 2022 in Bilbao, where we noticed that the number of customer meetings has increased compared to 2021. Most recently, we participated in WindEnergy Hamburg 2022. We had many valuable discussions with different stakeholders at our booth and in numerous meetings. Overall, it was a very successful event. On top of these two large events, we also attended many local trade fairs.

### Customer Satisfaction Results (Sales Area)

During 2022 we conducted our global annual online survey with our customers. The survey focused on customers that have made a turbine supplier decision for or against us, as well as on customers with whom we interacted a lot in, for instance, negotiations or contract signing. We asked our customers to share their experiences with our Sales department. Overall,

26% of them provided valuable feedback (2021: 32%). On a scale from 1 to 6 (1 = completely unsatisfied; 6 = very satisfied), our customer satisfaction score was 4.4 (2021: 4.4).

The survey also provided insights into individual aspects of our performance. For example, with a score of 5.3, our customers were "largely satisfied" with the Nordex Group's sales efforts (2021: 4.9). It is therefore worth highlighting the solid knowledge of our sales team about our products and their professional and trustful way of dealing with our customers here. Our customers in general feel well informed about the Nordex Group, and also this year 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 (2021: 5.1). In 2021 we received feedback from our customers that the reliability of our offers has decreased compared to 2020. To follow up on this important topic, we put a special focus on it and were able to increase the satisfaction of our offer's reliability toward our customers with a rating of 4.8 compared to 4.1 in 2021. «

### Customer Satisfaction Results (Service Area)

In our Service department, we conduct standardized online customer satisfaction surveys every two years. The last survey took place in 2021, when our customers indicated that they were at least "rather satisfied" with our services and rated our overall performance with 4.4 on a scale from 1 to 6 (1 = completely unsatisfied, 6 = very satisfied). For more details on the survey results, please refer to our Sustainability Report 2021.

# 4.4

Our customer satisfaction score was 4.4 (2021: 4.4).



For more information on the service survey, see Sustainability Report 2021, p. 42.

## Our Products

### Sustainable Products

As usual, the survey results served as a basis for individual discussions with our key customers to understand how we can further improve our services and the overall customer experience. In order to maintain a close, personal exchange, we also held these intensive discussions at various local customer events, including in Hamburg, Paderborn, and Leipzig. The main takeaways from these meetings include improvement initiatives for the creation of a new "Central Archive" concept for documents and the rollout of an improved customer portal.

### RISKS AND OPPORTUNITIES

» With a rating of 4.5 out of 6, our customers already perceive us as a sustainable company in regard to ESG factors. At the same time, with a rating of 4.7 out of 6, we see the importance of our customers to include ESG criteria in requests for proposals or contracts in the future. Nordex' 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.

### SUSTAINABILITY STRATEGY 2025

For the Sustainability Strategy 2025, our target is to keep customer satisfaction at a high level of 4. Customer satisfaction remains important for the business success of our customers and thus for our own success.

Further information on the implementation of measures, see Action Plan "Sustainable Products," p. 55ff. «

## Product Health and Safety

➤ GRI 416-1

For the Nordex Group, it is extremely important to do everything possible to ensure that our wind turbines are workplaces of the highest safety standards. This includes 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 fast 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
- » Functional risks that could impact technical or power generation availability

In the reporting period, we assessed all materials in Nordex products and services 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 highly qualified business partners, such as crane providers and assembly specialists, for installation activities and special tasks including the lifting of turbine modules. In our Annual Safety Site Instruction (ASSI) e-learning module we train our suppliers with regard to special requirements of the Nordex Group and our customers. We also regularly audit the compliance status of our quality management system, occupational health and safety, and environmental protection requirements. We constantly assess our personnel as well as turbine safety issues and risks, and we integrate our findings into our product design

## Our Products

### Sustainable Products



For more information please refer to the chapter "Occupational, Health and Safety", p. 99ff.

process to ensure human safety. Our Engineering, Service and QHSE departments work together in cross-functional teams to evaluate ways of addressing potential new risks to people. We implement appropriate measures in the construction process to prevent and mitigate risks wherever possible.

To guarantee the structural integrity of our turbines, we carry out continual functional hazard analyses within the construction process. Based on the analysis results, we integrate safety functions and adapt them 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.

For these reasons and, of course, to ensure a very high availability of the Nordex turbines, we developed a P2P program in 2020. In this project, we identify possible future failures 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 drivetrain, 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.

With the P2P program we identify possible future failures through the comprehensive recording and targeted analysis of a turbine's operating data.

Our service staff in Turkey



**Our Products**

Sustainable Products

## Sustainability Strategy 2025 – Our Action Plan “Sustainable Products”

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Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
<b>Goal 1: Provide fully recyclable blades by 2032</b>						
Conduct R&D project to support the goal of producing recyclable blades in 2032	2032	Recyclability in %	100%	tbd <sup>1</sup>	We increased the use of fully recycled PET foams, which reduced the use of balsa wood and PVC foams.	
Conduct research and trials into composite recycling and circularity / participate in R&D partnerships for blade recycling	2025	Qualitative	–	–	We participate in research and development projects on blade recycling (e.g., the EU Horizon project, VDMA composite project)	
Provide material passport for blades	2022 » 2023	% of products sold that include such a document	100%	0%	In exchange with industry and research partners, we intend to develop a document that will include information on the material composition and other relevant characteristics of the blades, which will facilitate their end-of-life handling. We rescheduled the finalization to 2023.	
Conduct concept study on recycled content and increase use of recycled materials	Ongoing	Recycled content in %	tbd <sup>1</sup>	tbd	We did the first data collection in 2022 with a recycled content of 7.36% for the N155/5.X and 7.45% for the N163/5.X wind turbine. We will integrate data collection into upcoming projects with the goal of increasing the recycled content.	

<sup>1</sup> The scope of data regarding the underlined indicator of this measure will be defined by 2023.

### Our Products

#### Sustainable Products

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
■ Achieved						
<b>Goal 2: Decrease carbon footprint of turbines by 25% by 2025</b>						
Provide life cycle assessments (LCA) for all relevant turbine types	2025	% of all relevant products sold that are covered by LCA	100%	tbd	During the reporting year, we calculated two LCAs for N155/5.X and N163/5.X wind turbines.	
Performance and lifetime improvement measures, and tracking of carbon footprint implications for most relevant measures	Ongoing	% of carbon footprint reduction <sup>2</sup>	tbd	tbd	We conducted performance and durability improvement measures (e.g., lifetime extension up to 35 years), and tracking of carbon footprint impacts for key measures.	
Provide SF6-free switchgear option	2023	Qualitative <sup>3</sup>	–	–	We plan to gradually introduce SF6-free switchgear. Project will start in 2023.	
<b>Goal 3: Keep customer satisfaction at a high level of 4 (scale 1–6)</b>						
Conduct regular customer survey in Sales and Service	Annually/every two years	Customer satisfaction rate	>4	Sales: 4.4 Service: 4.4 (2021)	We conducted a customer survey in 2022. The Nordex Group was scored with a customer satisfaction of 4.4 on a scale from 1 to 6 (1 = completely unsatisfied; 6 = very satisfied). We will carry out the Service survey again in 2023 (2021: 4.4).	

<sup>2</sup> The indicator was redefined and will be measured from 2023.

<sup>3</sup> The indicator was redefined.

«

# ENVIRONMENT



Going beyond our products' impact on the energy transition, 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. Achieving the milestone of assessing climate-related risks and opportunities in detail in 2022 allows us to understand the immediate impact climate change may have on our business in the long term.



Main Targets	Indicator	Baseline 2021	2022	Status
				■ Achieved
Define science-based targets (SBTs) in line with 1.5°C target ambition	qualitative	–	–	
Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact	scope 1 & 2 emissions in t CO <sub>2</sub> e	Scope 1: 14,181 t CO <sub>2</sub> e Scope 2: 607 t CO <sub>2</sub> e	Scope 1: 27,164 t CO <sub>2</sub> e Scope 2: 501 t CO <sub>2</sub> e	
Achieve zero production waste to landfill by 2025	% landfill of total waste	17%	16%	
Reduce hazardous materials and minimize their hazard potential	number of hazardous materials	654	765	

For further details see p. 69 f, 79 ff

# CLIMATE CHANGE AND DECARBONIZATION

## Climate Change Mitigation and Adaptation

### MANAGEMENT APPROACH

➤ GRI 3-3

» 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 transition risks and opportunities related to climate change by adhering to the recommendations published by the TCFD as well as to EU Taxonomy requirements and monitoring forthcoming regulations 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 major advantage of wind-generated electricity over fossil fuels in conventional power plants is that only a negligible amount of climate-damaging CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions is produced. Our wind turbines therefore contribute to the avoidance of several million tons of GHG emissions year after year. The Nordex Group's scope 4 emissions quantify those avoided CO<sub>2</sub>e emissions. In 2022, all Nordex turbines actively avoided a total of around 60 Mt of CO<sub>2</sub>e emissions (2021: 59 Mt CO<sub>2</sub>e).

The Nordex Group also affects the climate through its business activities and related 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."

### RISKS AND OPPORTUNITIES

➤ GRI 2-23, 201-2

Climate change is already having a global impact today and is a major driver of far-reaching changes in nature, society and the economy. These result in both opportunities and risks for the Group and its business development. In the reporting year, the Nordex Group analyzed its climate-related risks and opportunities in alignment with the recommendations of the TCFD, also taking into account the assessment requirements of the EU Taxonomy. These are based around four core elements: "Governance," "Strategy," "Risk Management," and "Metrics and Targets." We considered both transition and physical risks.

## Environment

### Climate Change and Decarbonization

The project followed a four-step approach:

- › First, we conducted a gap analysis to assess the degree of alignment between the Nordex Group and the TCFD recommendations with the aim of identifying strengths, gaps, and improvement areas for the four TCFD categories. The analysis showed that we have already covered most aspects at least partially, but we still need to work on a scenario analysis and specific risk management targets.
- › Based on the gap analysis, we conducted a materiality analysis considering risks and opportunities across all TCFD categories. This involved the following departments: Sustainability, Risk Management, Product Strategy, Legal, Corporate Strategy, Public Affairs, Production, Sales, Logistics, Service, Sourcing, Project Management, Real Estate Management, Investor Relations, and Finance. We qualitatively assessed probability as well as financial impacts by applying two individual five-point scales, looking at a long-term perspective of ten years (~2030 and beyond). Additionally, we carried out a quantitative analysis of financial impacts. Finally, we multiplied the two scores, producing a final risk or opportunity score. In total, we identified more than 20 climate-related risks and opportunities each.
- › Following the materiality analysis and thus the identification of relevant risks and opportunities, we performed a hotspot scenario analysis. The Nordex Group opted for the assessment of high-emission (temperature increase of 4°C to 5°C), medium-emission (2°C to 3°C) and low-emission (below 2°C) scenarios, which we defined based on publicly available scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). For the physical risks, we also completed a site-specific high-emission scenario. The analysis results provide us with an in-depth understanding of the impact that the identified risks and opportunities may have on our business activities, should they occur in the background of each GHG emission scenario. In particular, it became even more evident that a high-emission scenario would lead to high impacts in terms of physical risks, highlighting once more the importance of significantly reducing GHG emissions.
- › Finally, we elaborated on response measures to counteract the identified risks and maximize benefits from the opportunities. We have already summarized adaptation solutions in response to the main physical risks in a climate change adaptation plan. In 2023, we will translate further high-level measures for transition risks as well as opportunities in this detailed adaptation plan.

## Environment

### Climate Change and Decarbonization

The following table illustrates the main climate-related risks and opportunities in the field of “Climate Change Mitigation & Adaptation” based on the scenario<sup>1</sup>:

Transition risks	Scenario with high impact	Response
Increased customer requirements (Market risk)	<u>Low-emission scenario</u> An increase in sustainability-related requirements that might result in lower project demand in case of non-compliance is expected.	› Accept risk
Remaining intermittency problem (Technology risk)	<u>High-emission scenario</u> Unsuccessful research into technologies like batteries not only leads to significantly less demand for wind energy projects, but also to increased use of fossil fuels and nuclear power stations. Grid stability is not strongly impacted due to little decentralized renewable energy production, but is affected by physical risks.	› Mitigate risk › Adapt to risk
Recycling/End of Life/Circular Economy (Policy & Legal risk)	<u>Low- and medium-emission scenario</u> Recycling represents the main approach of our current commitment, with the required recycling rates, e.g., for rotor blades and hubs, steadily increasing. This results in a high financial impact, e.g., due to higher production costs.	› Adapt to risk › Accept risk
Physical risks	Scenario with high impact	Response
Extreme heat waves (Chronic & Acute risk)	<u>High-emission scenario</u> The Company faces operational and maintenance delays due to extreme working conditions for the workforce, resulting in a need for more cooling systems. Essential regional and market shifts lead to further costs. Temperature-induced wind flow changes might lead to the disappearance or shifting of potential wind farm sites and an overall market decrease.	› Mitigate risk › Adapt to risk › Accept risk
Changes in precipitation patterns (Chronic risk)	<u>High-emission scenario</u> Heavy rain and its consequences disrupt reliable logistics, obstruct on-site operations in remote locations and might negatively impact buildings, depending on their structure. Moreover, heavy rain increases drag, slowing the rotational speed of the wind turbines, which results in decreased power production and hence reduced wind energy potential in certain areas.	› Mitigate risk › Adapt to risk › Accept risk
Legend:		
Mitigate risk: Actively promote change toward a low-carbon society and business environment to reduce the likelihood of risk occurrence.		
Adapt to risk: Investments in local premises and products to avoid or reduce negative impacts from risk occurrence.		
Accept risk: Foresee the necessary budget for additional costs resulting from risk occurrence.		

<sup>1</sup> Risks and opportunities that are found to potentially have a high impact on the business should one of the scenarios occur.

## Environment

### Climate Change and Decarbonization

Opportunities	Scenario with high impact	Response
Development and/or expansion of low GHG emission goods and services (Product & Service opportunity)	<p><u>Medium- and low-emission scenarios</u></p> <p>Changes in policies, technologies as well as consumer and investor preferences lead to a moderate (medium-emission scenario) or considerable shift (low-emission scenario) in demand for various low-emission goods and services. Consequently, demand for sustainable and green energy supply will moderately increase.</p>	<ul style="list-style-type: none"> <li>› Prepare for higher demand and provide the most recent technologies possible</li> <li>› Frequently check for subsidy schemes</li> <li>› Invest in smooth internal technology shifts and R&amp;D</li> </ul>
Use of public-sector incentives (Market opportunity)	<p><u>Low-emission scenario</u></p> <p>Sustainability is anchored more firmly in subsidy policy, especially in markets that never had feed-in tariffs or other subsidies. Environmentally harmful subsidies are being phased out and used for future-oriented, social-ecological measures like onshore wind farm installations instead.</p>	<ul style="list-style-type: none"> <li>› Keep up with market evolution</li> <li>› Frequently check recent developments and subsidy schemes</li> </ul>
Shift in consumer preferences (Market opportunity)	<p><u>Low-emission scenario</u></p> <p>Along with policy changes, for example, consumers are more aware of sustainability, are changing their purchase preferences and are more loyal to companies with credible sustainability approaches. This includes using green energy, so energy utilities are expected to increase the share of renewables in their portfolio.</p>	<ul style="list-style-type: none"> <li>› Analyze and identify consumer preferences</li> </ul>

## SUSTAINABILITY STRATEGY 2025

In the reporting year, the Nordex Group intensively pursued its goals for climate change mitigation and adaptation. While climate-related risks and opportunities have always played a material part in our business activities, we successfully conducted a comprehensive TCFD assessment in 2022 that lays the foundation for developing a climate change adaptation plan.

For further information on the implementation of the measures, see Action Plan “Climate Change and Decarbonization,” p. 69f. «

## Environment

### Climate Change and Decarbonization

# GHG Emissions and Renewable Energy Consumption

## MANAGEMENT APPROACH

↗ GRI 3-3

» 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 climate-damaging emissions. It is a core goal of the Nordex Group to use energy efficiently and sensibly in both environmental and economic terms. This is particularly anchored in the Sustainability Strategy 2025 by committing to setting 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 CO<sub>2</sub> as well as other greenhouse gases as CO<sub>2</sub>e.

» SCOPE 2 covers emissions produced by the consumption of purchased indirect energy. We calculated these indirect emissions based on consumption data for electricity and district heating. As the Nordex Group has covered its Group-wide electricity demand with 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 presented in this report therefore refer to financial year 2021.

## Environment

### Climate Change and Decarbonization

## ENERGY

🔗 GRI 302-1, 302-3, 302-4, 302-5

» Forward-looking energy management plays an essential role in pursuing our goal of improving our climate impact. We therefore regularly conduct internal audits to review and optimize our processes. Additionally, we report on the most important environmental indicators, such as energy consumption and waste generation, to the Management Board

and senior management on a quarterly basis. We also comparatively analyze similar production sites to identify potential for improvement, to share and highlight best practices, and to implement efficient measures at other plants.

In 2022, the overall energy consumption of the Nordex Group increased significantly by 36% to around 162,213 MWh compared to the previous year (2021: 119,618 MWh). The main driver for this development was the chartering of a vessel in the second half of the reporting year. This vessel globally transports wind turbine components from production to project sites, thus accounting for around 40,000 MWh of direct energy consumption. Furthermore, we commissioned various new production sites and expanded the vehicle fleet in the context of opening new project and service sites. In relative terms, our energy consumption increased correspondingly. Regarding the ratio between energy demand and installed capacity, we recorded an increase of approximately 73% to 31,069 kWh/MW (2021: 17,910 kWh/MW), and relative to revenues, an increase of around 30% year-on-year to 28,490 kWh/EUR million (2021: 21,973 kWh/EUR million).

This increase highlights the relevance of implementing an ambitious climate action plan that incorporates effective energy-efficiency measures. Our progress in this regard is explained in the “Sustainability Strategy 2025” section of this chapter.

We also operated two combined heat and power (CHP) plants with power generation capacities of 400 kW and 70 kW until the cessation of rotor blade production in Rostock in 2022. This provided the process heat required for rotor blade production in an efficient, eco-friendly way. Our natural-gas-fueled CHP plant provided heat and electricity for production and additionally used the thermal discharge from the power plant to heat the production halls. «



The construction of our Delta4000 N149/5.X in Germany

## Environment

### Climate Change and Decarbonization

#### » Energy consumption in MWh

↗ GRI 302-1

	2022	2021	2020
<b>Total energy consumption (direct and indirect energy consumption)</b>	<b>162,213.0</b>	<b>119,618.1</b>	<b>112,689.3</b>
Total direct energy consumption	109,998.8	67,884.0	65,870.8
Gas	27,531.8	34,580.6	29,735.4
Heating oil	1,561.3	1,600.1	1,411.7
Diesel, gasoline, heavy fuel oil and ethanol	80,905.6	31,703.3	34,723.7
Total indirect energy consumption	52,214.2	51,734.0	46,818.5
Electricity	48,445.8	47,172.7	42,531.3
District heating	3,768.4	4,561.3	4,287.2
<b>Total energy sold</b>	<b>109.8</b>	<b>18.5</b>	<b>0.0</b>
Electricity sold	109.8	18.5	0.0

#### Energy consumption by installed capacity

↗ GRI 302-3, 302-5

	kWh / MW
<b>2022</b>	<b>31,069</b>
2021	17,910
2020	20,634

#### Energy consumption relative to revenues

↗ GRI 302-3, 302-5

	kWh / EUR million
<b>2022</b>	<b>28,490</b>
2021	21,973
2020	24,231

#### Achieving 100% Green Electricity

» Since 2021, we have obtained 100% of our purchased electricity from renewables. The Nordex Group has achieved this target by taking advantage of various options. All production sites in Europe – Denmark, Germany, and Spain – as well as the nacelle production in Simões Filho and the tower production in Uibaí, Brazil, have switched to green electricity. The same is true for the German and Spanish headquarters as well as the North American location in West Branch. Additionally, in 2022, the blade production and drive train assembly site in India received around 53% of their electricity via a power purchase agreement (PPA) that supplies electricity from various Indian renewable, predominantly wind power plants. Contracted green electricity therefore accounted for 68% of the total electricity consumption.

The Nordex Group obtains energy attribute certificates (EACs) for the remainder of the electricity consumed at the above-mentioned Indian sites, as well as all locations whose contracts we cannot switch over directly to green electricity sources, due to country-specific restrictions or leasing conditions, or whose switchover we have not yet completed. 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 350 service points.

«

## Environment

### Climate Change and Decarbonization

In addition to common requirements relevant to compliance with initiatives like the Greenhouse Gas (GHG) 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 2022, the procured EACs covered 32% of the total electricity consumption.

### GHG EMISSIONS

[GRI 305-1, 305-2, 305-3, 305-4, 305-5](#)

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 CO<sub>2</sub>e emissions that these release, we use a two-fold analytical approach: We investigate our scope 1 and 2 emissions at the sites with 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 92% to 27,164 t CO<sub>2</sub>e versus the previous year (2021: 14,181 CO<sub>2</sub>e), predominantly due to transport activities by the newly chartered vessel in 2022, which partially shifted transport-related GHG emissions from scope 3 to scope 1. Excluding the impact of the vessel, the vehicle fleet expansion caused an increase in scope 1 emissions by about 7%. By contrast, indirect scope 2 emissions decreased by 17% to 501 t CO<sub>2</sub> (2021: 607 t CO<sub>2</sub>), resulting from less need for district heating in Rostock due to a warmer winter and less production activity.

In relation to installed capacity, scope 1 and scope 2 emissions increased by around 139% to 5,299 kg CO<sub>2</sub> /MW (2021: 2,214 kg CO<sub>2</sub> /MW). Relative to revenues, our activities emitted around 4,859 kg CO<sub>2</sub> /EUR million in 2022, which is an increase of 79% compared to the previous year (2021: 2,716 kg CO<sub>2</sub> /EUR million).

Given this increase, the Nordex Group is placing more emphasis on quickly implementing GHG emission reduction measures developed within the context of the climate action plan. Our progress in this area is explained in the "Sustainability Strategy 2025" section of this chapter. «

### » Greenhouse gas emissions in t

[GRI 305-1, 305-2](#)

	2022	2021	2020
Scope 1 (CO <sub>2</sub> e)	27,164	14,181	14,074
Scope 2 (CO <sub>2</sub> )	501	607	8,508

### Greenhouse gas emissions by installed capacity

[GRI 305-4, 305-5](#)

Emissions (Scopes 1+2) / by installed capacity	kg CO <sub>2</sub> / MW
2022	5,299
2021	2,214
2020	4,135

### Greenhouse gas emissions relative to revenues

[GRI 305-4, 305-5](#)

Emissions (Scopes 1+2) / revenues	kg CO <sub>2</sub> / EUR million
2022	4,859
2021	2,716
2020	4,856

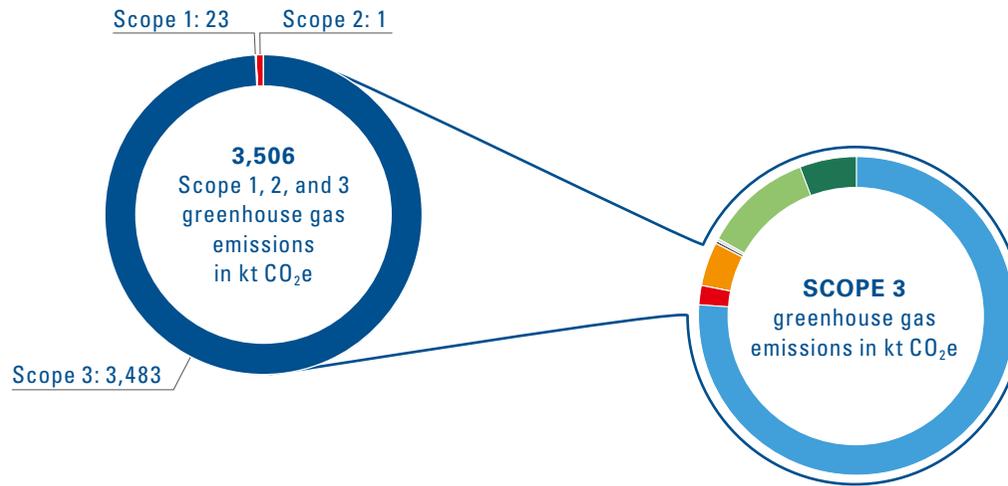
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**Corporate Carbon Footprint 2021**

We quantify our corporate carbon footprint (CCF) annually. Due to the complexity of this assessment, the results can only be published in the middle of the following year, so the sustainability report reflects the CCF of the previous reporting year. In contrast to the

GHG emissions analysis referred to in the previous section, this analysis covers all production, office, and service premises across the Group regardless of their size, as well as all relevant emissions categories in scopes 1, 2, and 3 that are classified in the GHG Protocol Corporate Standard.

For the CCF 2021, we consulted primary data wherever possible in order to calculate the GHG emissions generated and used cost-based emission factors where this data was not available. Taking into account both upstream and downstream processes, our business activities generated around 3,506 kt CO<sub>2</sub>e in 2021 (2020: 3,396 kt CO<sub>2</sub>e). As expected, the vast majority of GHG emissions occur in scope 3 (99.3%), while emissions from scope 1 and scope 2 make up only approximately 0.7% and less than 0.1%, respectively, of the corporate carbon footprint. The low share of scope 2 emissions shows that our success in switching to entirely green electricity, as well as the implementation of energy-efficiency measures, is delivering positive results.



■ Purchased goods and services	2,651 kt CO <sub>2</sub> e
■ Capital goods	70 kt CO <sub>2</sub> e
■ Fuel- and energy-related activities	7 kt CO <sub>2</sub> e
■ Upstream transportation and distribution	152 kt CO <sub>2</sub> e
■ Waste generated in operations	2 kt CO <sub>2</sub> e
■ Business travel	10 kt CO <sub>2</sub> e
■ Employee commuting	1 kt CO <sub>2</sub> e
■ Use of sold products	392 kt CO <sub>2</sub> e
■ End-of-life treatment of sold products	198 kt CO <sub>2</sub> e

The ratios between the scopes suggest that we should take a closer look at the GHG emissions created in our upstream and downstream value chain. One category is predominant in scope 3, where “Purchased Goods and Services” (category 1) account for around 76%. In this category, high-emission raw materials for turbine construction play a substantial role. We identified category 4 “Upstream Transportation and Distribution,” category 11 “Use of Sold Products,” and category 12 “End-of-Life Treatment of Sold Products” as further positions with a relatively high impact. We consider these to offer the greatest potential for reducing GHG emissions and will therefore make them the focus of our subsequent assessments.

## Environment

### Climate Change and Decarbonization

#### 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. Under the effective Sustainable Finance Disclosure regulation, investors are required to integrate ESG factors such as climate-related risks into

their investments or portfolios. They are therefore increasingly interested in the Nordex Group's CCF. At the same time, we rely on new technologies and on suppliers that reduce emissions in their business operations and use less CO<sub>2</sub>-intensive materials.

As mentioned in the previous chapter on "Climate Change Mitigation and Adaptation," the Nordex Group conducted a comprehensive assessment of climate-related risks and opportunities in the

reporting year. This analysis illustrated that these growing requirements may rather be perceived as a chance to drive positive change in close collaboration with key stakeholders.

The following table illustrates the main climate-related risks and opportunities in the field of "GHG Emissions and Renewable Energy Consumption" based on the scenario analysis<sup>1</sup>:

Transition risks	Scenario with high impact	Response
Increased pricing of GHG emissions (Policy & Legal risk)	<p><b>Low-emission scenario</b></p> <p>There is political support for the establishment of carbon pricing. For instance, predicted carbon taxes of more than USD 100 per ton will result in significant cost increases across the Company's business activities, especially indirectly through the supply chain, e.g., the impact of carbon-intensive elements like steel sourcing and logistics.</p>	<ul style="list-style-type: none"> <li>› Adapt to risk</li> <li>› Accept risk</li> </ul>
<p>Legend:            Adapt to risk: Investments in local premises and products to avoid or reduce negative impact from risk occurrence.            Accept risk: Foresee the necessary budget for additional costs resulting from risk occurrence.</p>		
Opportunities	Scenario with high impact	Response
Use of supportive policy incentives (Energy Source opportunity)	<p><b>Low-emission scenario</b></p> <p>The Nordex Group is experiencing a strong policy shift with measures supporting a rapid move away from fossil fuels towards the expansion of sustainable energy as well as the diversification of the energy supply.</p>	<ul style="list-style-type: none"> <li>› Frequently check for subsidy schemes</li> </ul>

<sup>1</sup> Risks and opportunities that are found to potentially have a high impact on the business should one of the scenarios occur. In total, we identified more than 20 applicable risks and opportunities each and assessed them based on their probability and financial impact as well as relevance, taking into account various scenarios.

## Environment

### Climate Change and Decarbonization



#### SUSTAINABILITY STRATEGY 2025

Although our business model creates high climate-related value through its annual scope 4 emissions, the Nordex Group aims to actively reduce GHG emissions both within its own business activities and in the up- and downstream value chain. Given the urgency of addressing climate change and decarbonization, the first year of our new Sustainability Strategy 2025 has been critically important. One of the first goals to achieve in our Sustainability Strategy 2025 is the definition of SBTs in line with the 1.5°C target ambition. Following our commitment to set these targets in 2021, we will develop the SBTs and submit them for verification in 2023.

To meet our third climate goal – “Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact” – we began developing a climate action plan for scopes 1 and 2 in 2022. Furthermore, we plan to finalize and publish our global Green Electricity Policy in the first half of 2023.

For further information on the implementation of the measures, see Action Plan “Climate Change and Decarbonization” p. 69f. «

Our Delta4000 N149 5.X  
in Sweden

**>20**  
applicable climate risks  
and opportunities each  
have been identified and  
evaluated in line with TCFD  
recommendations in 2022.

**Environment**

Climate Change and Decarbonization

## Sustainability Strategy 2025 – Action Plan “Climate Change and Decarbonization”

»

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implement- ation
<b>Goal 1: Manage and adapt to climate risks and opportunities</b>						
Conduct a climate risk and opportunity assessment in alignment with TCFD	2022	Qualitative	–	–	In 2022, the Nordex Group conducted a thorough assessment of climate-related risks and opportunities in alignment with the recommendations of the TCFD.	
Develop and analyze a climate change adaptation plan	2023	Qualitative	–	–	As the last step in the climate risk and opportunity assessment, we developed a high-level business response to tackle the ten most relevant physical and transition risks. For each of these risks, we derived recommended actions following the three risk response strategies of “Risk avoidance and mitigation,” “Risk adaptation,” and “Risk acceptance” based on the forecast of the scenario analysis. For the main physical risks, we have already refined and summarized responsive adaptation solutions in a climate change adaptation plan. In 2023, we plan to continue to granularize our approaches for transition risks and opportunities and to translate them into concrete measures.	
<b>Goal 2: Define science-based targets (SBTs) in line with 1.5°C target ambition</b>						
Commit to setting SBTs (via commitment letter)	2021	Qualitative	–	–	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 criteria of the Science Based Targets initiative.	
Develop, verify, and communicate SBTs	2022 » 2023	Qualitative	–	–	The Nordex Group initially aimed to develop SBTs in line with the 1.5°C target ambition in 2022, taking the CCF data from 2021 as baseline. However, as we made some changes to our upstream value chain in mid-2022 resulting in GHG emission shifts from scope 3 to scope 1, and for CCF 2021 some data had to be extrapolated due to the cyber incident, we opted not to use 2021 as a base year. Accordingly, we redefined this measure to be completed by 2023. This allows us to take 2022 as the base year, since this will better reflect the current GHG emissions landscape at the Nordex Group.	

**Environment**

Climate Change and Decarbonization

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
 Achieved						
<b>Goal 3: Achieve climate neutrality (scopes 1 and 2) by 2023 and continuously improve climate impact</b>						
Develop a Green Electricity Policy (scope 2) for all sites globally	2022 » 2023	Qualitative <sup>1</sup>	–	–	We defined the criteria for the Group-wide Green Electricity Policy in the reporting year, including universal preconditions for the commissioning of new sites as well as the prioritization of various green electricity products and technologies. We plan to conduct a final internal review of the policy in the first half of 2023, taking into account the latest developments.	
Develop and implement a climate action plan	Development: scopes 1 and 2 by 2022, scope 3 by 2023	% of energy consumption & GHG emissions reduced	tbd in 2023	0	In 2022, we carried out a cross-departmental project to identify feasible, yet impactful measures to significantly reduce scope 1 and 2 emissions. This includes both cross-site and site-specific initiatives and adjustments addressing energy efficiency in buildings and production processes, company policy and behavioral changes, and transportation, as well as a further shift to low-carbon energy consumption. These will be subject to a final review in the first half of 2023. Based on the insights from the latest CCF analysis, we started to elaborate on an extensive scope 3 action plan which highlights the relevance of measures addressing the four most sensitive categories: "Purchased goods & services," "Use of sold products," "End-of-life treatment of sold products," and "Upstream transportation & distribution."	
Compensate for remaining GHG emissions	Annually, from 2023 onward	t of GHG emissions compensated	n/a	0	We plan to kick off a project to develop and implement a GHG emission compensation strategy in 2023.	

<sup>1</sup> The indicator was redefined in 2022.

«

# ENVIRONMENTAL PROTECTION

## MANAGEMENT APPROACH

↗ GRI 3-3, 306-1, 306-2, 303-1, 303-2

» As a wind turbine manufacturer, the Nordex Group focuses on generating electricity from wind in an efficient, environmentally friendly way. In addition to a major contribution to climate protection, we thereby pay a lot of attention to comprehensive environmental protection throughout the entire 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 that is applied across the entire Nordex Group, including all worldwide production sites, wind farms under construction, wind farms under maintenance,

and office sites. This management system is certified according to the relevant ISO standards 9001, 45001, and 14001, and contributes to enhancing the environmental protection performance of the Nordex Group. Moreover, it enables us to meet our compliance requirements and environmental objectives in line with the principles defined in our QHSE Policy. As indicated in the section on “Climate Change and Decarbonization,” we regularly conduct internal audits to review and optimize our processes with the aim of continuous improvement. We also regularly report on the most important environmental indicators, such as energy consumption and waste generation, to the Management Board and senior management.

## WASTE REDUCTION

Waste reduction plays a special role in environmental protection at the Nordex Group. Waste reduction refers to our waste and waste-related impacts 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. The Company follows an approach that 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

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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.

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.

#### Waste Reduction – Key Figures

With a total of 26,051 t in 2022 – 48% recovered, 38% disposed of and 14% stored on-site (2021: 55% recovered, 45% disposed of, 0% stored on-site) – the waste volume increased by 22% in comparison to 21,407 t in the previous year. This mostly resulted from the commissioning of new concrete tower and nacelle factories and an increase in production output in the Indian rotor blade factory as well as the nacelle assembly sites in Barasoain, Spain, and Simões Filho, Brazil. Furthermore, the Nordex Group ceased its production activities in the Spanish concrete tower factory, the German rotor blade factory, and the Danish Rotor Blade Technology Center, as well as a Spanish nacelle assembly, which resulted in additional waste generation from the disposal of old tools and cleanup of the premises.

Along with the increase in absolute waste generation, relative waste generation grew in comparison to 2021, which can also be traced back to the significant decrease in installations and revenues in the reporting year, while production output increased in the context of nacelle assembly and concrete tower production. The volume of waste per installed capacity (per MW) therefore rose by around 56% to 4,989 kg/MW (2021: 3,205 kg/MW). Our waste relative to revenues also increased to 4,575 kg/EUR million, which is 16% more than in the previous year (2021: 3,932 kg/EUR million).

These developments show that the efforts we defined in our Sustainability Strategy 2025 are integral to reversing this trend. The year 2023 will therefore be a turning point, as we plan to finalize the development of action plans to achieve our waste-related targets this year. Our measures in this regard are explained in the "Sustainability Strategy 2025" section of this chapter. «

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#### » Waste production in t

[GRI 306-3](#)

	2022	2021	2020
<b>Total waste</b>	<b>26,051</b>	<b>21,407</b>	<b>27,599</b>
Hazardous waste	5,971	1,802	1,741
Non-hazardous waste	20,080	19,605	25,858

#### Waste diverted from disposal, by recovery operation in t<sup>1</sup>

[GRI 306-4](#)

	2022
<b>Hazardous waste</b>	<b>423</b>
(Preparation for) Reuse	145
Recycling	276
Composting	0
Other/Unknown recovery operations	1
<b>Non-hazardous waste</b>	<b>12,187</b>
(Preparation for) Reuse	704
Recycling	11,103
Composting	10
Other/Unknown recovery operations	370

<sup>1</sup> Deviations in the total values can be attributed to rounding differences.

#### Waste directed to disposal, by disposal operation in t<sup>1</sup>

[GRI 306-5](#)

	2022
<b>Hazardous waste</b>	<b>3,046</b>
Incineration (with energy recovery)	2,662
Incineration (without energy recovery)	136
Landfilling	242
Other/Unknown disposal operations	7
<b>Non-hazardous waste</b>	<b>6,781</b>
Incineration (with energy recovery)	2,818
Incineration (without energy recovery)	113
Landfilling	3,846
Other/Unknown disposal operations	5

<sup>1</sup> Deviations in the total values can be attributed to rounding differences.

#### Waste stored on-site in t

(not disposed of or recovered yet in 2022)

[GRI 306-3](#)

<b>Total</b>	<b>3,614</b>
Hazardous waste	2,502
Non-hazardous waste	1,112

#### Waste production by installed capacity

[GRI 306-3](#)

	kg / MW
<b>2022</b>	<b>4,989</b>
2021	3,205
2020	5,053

#### Waste production relative to revenues

	kg / EUR million
<b>2022</b>	<b>4,575</b>
2021	3,932
2020	5,934

«

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### Environmental Protection

#### 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 we use and transport these materials 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.

In the reporting year, the Nordex Group finalized the rollout of a formalized evaluation process for new hazardous materials based on the Black and Grey Lists on a global level. This lays the foundation for activities across the Group to eliminate or reduce the use of hazardous materials.

#### Hazardous Materials – Key Figures

In line with our Sustainability Strategy, 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. We divide materials 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 increased in 2022 as a result of further advancing the registration of already used

materials. At the end of 2022, we registered 982 (2021: 844) active materials (including materials not subject to labelling), 765 (2021: 654) of which were classified as hazardous materials and 53 of which were in water hazard class 3 (2021: 38). As we aim to produce a global comprehensive registry<sup>1</sup> of all active hazardous materials, we started to revalidate the Nordex Group's Black and Grey List and set up a cadaster of blacklisted chemicals against this background in 2022. This cadaster also allows us to identify elimination options and monitor the implementation of the elimination plan. In the reporting year, multiple materials were under review for elimination or substitution, and one blacklisted release agent was successfully eliminated. We will continue with this project in 2023 to include greylisted and other hazardous materials.

Additionally, we started to assess the air emissions resulting from our painting and cleaning activities – namely, volatile organic compounds (VOCs) – in the context of rotor blade production, retrospectively to the previous year. In 2022, we identified the baseline emissions for our VOC reduction target of 5% per produced MW with a total of 234 tons of VOCs and – relative to the production output of rotor blades – 142 kg/MW in 2021. «

<sup>1</sup> Until 2022, only hazardous materials from activities under the scope of Division Europe were registered and tracked for the Sustainability Strategy 2025.

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#### WATER EFFICIENCY

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 we use, for example, for cleaning, cooling, and irrigation purposes, as well as for mixing concrete for tower production. With regard to the overall scope of this report, the share of rainwater remains unchanged at around 1% of our water demand in the reporting year. The Nordex Group's water withdrawal consists entirely of freshwater regardless of the initial water source. Unless water consumption takes place in concrete tower production or adiabatic cooling systems, we usually discharge the used water via the local sewage system, where dissolved particles are filtered, and the water is treated to produce fresh water again. In India alone, we collect the water in basins and treat and filter it in on-site sewage treatment plants before we eventually use it as fresh water for irrigation purposes. Since most of our production activities do not require water for manufacturing

purposes, our water demand 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 60% (2021: 48%) of our total water withdrawal increasingly took place in areas with high or extremely high water stress. This surge mainly resulted from the increase in operations at the Indian rotor blade facility as well as one of our concrete tower production sites in Brazil in areas that face high or extremely high water stress. In the coming years, we will especially focus on these sites when we develop and implement water-saving measures.

#### Water Efficiency – Key Figures

Overall, our absolute water withdrawal in the reporting year increased compared to the previous year by around 35% to approximately 133.5 MI (2021: 99.1 MI). This development was impacted mainly by the increase in production activity and elevated water demand for cooling – particularly considering the extreme heat wave in 2022 – and sanitary purposes at the rotor blade production site

in India. Furthermore, the Nordex Group expanded its production of concrete towers in Brazil, both at the plant in Uibaí commissioned in 2021 as well as at two new production sites, each requiring water for mixing the concrete. Water withdrawal per installed capacity rose by around 72% year-on-year to 25.6 m<sup>3</sup>/MW (2021: 14.8 m<sup>3</sup>/MW). Relative to revenues, water demand increased by 29% to 23.5 m<sup>3</sup>/EUR million (2021: 18.2 m<sup>3</sup>/EUR million).<sup>1</sup> However, total water consumption decreased by 38% to 18.6 MI in 2022 (2021: 30.0 MI), which indicates that we are feeding more water back into the water cycle than in the previous year through more efficient use of water at our concrete tower production sites, for example. However, we are aware of the importance of impactful measures to reduce our water intake, which we are developing in the context of the Sustainability Strategy 2025.

<sup>1</sup> As already mentioned, the development of production figures is not directly reflected in the installed capacity or generated revenue, but has a time lag. For example, if we carry out high concrete tower production at the end of the reporting year, but the orders are not fully processed until the next reporting year, the water withdrawal or demand is not reflected in the KPIs for the relative representation of the water withdrawal of the same reporting year.

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# 38%

decrease in water consumption  
in 2022 compared to 2021.

One of 72 turbines, type  
N149/5.X, for the Øyfjellet  
wind farm in Norway

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

↗ GRI 303-3, 303-4, 303-5

	2022		2021		2020	
	All areas	Areas with water stress <sup>1</sup>	All areas	Areas with water stress <sup>1</sup>	All areas	Areas with water stress <sup>1</sup>
<b>Water withdrawal total</b>	<b>133.5</b>	<b>80.6</b>	<b>99.1</b>	<b>47.3</b>	<b>87.0</b>	<b>26.7</b>
Third-party water supply	64.6	12.5	69.5	18.4	65.6	20.9
Surface water	0.7	0	0.8	0	0.8	0
Groundwater	68.1	68.1	28.9	28.9	20.6	5.9
<b>Water discharge total<sup>2</sup></b>	<b>114.9</b>	<b>72.1</b>	<b>69.1</b>	<b>41.6</b>		
<b>Water consumption total</b>	<b>18.6</b>	<b>8.5</b>	<b>30.0</b>	<b>5.7</b>		

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

<sup>2</sup> 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 onward, water that is discharged for irrigation purposes or similar is also included in the water discharge figure.

### Water withdrawal by installed capacity

↗ GRI 303-3

	m <sup>3</sup> / MW
<b>2022</b>	<b>25.6</b>
2021	14.8
2020	15.9

### Water withdrawal relative to revenues

↗ GRI 303-3

	m <sup>3</sup> / EUR million
<b>2022</b>	<b>23.5</b>
2021	18.2
2020	18.7

## Environment

### Environmental Protection

#### 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. Besides, to fulfill its environmental responsibilities, the Nordex Group documents all actual and potential environmental incidents. We also report near-miss incidents and analyze them 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

Significant environmental incidents include all incidents in severity categories 3 and 4. In the reporting year, the Nordex Group recorded 0 (2021: 3) significant environmental incidents. «

#### 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 support preserving biodiversity.

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. We planned this originally for 2022 but pushed it back until 2023 as the location of proposed tree planting changed due to civil work associated with factory expansions.

Finally, we have started to conduct assessments of IUCN Red List species that might live in areas where the Nordex Group operates. In 2021, we initiated such an analysis in Brazil, where we identified two listed endangered species 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 was involved in the factory construction process to supervise the activities and ensure species protection. In 2022, we extended the assessment to all other production sites but did not identify any other IUCN Red List species potentially living around our premises. Furthermore, although we did not build any new concrete tower factories in 2022, we have incorporated these steps into the process for all new concrete tower factories that we build on land that has not previously been used for industrial or agricultural purposes. «

## Environment

### Environmental Protection

#### RISKS AND OPPORTUNITIES

» 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. We evaluate all of our global activities, products, and services to determine whether they might have a negative environmental impact due to normal or abnormal conditions or potential emergencies.

We assess environmental impacts according to their environmental risk, which we determine 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 annual ongoing process as required by 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, as well as a variety of protection systems.

Furthermore, limited treatment options for some waste types might pose challenges and generate additional costs, which we will address through dedicated research and adjustment measures. Additionally, the Nordex Group acknowledges that the development of new locations in emerging markets might entail environmental risks due to lower legal requirements. To avoid the occurrence of these risks, the Company focuses on conducting internal and external audits on a regular basis and on establishing Group-wide standards, among other measures.

These risks could also be viewed as environmental opportunities, however. By setting and maintaining ambitious environmental protection targets, such as reducing waste and hazardous materials, we can demonstrate compliance with our stakeholders' increasing requirements while promoting environmentally friendly behavior in the regions where we operate. Finally, in view of these targets, we also consider environmental aspects to be closely connected

to quality and safety aspects. By focusing on reducing scrap and the need for rework, the Nordex Group can produce even higher quality products while posing less potential harm to the environment and improving health and safety conditions in our manufacturing processes.

#### SUSTAINABILITY STRATEGY 2025

In the reporting year, the Nordex Group kicked off various measures to achieve the five goals addressing environmental protection. With the aim of eliminating the landfilling of waste, improving the recovery rate and reducing waste generation, the Nordex Group's production areas elaborated on feasibility studies and local action plans, and they have already started to collaborate with local stakeholders and implement some measures. Additionally, the UPWIND management development training program for new talent incorporated two projects related to waste reduction. We have also initiated several measures for reducing hazardous materials, such as assessing substances of concern, and water efficiency.

For further information on the implementation of measures, see Action Plan "Environmental Protection," p. 79ff. «

**Environment**

Environmental Protection

## Sustainability Strategy 2025 – Action Plan “Environmental Protection”

»

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
<b>Goal 1: Achieve zero production waste to landfill by 2025</b>						
Complete feasibility study of landfill reduction options	2023	Qualitative	–	–	The Nordex Group’s rotor blade and nacelle factories further analyzed the baseline for waste that went to landfill in 2022. We use this data to evaluate the factories’ waste streams for improvement opportunities. In addition to the initial check in the previous year, the concrete tower factories carried out another waste survey to confirm that no waste is going to the landfill.	
Develop and implement local action plans to eliminate landfilled waste	Development: 2023 Implementation: 2025	% of landfill of total waste	0%	16%	We began to develop and implement measures to prevent the landfilling of production waste in our rotor blade production. For example, we now receive fabric supplied to size, reducing the material remnants that previously ended up in landfills.	
<b>Goal 2: Increase waste recovery rate by five percentage points by 2025 (baseline recovery rate of 2021: 55%)</b>						
Define and implement a Corporate Green Packaging Policy	2023	Qualitative	–	–	To provide a baseline for a Corporate Green Packaging Policy, we reviewed current methods of packaging. In this context, we launched an UPWIND project to identify options for reducing plastic packaging waste in a pilot study for the nacelle sites. The focus of this project was to evaluate a potential switch from polyurethane to biodegradable plastics, especially concerning inbound drive train logistics.	
Complete feasibility study of site-specific reuse and recycling options	2023	Qualitative	–	–	In 2022, we started a project with a local laboratory to determine what options are available for recycling resin waste in the context of rotor blade production.	
Develop and implement local action plans to increase reuse and recycling	Development: 2023 Implementation: 2025	% of recovery of total waste	60%	48%	We have already implemented some projects, such as supplying fabrics in reusable plastic containers for rotor blades. We also contacted suppliers to arrange the delivery of high-volume chemicals in larger containers, reducing the ratio of packaging volume to material. Furthermore, we signed an agreement with a cement company to recycle hazardous waste from the Vento site. Furthermore, we recycle waste from the concrete tower factories to produce concrete slabs.	

**Environment**

Environmental Protection

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
■ Achieved						
<b>Goal 3: Reduce waste generated per MW produced – specific to production areas: for blades by 5% and for towers and nacelles by 10% by 2025</b>						
Develop and implement local action plans to improve resource efficiency during testing and manufacturing processes	Development: 2023 Implementation: 2025	Qualitative	–	–	In the reporting year, we kicked off analyses to investigate the efficiency of concrete use during the different testing and manufacturing stages, for example.	
Ensure a more efficient use of hazardous materials to decrease hazardous waste through training campaigns and process adjustments	2025	Qualitative	–	–	We plan to kick off a project for this in the coming years.	
<b>Goal 4: Reduce hazardous materials and minimize their hazard potential</b>						
Assess use of substances of concern (SOCs; incl. substances of very high concern [SVHCs]) according to legal requirements	2022 » 2023	Qualitative	–	–	We have started to revalidate the Nordex Group's Black and Grey List. We also assessed the chemicals currently used against the Black and Grey List and created a Group-wide cadaster of blacklisted chemicals in use. In 2023, we will finish reconciling the materials in circulation in the Company and the Black and Grey List with all applicable legal requirements.	
Develop and implement an SVHC substitution plan	Development: 2023 Implementation: 2025	Percentage of SVHCs substituted <sup>1</sup>	100%	0%	Some substitution plans have already been established in the context of developing the cadaster. In 2023, we plan to develop further substitution plans for all blacklisted materials. For instance, the blade factories have proposed replacing their paint suppliers by 2023, as many of the current paints are on the SVHC list.	
Decrease hazardous materials in use based on the Black and Grey Lists	Annually	Number of materials excluded or substituted	n/a	1	We are continuously looking for ways to eliminate hazardous materials, and we actively seek to reduce both the total number of these materials and their hazard levels. A working group made up of representatives from all Divisions and production areas meets at least once a month to steer the project, and the reduction in blacklisted materials is included as a KPI for all areas. We identified elimination options for various hazardous materials and excluded another hazardous chemical in the reporting year.	

<sup>1</sup> Indicator was redefined in 2022.

## Environment

### Environmental Protection

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
						■ Achieved
Develop and implement product-specific global cross-site and local action plans to reduce VOC emissions in blade production by 5% per produced MW	Development: 2023 Implementation: 2025	kg of VOCs (reporting year)/kg of VOCs (2021)	5%	base year 2021: 142 kg/MW	The blade factory in Lumbier has changed the cleaning process for the LEP mixing machine. We now use a new mixture of cleaners that dilutes the VOCs and reduces their usage by 50%.	
<b>Goal 5: Increase water efficiency</b>						
Develop and implement measures for reduced water withdrawal, esp. in high-water stress areas	2025	m <sup>3</sup> /MW installed <sup>1</sup>	tbd	25.6 m <sup>3</sup> /MW	We have already kicked off analyses and initial measures to reduce water withdrawal. While the concrete tower factories launched a project to list the processes with the highest water consumption as a baseline for identifying ways to lower water demand, the rotor blade factory in India installed sensors to prevent artificial irrigation during rainy periods.	
Analyze and expand rainwater usage globally to additional sites	2025	% rainwater used	tbd	1%	In 2022, the concrete tower factories started to investigate the applicability of rainwater collectors despite being located in rather dry areas. Furthermore, the nacelle production area integrated a respective analysis into their Strategic Roadmap 2025 Sustainability Cluster.	

<sup>1</sup> Indicator was redefined in 2022.

«

# 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 2022, we focused on training development, both on further technical improvements to the Learning Management System (LMS), and on creating new content for training modules. In addition, we significantly reduced our risk and the lost time injury frequency (LTIF) from 3.2 to 1.5 in 2022.



Main Targets	Indicator	Baseline 2021	2022	Status
Reduce accidents to a lost time injury frequency (LTIF) of < 1.5 by 2025	LTIF	3.2	1.5	<span style="color: blue;">●</span> Achieved
Develop a comprehensive mental health strategy by 2023	qualitative	–	–	<span style="color: grey;">●</span>
Achieve a minimum of 25% female representation in management positions by 2025	Female leader share	17.1%	17.5%	<span style="color: grey;">●</span>
Reduce the voluntary turnover rate to below 5 percentage points of the market average by 2025	Voluntary turnover rate <sup>1</sup>	7.9%	11.3%	<span style="color: grey;">●</span>

<sup>1</sup> We plan to disclose the deviation from the (voluntary) market average turnover rate from Sustainability Report 2023 onward.

For further details, see p. 96 ff, 105 ff

## Social

### Fair and Attractive Employer

# FAIR AND ATTRACTIVE EMPLOYER

» The Nordex Group depends largely on the commitment, experience, and passion of our employees to achieve our goals. The People & Culture department (P&C, responsible for human resources) manages and takes responsibility for activities and initiatives to promote the satisfaction and motivation of our about 9,100 employees worldwide. Most employees are based in Europe, followed by South America, North America, Asia, and Africa. The department is committed to providing effective customer service to all other departments and employees through the timely delivery of innovative, high-quality P&C systems, processes and services. At the Nordex Group, we focus on professional personnel management in all aspects of collaboration. The department continually supports our employees and managers from the recruitment phase through the systematic integration and promotion of individual professional development, to the fair arrangement of employment exit options. Our main processes and measures regarding “fair and attractive working conditions” are summarized in the first section of this chapter.

At the Nordex Group, we provide tools, opportunities and support for professional development, including global training courses, talent and leadership programs, and individual consultation. Our corporate values of Integrity, Respect, Collegiality, and Ownership serve as a framework for the respectful behavior of each individual in our community and thus not least provide the basis for operational excellence. These values are the principles of our work ethic, our interaction with one another, and provide all employees around the globe with guidance for their actions alongside our internal rules and guidelines. In addition, our corporate values form the basis for our ten Nordex Leadership Principles, which describe how we at Nordex want to lead, motivate and inspire all employees. We communicate these guiding principles to all managers in worldwide training courses. Our main processes and measures regarding “employee development” and “leadership and company culture” are summarized in the second and third sections of this chapter.

In our global company where people with a variety of different geographical backgrounds and cultures collaborate, the P&C department promotes diversity topics, equal opportunities, and equal treatment in the workplace. Our main processes and measures regarding “diversity and inclusion (D&I)” are summarized in the last section of this chapter.

Overall, the P&C department focuses on harmonizing, improving, and creating employee service and development processes to directly improve the performance of the Nordex Group as a fair and attractive employer. «

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#### Employee Numbers and Development

As of 31 December 2022, the Nordex Group had 9,111<sup>1</sup> employees (+5% compared to the previous year) comprising 7,619 men (83.6%) and 1,492 women (16.4%). We employ people worldwide. Most of our employees are from Europe (66.6%), followed by South America (17.7%), North America (7.6%), Asia (6.6%), and Africa (1.3%). A total of 2,784 new employees joined the Company in 2022 (2021: 2,355). Most of them were employed in Europe (50.83%), followed by South America (29.3%) and Asia (10.5%). In Germany, we faced an employee decrease of around 20% in total, resulting in part from cutbacks such as the shutdown of a rotor

<sup>1</sup> The Nordex Group uses a head-count methodology.

blade plant in Rostock in June 2022. In other regions, such as Asia and South America, we increased our total number of employees by almost 50% and 43%, respectively, due to investment in new plants in India and growing production needs in South America. Most of our active employees are between the ages of 30 and 50 (68.4%), and we have 4,775 (52.4%) blue-collar employees and 4,336 (47.6%) white-collar employees. Most of the employees at the Nordex Group have a permanent contract (93.4%) and are employed full time (97.2%).

Further details on employee numbers and their development are provided in the appendix of this chapter (following GRI 2-7, 2-8, 401-1, 401-3, 405-1 standards).

## Fair and Attractive Working Conditions

### MANAGEMENT APPROACH

[GRI 3-3](#)

» The Nordex Group 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.

Promoting fair and attractive working conditions is relevant not only to positioning the Company as an employer of choice, but also to having a positive impact on society and carrying out the necessary work with high-quality staff to develop technology for the time of the energy transition. The Company also invests in countries with lower labor standards. Moreover, we continue to establish targets and measures for fair and attractive working conditions in line with our Sustainability Strategy 2025. We have implemented policies to achieve our goals as an employer, including Human Rights and Diversity and Inclusion policies. The P&C department 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.

The Nordex Group employs more than 9,100 people worldwide in Europe, South America, North America, Asia, and Africa.

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The specific criteria for remuneration and benefits differ in the individual countries and locations where the Nordex Group operates. It makes sense to harmonize offers and conditions in some areas, such as training, onboarding, leadership principles, corporate culture and working conditions. In other areas, however, we strive to provide individualized benefits, such as local sports activities, get-togethers, or subsidies for public transportation.

#### Insights into Global P&C Processes and Projects Digitization at P&C

To improve upon the P&C HUB, a cloud-based human resources management tool that creates an optimized way of tackling human resources management topics, we introduced a new user interface for all users: one that streamlines the user experience and makes the applications and modules of P&C HUB more accessible for users new and old alike.

#### Employer Branding Campaigns

Another focal point for the P&C department is to ensure that the Nordex Group remains an employer of choice that is attractive to future candidates. We continue to publish employee testimonials, and we have expanded the job boards where we announce new vacancies. Now that we are able to meet face to

face once again, we have also gone back to attending recruitment fairs and events. Our digitalized recruitment and onboarding process improves this experience for candidates and new employees and ensuring continuous communication from the very start. This year we put more effort into developing a diversity and inclusion strategy to promote a diverse culture internally and welcome candidates from all over the world.

#### VAMO Program – Employee Participation Program

Nordex employees not only drive sustainable wind energy through their work, they also had the opportunity to financially support green energy by investing in bonds for the Val aux Moines wind farm in France in 2020. This enables our employees to support the Company's progress while enjoying the advantages of an exclusive investment that we set up with the best possible conditions and minimized risk. For each bond purchased, we guaranteed 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. This opportunity was open to all Nordex Group employees in EU countries as well as the UK and Norway with a permanent contract in 2020. The program runs from 2020 to 2024.

#### Remuneration – Salary Grouping and Benefits

We continued to update and analyze the grading of all management positions using a consistent methodology. Our analysis involved assessing recent organizational changes and their impact on positions and departments in quarterly grading workshops, paying specific attention to all growing country organizations. Management grading is the basis for various global topics (job titles, bonus policy, salary levels, etc.), and it helps to structure our management and expert positions.

#### Stock Options Program – Long-term Incentive for Management and Experts

We managed a second allocation of stock options in our global stock options program, a 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. Program participants can purchase shares at a predetermined price after a waiting period of four years and if the stock price increases.

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#### RISKS AND OPPORTUNITIES

In 2022, a total of 2,784 new employees joined the Company (2021: 2,355). The Nordex Group continues to face the challenge of responding to fierce competition and skills shortage, as well as in its personnel management. The lack of skilled staff as well as fluctuation in management and key positions can lead to problems in the management of teams and to project delays. Recruitment challenges are highly dependent on their specific regional markets. We are countering the high voluntary turnover rate of 11.3% (2021: 7.9%) with employer branding and evaluation measures to identify weaknesses and reasons for leaving. To this end, we encourage employees to report on their work experiences, write reviews and participate in surveys, and we have started to implement a global offboarding process.

The Nordex Group sees risks relating to labor in locations of countries without proper labor laws and to the use of labor and suppliers from countries with few or low labor standards. To mitigate these risks, we are increasing awareness of our Human Rights Policy and Code of Conduct for Contractors and Suppliers.

#### SUSTAINABILITY STRATEGY 2025

In the reporting year, we kicked-off the first measures to foster our goal to be an attractive and innovative employer and reduce the voluntary turnover rate to below five percentage points of the market average<sup>1</sup> by 2025. To measure this goal, we defined the voluntary turnover rate in comparison to the global manufacturing market average as an indicator. The Nordex Group has a current voluntary turnover indicator of 11.3% globally. We are aware that there is a need to continue fostering employer engagement to reach our goal by 2025.

From 2023, we will additionally focus on the goal of promoting sustainable commuting and business travel and establish a global concept on sustainable mobility.

For further information on the implementation of measures, see Action Plan “Fair and Attractive Employer,” p. 96ff. «

<sup>1</sup> The comparison to a (voluntary) market average turnover will be disclosed from the Sustainability Report 2023 onwards.

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## Employee Development

### MANAGEMENT APPROACH

↗ GRI 3-3, 404-1, 404-2, 404-3

» Employee development programs and training are essential for positioning the Nordex Group in a highly competitive and dynamic market. They help ensure that our employees remain well trained, feel a sense of belonging in the Company, and are encouraged to grow. Proper training also ensures effective and safe working conditions both on and off site.

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 2025, we intend to continue and optimize the established employee development programs and processes.

### Talent Development and Recruitment

In preparation for recruitment training for managers, the Nordex Group has established a recruitment guideline that harmonizes the recruitment process. The guideline is designed to clarify, simplify, and standardize our processes for anyone involved in the recruitment process. It includes best practices, approaches, techniques, tips, and templates to help us to continue to bring on board qualified people in the future.

### 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, we gather the results of the Compass Dialogs in development meetings, which are referred to as **Compass Conferences**, and discuss them in 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 also take place during the Compass Conferences. Compass Conferences are mandatory for salaried employees and take place on a needs basis for industrial workers.

3. Compass Dialog offers employees and managers the opportunity to initiate and maintain a process of continuous feedback.

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 and guidelines that can be found on our intranet.

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The P&C department tracks the completion of Compass Talks and supports employees and managers in the process. With this structured approach, we ensure that we take into account the development wishes and expectations of our employees.

In the reporting year, at least 75%<sup>1</sup> of all possible Compass Dialogs took place, with managers holding discussions with a total of 3,692 employees (2021: 65%, 3,595 employees). «

P&C facilitated 93 Compass Conferences in the reporting period (2021: 43).

**Optimization of the Compass Process**

This year, for the first time, we integrated the Compass process into the “Performance & Goals” module of the P&C HUB. We adjusted the process and the tool based on past feedback. Improving the process and system for all Nordex countries was a major step toward establishing a smooth and stable Compass process. Based on this, we will further optimize the Compass process in 2023.

In 2022, we also migrated the annual employee appraisal talk, which is part of the Compass Dialog, to the central P&C system with the global implementation of the “Performance & Goals” module. We were able to adapt the process so that the development talks are more specific and employee-focused than in the previous system.

The aim of the “Performance & Goals” 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 leading technical training institution at the Nordex Group. There are local academies in Spain, France, the UK, South Africa, Turkey, and the USA. More than 80 Nordex trainers at the GTA worked with a total of 1,852 participants in 2022, including participants from our sub-contractors and customers. The average training hours per participant amounted to around 23 hours (2021: 6<sup>2</sup>).

Participants in remote or in-person training conducted through the GTA or by GTA trainers	Average training hours per person
Blue-collar employees	42:21
White-collar employees	10:37
Sub-contractors/customer participants	15:58
<b>All participants</b>	<b>22:58</b>

**>75%**  
of all possible Compass Dialogs took place

<sup>1</sup> Due to the implementation of the new system, there were some data issues with reporting blue-collar Compass Dialogs. The participation rate was probably higher than the rate tracked in the system.

<sup>2</sup> Compared to last year, we redefined the scope of the indicator and excluded e-learning participation. Fewer employees were therefore included in the scope of the training (2022: 1,852, 2021: 5,895).

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The N163/5.X turbine is installed at the citizen wind farm "Janneby" in Germany.



The Nordex Group offers basic training courses attended by all service employees 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 adopted a service technician curriculum which clearly defines the obligatory training for all Nordex service technicians worldwide depending on their job level. Qualifications are tracked via a new learning management platform that we introduced in February 2022 (see "Digital Learning Formats and e-Onboarding"). We host a number of e-learning modules on this platform as well.

The GTA in Hamburg follows the "train the trainer" approach to set global standards and pass them on to the local academies. GTA trainers and Converter Service experts taught forty regional trainers from every Nordex region in 2022 so they can conduct main converter training as well as all other types of component training in their respective regions. The new blended learning format will enable more local training in the participants' working language to make the training as effective and efficient as possible.

#### Junior Engineers Program

We created the Junior Engineers program 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, 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 such as the Public University of Navarra (UPNA) Renewable Energy Chair. More than 40 candidates took part in this comprehensive selection process, 10 of whom were accepted into the program in 2022.

#### Digital Learning Formats and e-Onboarding

The newly introduced learning management system (LMS) aims to incorporate all of the previous training into our old system, as well as integrate all of the different training courses from various countries. The new LMS provides cleaner, better and more accurate reporting, a seamless interface to our overall P&C HUB suite, and more efficient ways to monitor the single central platform for training courses. In 2022, 431 white-collar employees (2021: 719) participated in at least one module of our voluntary e-onboarding courses (participation rate: 51%).

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#### RISKS AND OPPORTUNITIES

» Good training and development opportunities for existing employees in the Nordex Group are both an opportunity and a necessity for good personnel management and the maintenance of operations.

Despite facing technical issues and the cyber attack during the year, we focused on improving our current processes for conducting and enhancing our training.

#### SUSTAINABILITY STRATEGY 2025

The Nordex Group has set the goal of optimizing its existing talent programs and providing additional programs for employee development. As described before, we introduced a new LMS and will continue to focus on improving its functionality and processes in the coming years. We achieved our goal of developing and implementing an unconscious bias training module. Further measures relating to this goal are described in the respective section under "Leadership and Company Culture" and "Diversity and Inclusion."

For further information on the implementation of measures, see Action Plan "Fair and Attractive Employer," p. 96 ff. «

## Leadership and Company Culture

### MANAGEMENT APPROACH

➤ GRI 3-3

» We transmit our Nordex Leadership Principles through our globally rolled-out Trust.Listen.Lead. Leadership Development Program. Our goal is to create a uniform understanding of leadership across different countries and cultures on how managers lead, motivate, and inspire people at the Nordex Group.

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 into our globally established Trust.Listen.Lead. Training program in all countries where the Nordex Group has locations. Another management development training program for talented employees is the UPWIND program.

### Management Development Training

#### Trust.Listen.Lead. – Nordex Leadership Training

This program for new managers takes learning curves into account, which are helpful for creating sustainable learning effects. We offer different modules with learning nuggets as homework over a period of approximately eight weeks. We expanded the program in the reporting year to include subjects such as unconscious bias; leadership in diverse, intercultural environments; and emotional intelligence. We have been delivering purely virtual sessions on account of the pandemic, but we will also supplement these again with in-person meetings from the beginning of 2023.

Due to a technical incident and the change of the original system Campus to the P&C HUB system, we had difficulty collecting accurate participation and completion data. From January to December, 14 teams with about 113 managers participated in the new program.

We plan to roll out another leadership development program in 2023. It targets all managers at management levels M1 to M4 who have completed the foundation program once and are now seeking

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further leadership development, or who have been in a leadership role for several years at another company. «

#### 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 toward filling key positions, thus seeking to increase the proportion of internally appointed managers. In 2022, we 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 like, for example, an intercultural training, while still providing the foundational training and human-centered approaches.

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

We put together groups that are as diverse as possible to create worldwide talent networks that enable the participants to learn from different perspectives.

Last year we had so many talented employees nominated that we decided to start two Upwind Groups with 11 participants each for the first time in 2022.

#### Unconscious Bias Training

In our Diversity and Inclusion Strategy and our Sustainability Strategy, we committed ourselves to a more diverse and inclusive organizational future. Our e-learning module is mandatory for all managers as well as all P&C colleagues globally who are responsible for recruiting and developing employees and teams. In this way, we aim to eliminate biases for and against particular things, people or groups. Our e-learning module explains unconscious biases, makes us more aware of them and, most importantly, shows us how to overcome them.

To encourage continuous learning, our external provider offers a library of microlessons based on diversity, equity, and inclusion topics. These microlessons cover issues such as “Inclusive Recruiting and Culture Fit,” “Creating a Trans-Inclusive Workplace,” and “Different Languages in the Workplace,” and will be available in our new LMS from 2023.

#### RISKS AND OPPORTUNITIES

» The cyber attack this year made it more difficult for us to organize our new leadership training in our LMS, but we managed to conduct all planned management training with only a slight delay. Our leadership training is especially important in light of our high turnover and a correspondingly high proportion of new managers entering the workforce.

In a company with over 90 nations of different gender identities, age groups, disabilities, political or religious beliefs, sexual orientations or other characteristics, every social group can be a target of conscious or unconscious bias. This can hinder teamwork and lead to unequal treatment and misconduct toward colleagues. This is where we see our training module as an opportunity to raise awareness of possible unconscious bias, prevent any negative effects and improve team spirit within the Nordex Group.

#### SUSTAINABILITY STRATEGY 2025

To foster leadership and promote its company culture, the Nordex Group has set the goal of optimizing its existing talent programs and providing additional programs for employee development. We developed a new leadership program in 2022. The responsible P&C employees will focus on the global implementation of this program and increase participation rates in the coming years. The measure for maintaining a minimum 40% participation quota for women in the UPWIND talent program will also generate synergies with diversity and inclusion (D&I) topics.

For further information on the implementation of measures, see Action Plan “Fair and Attractive Employer,” p. 96ff. «

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## Diversity and Inclusion

### MANAGEMENT APPROACH

↗ GRI 2-30, 3-3, 401-3, 402-1, 405-1, 405-2, 406-1, 407-1

» The diversity of our global workforce contributes to the Nordex Group's success. We work with people of different genders and ages, and we value different cultural backgrounds, attitudes, and lifestyles. With this in mind, we set gender equality targets across the entire Company. We support the inclusion of a diverse workforce through various initiatives and measures and acknowledge that sustainable diversity relies on an inclusive work culture on every level.

We hold ourselves accountable for creating a diverse and inclusive workforce by implementing the principles and targets in our Diversity and Inclusion Policy and Human Rights Policy. These principles also take a central role in the new Nordex Code of Conduct.

In 2022, aspects of diversity and inclusion were placed at the center of Nordex' internal P&C communications (e.g., #BreakTheBias Initiative). The aim was to make all aspects of diversity and inclusion transparent and to involve employees in the process. We are proud to share that we reached our 40% quota for female participation in our talent development program in 2022, but we have not yet achieved all of our objectives with respect to gender equality. The proportion of women in the workforce worldwide currently is 16.4% (2021: 16.5%). 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 17.5% (2021: 17.1%) in the reporting year. To achieve improvements in this area, we pay particular attention to including women in our managerial promotion programs.

We will increase our efforts to attract a growing number of qualified female managers in the future and obliged external recruitment consultants to put forward suitable female candidates for vacant management positions. In addition, we already founded a D&I Council in 2021.

The Nordex Group plans to conduct a detailed gender pay gap analysis for the Sustainability Report 2023. A general assessment showed that the basic salary for women and men is at a relatively similar level across all the salary groups in the assessed countries of Spain and Germany. In some salary groups, the basic salary for women is higher than that for men, and in others vice versa. In 2023, we plan to analyze

if these differences are systematic, which means if there is a gender-related connection between position level and salary difference in these countries. The introduction of an equal salary structure is required by law in Spain.

### Diversity and Inclusion (D&I) Council

Nordex' D&I Council is a diverse group of leaders who contribute expertise from different departments and countries. The council assists the D&I team in setting realistic and achievable goals. It also helps ensure accountability for the implementation of our strategy, and it provides governance and supervision on diversity and inclusion topics. All members of the council act as sponsors, advocates and role models. The council represents the full breadth of our functional expertise, with 14 members chaired by the CEO and facilitated by the D&I Leads.

The D&I Council meets every 3rd month to discuss the initiatives and measures proposed by the D&I team for maintaining a diverse workforce and driving change in line with Nordex' values. In acknowledgment of the need for change in this area, the Nordex Group has approved further resources for improving diversity and inclusion (such as external advisory support). With these resources and the assistance of the D&I Council, the Nordex Group is undertaking an ambitious diversity and inclusion journey. «

# 17.5 %

share of women in all management levels  
(our goal by 2025: 25%)

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Please find our D&I Policy on our webpage

With the following kinds of initiatives and resources, the Company is working on improving diversity and inclusion:

- › **D&I Policy:** We created a Diversity and Inclusion Policy as a starting point and baseline for all practices that we will implement throughout the Nordex Group.
- › **D&I Leads:** A P&C Development Specialist (German/female) and an Employer Branding and Recruiting Specialist (Spanish/male) share responsibility for D&I at 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 (on hold in 2022<sup>1</sup>).
- › **Recruiting Guideline:** In compliance with our ambitions and D&I Policy, we continue to aim for having 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.

<sup>1</sup> The women’s network was on hold in 2022 due to capacity constraints in the P&C team triggered by the impacts of the cyber attack.

- › **Top Management Involvement in Gender Equality:** The topic of unconscious bias is included in the new leadership development program for all leaders.
- › **Integrate learning on diversity and inclusion into all existing development programs:** We have expanded all of the talent and leadership development programs mentioned above with relevant learning content. These include leading cross-cultural teams and overcoming unconscious bias in decision-making situations and inclusive leadership.

**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, for example 119 (2021: 177) employees in Germany took parental leave.

In the reporting period, the Nordex Group employed 35 severely disabled people in Germany (2021: 57) who had indicated their severely disabled status to their employer. We faced a decrease in disabled employees because of the shut-down in the GVZ location in Rostock in 2022. At the Nordex Group in Germany, an inclusion agreement has been in force since January 1, 2022. The purpose of the inclusion agreement is to support the professional integration of severely disabled people and people with equivalent rights in the company. We have agreed to make improvements to various requirements, sometimes in addition to the legal requirements. For example,

the Nordex Group has agreed to compensate employees with equivalent rights as disabled employees by granting them two days of special leave. We also agreed on further measures concerning internal and external qualification opportunities, improved integration into working life during working hours, mobility infrastructure, and mobile workstation options.

**Employees with disabilities in Germany<sup>2</sup>**

	2022	2021
White collar	24	n/a
Management Board	0	n/a
Management positions (M1–M4)	2	n/a
Blue collar	11	n/a
<b>Total</b>	<b>35</b>	<b>57</b>

<sup>2</sup> A breakdown for 2021 data cannot be presented.

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#### 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 P&C department, together with the managers responsible.

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

**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 review their grading and their complaint. The arbitration board comprises two employee representatives and two members of the local works council. In 2022, 12 complaints (2021: 12) consisted of inquiries under the Remuneration Transparency Act, meaning emails from an employee to either the works council or P&C. The average annual income is calculated if there are at least five or six people doing a comparable job.

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If there are additional conflicts, the works council in Germany and the P&C department have recourse to external Conflict Resolution Officers as contact persons and mediators. Including Nordex Germany GmbH, we had four local works councils (Hamburg, Nacelle production DMR and blade production GVZ in Rostock, Germany GmbH). There is also a Group works council at the group level and two general works councils at the company level (one for SE and one for Energy SE & Co. KG). Five cases of discrimination were reported using our “notify!” whistleblower system in accordance with the relevant Nordex works agreement.

**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.

### RISKS AND OPPORTUNITIES

» Diversity is not only a moral imperative, but also a business imperative for the Nordex Group. 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. In the past, neither the Nordex Group nor the wind industry as a whole put sufficient effort into 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 17.5% in reporting year 2022. In other

words, women are currently still underrepresented in our management positions. More women than men pro rata also switched to part-time work during the pandemic. These developments make clear that the D&I Council must be even more vigorous in pursuing the diversity vision and goals of the Nordex Group.

### SUSTAINABILITY STRATEGY 2025

In the reporting year, the D&I Council worked on initial measures for creating awareness of the D&I mission, vision and strategy. This was the first step toward the sustainability goal of “Achieving a minimum of 25% female representation in management positions by 2025.” In 2022, there was no significant rise in the number of women in management positions in comparison to 2021 (+0.6%). We postponed the second measure in the Sustainability Strategy 2025 until 2023. To achieve our goal, we will introduce further measures in the coming years.

For further information on the implementation of measures, see Action Plan “Fair and Attractive Employer,” p. 96ff. «



For more information on our “notify!” whistleblower system see the chapter “Business Ethics, Compliance, and Integrity”, p. 128

We strive to build a workplace rich in diversity and fluid in inclusion. Where people from different backgrounds with different talents bolster creativity and innovation. This leads to the best decisions for sustainable growth.

**Social**

Fair and Attractive Employer

## Sustainability Strategy 2025 – Action Plan “Fair and Attractive Employer”

»

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implement- ation
<p style="text-align: right;">■ Achieved</p>						
<b>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</b>						
Increase smart working conditions for white-collar workers in offices wherever feasible (hybrid working model) to 80%	2025	% of white-collar workers in offices offered hybrid working model	80%	100%	We currently encourage our offices to offer a hybrid working model in most countries where local laws allow for it. In 2022, 100% of our white-collar workers were offered the option of working three days in the office and two days from home. The workers council in Germany still has to approve the current smart working conditions Policy in 2023.	
Implement a new learning management system and improve the existing Compass system (performance and goals module for all performance appraisals), with 80% of employees using the system annually	2022	Number of countries	–	All countries	Both systems have been implemented, so all countries now have access to the global modules offered by the Nordex Group. In 2022, at least 75% of employees used the performance and goals module.	
	ongoing	% of employees who performed the Compass Dialog <sup>2</sup>	80%	75%		
<b>Goal 2: Optimize talent programs and provide further programs for employee development</b>						
Introduce a new leadership program with updated content and an inter-cultural setup by 2022. A minimum of 80% of new managers will participate in the program	2022	Qualitative	–	–	We developed the new leadership program, with the first new managers participating in 2022. We will track the participation rate from 2023.	
	annually, starting from 2023	Participation rates (all managers) <sup>3</sup>	80%	n/a		
Maintain the participation quota for women in the UPWIND program at a minimum of 40%	ongoing	Female participation rate	40%	40%	One way to ensure this target is to focus particularly on the women with the highest performance and potential in each department and country. This year, we slightly surpassed the female minimum participation quota of 40%. The two groups consisted of 11 people each from five countries and four or five women, respectively.	

<sup>1</sup> The full achievement of this measure depends on the workers council decision in 2023 to maintain a 100% hybrid working model in all countries.

<sup>2</sup> Indicator scope and target year were redefined in 2022.

<sup>3</sup> Indicator scope was redefined in 2022.

**Social**

Fair and Attractive Employer

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
						■ Achieved
Develop and implement a new talent program to broaden training options	2025	Participation rate	100%	n/a	We are currently planning all talent and leadership development programs for 2023.	
Develop and introduce unconscious bias training by 2022	2022	Qualitative	–	–	We developed and implemented the training. Furthermore, the Nordex Group committed itself to a more diverse and inclusive future. Our e-learning module is mandatory for all managers as well as all P&C employees globally. In this way, we aim to eliminate biases for and against particular things, people or groups (further details can be found in the “Diversity and Inclusion” section).	
Implement training sessions for manager mentoring (manager mentoring program)	2025	% of managers covered	100%	–	Projects will start in the coming years.	
Buddy program in 80% of the countries with more than 50 employees	2025	% of new WC employees participating	80%	–	The project starts next year together with an onboarding project. We have already tested the program in Spain and intend to implement it in further countries as part of the global onboarding project.	
<b>Goal 3: Achieve a minimum of 25% female representation in management positions by 2025</b>						
Conduct regular surveys and data analytics to monitor D&I	2022 » 2023	Qualitative	–	–	We postponed the kickoff for this measure until 2023.	
Communicate the D&I mission, vision and strategy internally and externally	2022	Qualitative	–	–	We kicked-off an internal communication plan in the last quarter of 2022. It is an initial attempt to raise awareness of diversity and inclusion internally by generating transparency.	

## Social

### Fair and Attractive Employer

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
■ Achieved						
<b>Goal 4: Promote sustainable commuting and business travel and establish a global concept for sustainable mobility</b>						
Revise company car guideline	2023	Scope 1 CO <sub>2</sub> emissions regarding company cars <sup>4</sup>	–	8,032 t CO <sub>2</sub> e	The Nordex Group started to address this issue on various levels in the reporting year. An interdepartmental project team developed new globally applicable criteria for adjusting the leasing specifications in the context of the climate action plan for reducing scope 1 and 2 emissions. Since the Nordex Group has the largest corporate vehicle fleet in Germany, P&C specifically worked on improving the German company car guideline. We plan to coordinate these updated criteria with lessors in 2023.	
Integrate sustainability criteria into Commuting and Business Travel Policy	2023	Scope 3 CO <sub>2</sub> emissions regarding commuter behavior and business travel <sup>4</sup>	–	11 kt CO <sub>2</sub> e (2021) <sup>5</sup>	We plan to form a global mobility task force in 2023 to coordinate sustainability criteria for commuting and business travel.	
Establish/improve bike infrastructure standards (only in Germany)	2023	Satisfaction rate	tbd	–	We plan to conduct a gap and potential analysis in 2023 to implement measures for improving the cycling infrastructure. This could serve as a blueprint for other Nordex countries where we could promote bicycles as a means of transport more heavily.	

<sup>4</sup> Indicator was redefined in 2022.

<sup>5</sup> We assessed this value in the context of the CCF 2021 analysis referring to GHG emissions from commuting and business travel covering all production, office, and service premises.

«

## Social

### Occupational Health and Safety

# OCCUPATIONAL HEALTH AND SAFETY



Please find our QHSE Policy on our webpage

## MANAGEMENT APPROACH

7 GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9

» Our employees' health and safety in the workplace is of the greatest importance to us at the Nordex Group and represents a key element of our Sustainability Strategy. Nordex employees involved in the production of wind turbines, the installation of wind parks, maintenance and service activities are exposed to a wide range of hazards with the potential to impact their physical and mental well-being. These include working in and around machinery on construction sites, work at height, work with electricity and hazardous materials, work remotely and in hot or cold environments. We continuously and systematically strive to further develop our safety culture and make our work environment safer. Therefore, we consult with our own employees, works councils as well as our business partners and subcontractors in order to incorporate the widest possible range of knowledge into our daily work. We regularly communicate our performance in terms of quality, health, and safety protection within the Nordex Group via the intranet, as well as in employee information sessions and management meetings.

The Nordex Group revised its QHSE Policy in 2022 to emphasize the importance of management topics including occupational health and safety. All employees in leading or supervising positions are requested to share the QHSE Policy with their teams.

We adopted a shared Health, Safety and Environmental vision across all parts of the Nordex Group. This consists of 12 statements that describe the aims of the Nordex Group, for example regarding compliance with legislation and standards, responsibilities and roles in the QHSE area, biodiversity, and waste. All of our strategic actions are designed to move the Nordex Group closer to one or more of these statements.

## Certifications and Awards

In 2022, 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. We are certified as a multi-site company, so all Nordex operations are included in the scope of ISO 45001 and are covered by multi-site certificates. 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. We use

our certified processes in all countries in which we operate. All employees work within the occupational health and safety management system.

We were also externally recognized through the global award scheme organized by the Royal Society for the Prevention of Accidents (RoSPA). Nordex UK was the winner of the Renewable Energy Sector Award.

## Insights into Nordex's Safety Culture

Our safety culture is underpinned by knowledge-sharing within the teams and the collaborative development of solutions. Our Safety Stand Downs and Lessons Learned processes ensure a Group-wide learning curve for QHSE experiences. In the event of an incident, these processes enable us to promptly notify all employees and other stakeholders carrying out similar tasks and support them with suitable countermeasures. This helps to prevent repeat incidents, minimizes the number of dangerous situations for our employees and partners, and highlights areas for optimizing our safety training, processes, and product design.

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### Occupational Health and Safety

The Safety Notifications process covers three different levels of communication (Safety Information Letter, Safety Notice, Safety Alert) based on an incident's severity and type. These documents advise on health, safety, or environmental changes to operating practices, products, or documentation.

Safety Walk & Talks are another key component of the Nordex Group's health and safety culture. This 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.

Our teams and subcontractors focus on identifying and reporting near misses and unsafe actions, which we investigate in a transparent way so that we can deploy corresponding corrective measures. This complements the risk assessments carried out in the field. Area managers act as QHSE coaches for their teams, and all employees are involved. The teams practice critical self-reflection in the interest of further development. We conduct reviews and audits

of our suppliers and subcontractors. We collaborate with our existing and potential subcontractors to incorporate them into our QHSE culture, but at the same time we enforce our standards.

We set up a QHSE governance system 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 on 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 occupational health and safety performance within the global industry.

We promote the seven principles of safety which we 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 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

## Social

### Occupational Health and Safety

#### Occupational Safety Committees

Organizations in each country establish Occupational Safety Committees in accordance with locally applicable laws and best practices. The general managers of each site or country chair these committees; regular participants include occupational safety specialists, safety administrators, representatives of the workforce (works councils in some countries), and other specialists where relevant, such as works doctors.

#### Way Forward to “Zero Accidents” – Our 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 review the effectiveness of the measures taken to improve our safety culture. We use a mix of lagging and leading indicators.

Lagging 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 Lost Time Injury Frequency (LTIF) 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 sub-contractors. 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.”

Leading indicators such as the number of training courses, on-time PPE (personal protective equipment) inspections, safety awareness communication, and management “Safety Walk and Talks” are proactive safety measures. In redefining processes (e.g., Project Site Weekly Reporting), we are focusing more on leading indicators to drive improvement in safety culture at our sites.

In 2022, we incorporated training records specific to QHSE into the Nordex Group learning platform, with a link from the database ensuring that KPIs are maintained. We also defined and introduced a QHSE scorecard to harmonize key performance measures and definitions across the Nordex Group.

#### Corporate LTIF Target Achieved

The goal defined in our Sustainability Strategy 2025 is to further reduce occupational accidents and achieve an LTIF below 1.5 at the Group level by 2025. An interim goal is to reduce the LTIF to below 2.8 by 2022. The success of these efforts is reflected in an LTIF of 1.5 in 2022. To reach our targets and maintain this performance in all areas, we will continue to harmonize our Nordex Group processes using best practices from all our activities and implement programs to raise awareness of risk and gather feedback from incidents.

**Social**

Occupational Health and Safety

**Significant Occupational Accidents<sup>1</sup>**

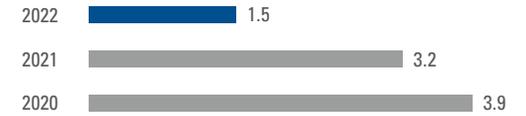
↗ GRI 403-9

	Employees			Service provider		
	2022	2021	2020	2022	2021	2020
<b>Nordex Group (Overall)</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>15</b>	<b>15</b>	<b>16</b>
Africa	0	0	0	0	3	2
Asia (incl. Australia)	0	0	0	0	1	2
Europe	2	3	1	10	6	5
North America	3	3	1	4	3	1
South America	2	2	1	1	2	6

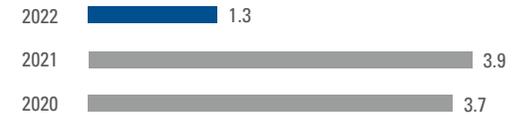
<sup>1</sup> Significant accidents include actual accidents with severity 3 and 4. The recorded accidents are rated by means of a classification system. We differentiate between four rates of severity (SR):  
 SG 1: No injury, or slight injury or health impact  
 SG 2: Moderate injury or health impact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

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

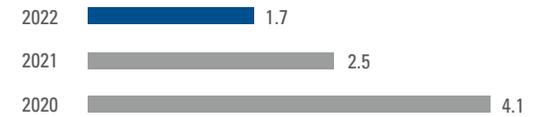
**Nordex Group (incl. service provider)**



**Internal**



**External**



**LTIF  
of 1.5**

in 2022

The most significant clusters of significant accidents in 2022 concerned vehicle accidents on our construction and service sites, falling objects during handling activities and workers falling (mostly during site construction activities).

We unfortunately had to report one fatality (rate of fatalities as a result of work-related injury: 0.025) in Germany in 2022, which occurred during turbine construction and involved a fall within a turbine by one of our subcontractors. It shocked us all deeply

and reminded us of the importance of continuous safety. We revised the processes for managing contractors (approval, communication of requirements, monitoring), which remain a specific focus for further improvement.

**Training our Employees**

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.

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### Occupational Health and Safety

We base the training at our own academies on Global Wind Organization (GWO) standards and offer certified training courses through our academies in Turkey and Germany (training courses from the Technical Academy are described in the chapter “Fair and Attractive Employer,” p. 88 ff).

We continued with and initiated further training and safety awareness programs in 2022:

- › Following the success of the site awareness training known as the “**Annual Safety Site Instruction (ASSI)**” e-learning module, the HSE team worked with the global training academy in 2022 to develop and launch further online training packages relating to product safety. These multimedia packages include comprehension tests and are allocated to employees on a role-related basis.
- › The “**Back to Basics**” monthly safety awareness campaign was launched in nacelle factories in 2022 to reinforce communication on health and safety issues with the aim of promoting and ensuring a safer working culture and environment.
- › We offer the “**Take your time**” campaign on key health and safety topics monthly via the Nordex Group forum and email channels. Topics have included mental health, effective communication, emergency response, personal wellbeing, work in extreme temperatures, working with hazardous materials, positive occupational health and safety culture, workplace organization (5S), and supervision and training.

- › We issue a dedicated campaign on **PPE usage** covering different topics monthly via the Nordex Group forum and email channels.
- › We continued to focus on reporting and **addressing unsafe conditions and unsafe behaviors** in order to eliminate hazards before they can develop into an incident. The resulting figures have far exceeded the targets, with >30 unsafe conditions and behaviors identified for every event that progressed to a first-aid case (the strategy target was a minimum of 10).
- › The **360° transformation project** has successfully rolled out processes developed in Brazil to all Latin American countries, where they are being implemented at all new construction sites. From 2023, this process will include all countries under the responsibility of Division International. Currently, we conduct a gap analysis with existing Division Europe processes to ensure that we can implement the benefits of the project globally.
- › **Sustainability and Health Day 2022:** At our head office Hamburg, Germany, we conducted a Sustainability and Health Day with different workshops, information booths and keynote talks (see the chapter “Business Ethics, Integrity and Compliance,” p. 123 ff).

### 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 also harm the reputation of the Nordex Group, and lead to financial burdens.

The industrialization of new projects (especially through manufacturing, installation and service) poses an increased risk of accidents because many new employees and service providers have to become familiar with the Nordex Group’s safety rules and products as the Group grows. In order to ensure that our employees and subcontractors always meet our safety standards, a task force has redefined our contractor management process to include:

- › Nordex Group homologation audits and local country competence audits prior to awarding contracts
- › Pre-start, mid-work and post-contract audits for main contractors
- › Post-contract reviews and a lessons learned process to inform Global Sourcing

Though the Company has made improvements and achieved a high standard of occupational health and safety, we still strive to reduce the number of incidents in order to maintain the trust of our employees and partners. Parallel to this, we continue to harmonize and standardize the processes of the occupational health and safety organizations on a global level. At the Nordex Group, quality and safety aspects go hand in hand with environmental

## Social

### Occupational Health and Safety

aspects. For example, we aim to reduce waste and hazardous materials through our measures and targets for environmental protection in manufacturing. We also focus on reducing scrap and the amount of reworking that is required. This leads to better products from both a quality perspective and a health and safety perspective when we are working on these processes, so it has a positive impact on health and safety in general as well.

#### COVID-19

The global pandemic continued to impact our business activities early in 2022, as restrictions remained in place. The whole Nordex Group, and especially

the P&C and QHSE departments, remained focused on supporting our business in the difficult situation triggered by COVID-19.

The Business Continuity Task Force continues to monitor all COVID-19 cases reported in the Nordex Group, and it also oversees our internal vaccination programs and test centers at several production sites, including in India, Spain, and Germany. Meanwhile, P&C and QHSE functions have guided the business through return-to-work programs and moving to blended working arrangements.

#### SUSTAINABILITY STRATEGY 2025

In the reporting year, we continued several measures to reach our goal of reducing our LTIF to below 1.5 on a global level by the end of 2025 and creating a safe working environment for all our employees and partners. The global LTIF in 2022 matched the 2025 target primarily due to improvements in performance in all areas of the business, especially within the blade factories and in Division Europe. In 2022, we kicked off several occupational health and safety measures from the Sustainability Strategy Action Plan. To reach our goal of developing a comprehensive mental health strategy by 2023, we launched some initiatives at the country level in 2022 and will expand on them in the coming year. This comprises employee support for anyone affected by concerns about any issue (work, relationships, finances, etc.), as well as surveys and the allocation of responsibilities. We implemented further actions where the work culture already allows for them. For example, in the UK and Ireland, a well-being committee organizes competitions, the invitation of guest speakers on a range of mental health and well-being topics, and communication within the regional organization. We also took the first steps toward our third goal of “Reducing accidents in the supply chain” by redefining a global contractor management process to improve the evaluation of suppliers on safety issues.

For further information on the implementation of measures, see Action Plan “Occupational Health and Safety,” p. 105 ff. «

HCOB Run 2022 in Hamburg's Hafencity: For #TeamNordex it was already the 10th participation.



**Social**

Occupational Health and Safety

## Sustainability Strategy 2025 – Action Plan “Occupational Health and Safety”

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Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implement- ation
<b>Goal 1: Reduce accidents to a lost time injury frequency (LTIF) of less than 1.5 per 1 million working hours by 2025</b>						
Conduct employee training and safety campaign for continuous improvement in safety for each activity and production process	2025, tracking from 2023	% of employees trained/reached	–	n/a <sup>1</sup>	Several independent safety awareness and improvement campaigns exist covering all areas of the Nordex Group (see Management Approach). By 2025, we intend to improve the coordination of these campaigns to increase their alignment, harmonize their branding, and reduce overlap.	
Retain ISO certification for occupational health and safety management system (ISO 45001)	annually	Qualitative	–	–	In 2022, Division Europe successfully resecured its ISO45001 certification covering all activities. The certificate for Nordex's Division International remains valid until 2024.	
Focus on QHSE perspective in product and equipment design	2022	Qualitative	–	–	QHSE specialists were involved in gate reviews with the product and equipment design team in 2022. They ensured that QHSE requirements were taken into account in Project Management, Manufacturing, and Service activities.	
Update Nordex Group QHSE strategy to harmonize QHSE processes	2022	Qualitative	–	–	With the new position of Director Corporate HSE Strategy and Development on Nordex' global QHSE level, we made new resources available to harmonize global QHSE processes. We held the first strategy workshops and created a harmonized vision in 2022.	
Develop and implement safety awareness program to award the best preventive action in each quarter	2022 » 2023	tbd <sup>2</sup>	–	n/a <sup>1</sup>	We will kick off the project in 2023.	
Study possible QHSE improvements to be incorporated into lifting equipment	2022 (stopped, irrelevant)	Qualitative	–	–	We stopped this measure due to other priorities and will no longer track it under the Sustainability Strategy 2025.	

<sup>1</sup> The scope of data regarding the indicator of this measure will be defined by 2023.

<sup>2</sup> Indicator based on award schemes will be defined in 2023.

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### Occupational Health and Safety

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
						
<b>Goal 2: Develop a comprehensive mental health strategy by 2023</b>						
Launch campaigns that promote measures to reduce psychosocial risks	2022	Qualitative	–	–	Several campaigns already existed, or we launched them in 2022 on the country level. We combined mental health best practices from various parts of the organization into a Europe-wide program to be implemented in 2023.	
Foster a healthy workplace in offices, production, wind farms, and remote environments	2025	Qualitative	–	–	The Nordex Group is planning and preparing a program of campaigns for 2023, with 12 topics covering mental health and well-being.	
<b>Goal 3: Reduce accidents in the supply chain</b>						
Evaluate suppliers on safety issues	2022	Qualitative	–	–	We will assess new and potential suppliers on ESG topics, including occupational health and safety issues. In 2022, we redefined a global contract management process. We planned further work for 2023 to manage contractor documentation in a more systematic manner.	
Implement training to ensure NORDEX' 10 BASIC RULES are fulfilled by 3rd parties	2023	Qualitative	–	–	All Nordex areas committed to the Nordex requirement that all contractor personnel complete ASSI and turbine safety training before working on sites or within turbines.	
Include LTIF targets in all subcontractor contracts	2025	Qualitative	–	–	Project has not started yet.	

«

**Social**

## Corporate Social Engagement

# CORPORATE SOCIAL ENGAGEMENT

GRI 413-1

The Nordex Group is a dynamic company operating in over 40 countries. In addition to our economic goals, 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. As part of this commitment, we are connected to the communities in which we and our customers operate, and we engage in local projects to meet their specific needs. We aim to foster sustainable social

and economic development through educational initiatives, wealth creation, local job creation, and hiring local suppliers.

Our social engagement activities focus on supporting public and private institutions for training and professional development, which are active in the fields of renewable energy and climate protection, as well as on social and humanitarian aid projects and organizations. We established a Group-wide Donations Policy to manage these activities.

In 2022, the Nordex Group made various financial and in-kind donations to local and regional aid organizations close to Nordex sites and wind parks. To foster education, we expanded its Education and Socio-Economic Development (SED) Project in South Africa, continued supporting rural regions and women in Turkey, and helped construct school buildings in India. In Brazil, the Nordex Group was involved in several projects with a focus on health, community gardening, and reusing fresh concrete. At the end of the year, the works council in Hamburg and Rostock called for the “Shining Children’s Eyes” campaign to bring joy to needy children in Ukraine with donations in kind. The following section explains these selected projects in more detail.

## Community Relationship Projects

### SOUTH AFRICA

#### Nordex Education Trust

In South Africa, the Nordex Group accompanied its market entry with the foundation of the Nordex Education Trust, which holds a 20% stake in Nordex Energy South Africa (NESA). This trust 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. Over the past few years, we have helped numerous non-governmental organizations, schools, and universities, as well as sports and cultural associations, thus establishing robust partnerships in all the communities in which we operate. In 2022, our activities through the Nordex Education Trust targeted training and further education in various higher education institutions.

In the reporting year, two beneficiaries completed their studies and one beneficiary received a two-year internship with the Department of Forestry, Fisheries, and the Environment.

A group of trainees shows off their progress in furniture manufacturing as part of the Socio-Economic Development (SED) Project in Adelaide, South Africa.



## Social

### Corporate Social Engagement



Community garden  
in Brazil

#### Socioeconomic Development Project (SED)

In 2017, NESAs launched its SED. Focusing on four major topics – youth development, women’s empowerment, early childhood education and support for disabled persons – the SED aims to help young entrepreneurs grow in all areas, and it supports the beneficiaries in achieving economic independence. Through regular direct communication, we identify the most pressing needs of individual communities and tailor the SED program to them accordingly.

In the reporting year, NESAs continued to respond to the plight of disadvantaged rural communities in South Africa. The SED focused on training young people in and around the communities where we operate. The project is based in the small rural town of Adelaide, where 15 young unemployed people are being trained in woodworking, handicrafts and furniture manufacturing. This initiative will enable them to either find employment or start their own small businesses in the community. After completing the program, the trainees can take home all the power tools and equipment they trained with to start their small businesses. In another program, NESAs awarded 22 grants for Enterprise and Supplier Development (ESD), which benefited ten Exempted Micro Enterprises and twelve Qualifying Small Enterprises.

In the years to come we will continue to build on the success 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 2023.

## BRAZIL

### Community Garden Project

In Brazil, a community garden was built in collaboration with our customer ENEL at the Lagoa dos Ventos wind farm located in the northern state of Piauí. It was created entirely from recycled construction materials, and the seeds were donated by employees of the Lagoa dos Ventos wind farm. The garden is cultivated in accordance with organic farming methods. The goal of this project is to provide healthy and fully organic food to all employees and partners at the site.

### Reuse Project Uibaí

At the Uibaí production site, we collaborated with our partner company Top Ambiental to launch a project for reusing fresh concrete for the production of precast elements. This enabled us to mitigate the environmental impact of our plant by reducing and properly disposing of waste while also lowering our costs for waste disposal and transport. The Nordex Group is creating opportunities for the company, which handles waste management and the sale of reused products, and for the community, which can buy bricks and other items. The project is designed to run for 6 to 10 years.

## Social

### Corporate Social Engagement

#### Health Campaigns

Another project in Brazil at the concrete tower production sites in Lagoa da Barro, Lajes and Uibaí focused on health campaigns to educate and inform employees in poor communities with limited access to health information. The campaigns include “Yellow September” to sensitize people to suicide prevention, “Pink October” to raise awareness of the symptoms and early discovery of breast cancer, and “Blue November” to draw attention to the signs and early detection of prostate cancer. In all campaigns, employees received informational materials to share with their families. A total of 622 people from all levels of the company participated: managers, supervisors, and employees. The campaigns will be held annually.

#### TURKEY

##### Education 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 therefore continued two projects in 2022 and launched new initiatives around Izmir in Turkey. First, since its publication in 2021, we have been distributing a book on wind energy technology to university and vocational school students to support their wind projects and spark their interest. Our second educational project aims to reach vocational students from rural regions, particularly women, to

introduce them to or deepen their knowledge of the wind energy industry. To do this, the Nordex Group continued organizing wind turbine technical workshops. In these workshops, men and especially women in vocational training or higher education who are students or employees of our partner organizations (EnerjiSA, EUAS) received technical and theoretical training in manufacturing and operations at a wind park. The best-performing students were given additional training and, in some cases, the chance to work at the Nordex Group as a service technician or in other positions in accordance with their technical knowledge and specialization.

#### INDIA

##### Local Community Support

In India, an educational project helped to improve learning conditions close to one of the Nordex Group’s nacelle factories. The financial support helped cover around one third of the construction costs for a school building in Ketnamalli, close to the city Gummidipoondi (India).

More than 350 parcels were packed for the Christmas campaign “Shining Children’s Eyes” – parcels for children in Ukraine.

#### GERMANY

##### Christmas campaign “Shining Children’s Eyes” – parcels for children in Ukraine

The situation in Ukraine has touched and affected us all very much. Since the children in particular are suffering from the war, it was a matter close to our hearts to help them. With the support of the works council, employees from the Hamburg and Rostock sites packed more than 350 parcels. The non-profit association DHHN transported all the gifts with its own trucks to Uzhgorod in western Ukraine. From there, with the support of local partners from e.g. children’s homes and church institutions, the gifts were transported further toward eastern Ukraine and handed over to the children.



**Social**

Appendix: Employee Numbers and Development

# APPENDIX: EMPLOYEE NUMBERS AND DEVELOPMENT

## Employee Groups

↗ GRI 2-7, 2-8

		Total		Africa		Asia		Australia		Europe <sup>1</sup>		Germany		Spain		North America		South America	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total Employees	Total	9,111	8,658	119	163	600	401	18	9	1,879	1,612	2,401	3,013	1,789	1,727	692	606	1,613	1,127
	Male	7,619	7,234	89	125	535	359	18	9	1,701	1,459	1,907	2,457	1,323	1,305	614	543	1,432	977
	Female	1,492	1,424	30	38	65	42	0	0	178	153	494	556	466	422	78	63	181	150
Permanent Employees	Total	8,559	7,594	97	87	532	350	17	7	1,788	1,523	2,300	2,589	1,615	1,354	609	570	1,601	1,114
	Male	7,181	6,367	70	64	493	325	17	7	1,618	1,384	1,829	2,096	1,192	1,011	539	512	1,423	968
	Female	1,378	1,227	27	23	39	25	0	0	170	139	471	493	423	343	70	58	178	146
Temporary Employees	Total	552	1,064	22	76	68	51	1	2	91	89	101	424	174	373	83	36	12	13
	Male	438	867	19	61	42	34	1	2	83	75	78	361	131	294	75	31	9	9
	Female	114	197	3	15	26	17	0	0	8	14	23	63	43	79	8	5	3	4
Full-time Employees	Total	8,865	8,435	119	163	600	401	18	9	1,867	1,599	2,239	2,876	1,725	1,658	684	602	1,613	1,127
	Male	7,524	7,149	89	125	535	359	18	9	1,697	1,555	1,849	2,411	1,296	1,274	608	539	1,432	977
	Female	1,341	1,286	30	38	65	42	0	0	170	144	390	465	429	384	76	63	181	150
Part-time Employees	Total	246	223	0	0	0	0	0	0	12	13	162	137	64	69	8	4	0	0
	Male	95	85	0	0	0	0	0	0	4	4	58	46	27	31	6	4	0	0
	Female	151	138	0	0	0	0	0	0	8	9	104	91	37	38	2	0	0	0

<sup>1</sup> without Germany & Spain

**Social**

Appendix: Employee Numbers and Development

**New Employees**

7 GRI 401-1

		Total	Male	Female	Share of Women in %			Total	Male	Female	Share of Women in %
		2022	2022	2022	2022			2022	2022	2022	2022
<b>Total</b>	<30	969	851	118	12.18	Germany	<30	62	52	10	16.13
	30-50	1,662	1,389	273	16.43		30-50	156	114	42	26.92
	>50	153	127	26	16.99		>50	35	27	8	22.86
	<b>Total</b>	<b>2,784</b>	<b>2,367</b>	<b>417</b>	<b>14.98</b>		<b>Total</b>	<b>253</b>	<b>193</b>	<b>60</b>	<b>23.72</b>
Africa	<30	3	1	2	66.67	Spain	<30	211	163	48	22.75
	30-50	10	8	2	20.00		30-50	408	303	105	25.74
	>50	0	0	0	0.00		>50	52	43	9	17.31
	<b>Total</b>	<b>13</b>	<b>9</b>	<b>4</b>	<b>30.77</b>		<b>Total</b>	<b>671</b>	<b>509</b>	<b>162</b>	<b>24.14</b>
Asia	<30	119	102	17	14.29	North America	<30	107	104	3	2.80
	30-50	167	152	15	8.98		30-50	128	113	15	11.72
	>50	6	6	0	0.00		>50	9	5	4	44.44
	<b>Total</b>	<b>292</b>	<b>260</b>	<b>32</b>	<b>10.96</b>		<b>Total</b>	<b>244</b>	<b>222</b>	<b>22</b>	<b>9.02</b>
Australia	<30	2	2	0	0.00	South America	<30	289	259	30	10.38
	30-50	3	3	0	0.00		30-50	502	451	51	10.16
	>50	0	0	0	0.00		>50	24	23	1	4.17
	<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0.00</b>		<b>Total</b>	<b>815</b>	<b>733</b>	<b>82</b>	<b>10.06</b>
Europe (Without Germany & Spain)	<30	176	168	8	4.55						
	30-50	288	245	43	14.93						
	>50	27	23	4	14.81						
	<b>Total</b>	<b>491</b>	<b>436</b>	<b>55</b>	<b>11.20</b>						

## Social

### Appendix: Employee Numbers and Development

#### Employee Turnover

➤ GRI 401-1

		Average Active Employees (2022 FY)	Male (number of departures)	Female (number of departures)	Turnover rate, total in %	Total number of Voluntary departures	Voluntary leavers in %
		2022	2022	2022	2022	2022	2022
<b>Total</b>	<b>&lt;30</b>	<b>1,823</b>	<b>559</b>	<b>99</b>	<b>36.09</b>	<b>258</b>	<b>14.15</b>
	<b>30-50</b>	<b>6,070</b>	<b>1,428</b>	<b>274</b>	<b>28.04</b>	<b>694</b>	<b>11.43</b>
	<b>&gt;50</b>	<b>973</b>	<b>232</b>	<b>48</b>	<b>28.78</b>	<b>51</b>	<b>5.24</b>
	<b>Total</b>	<b>8,866</b>	<b>2,219</b>	<b>421</b>	<b>29.78</b>	<b>1003</b>	<b>11.31</b>
Africa	<30	19	1	1	10.53	1	5.26
	30-50	98	22	9	31.63	18	18.37
	>50	10	1	1	20.00	1	10.00
	<b>Total</b>	<b>127</b>	<b>24</b>	<b>11</b>	<b>27.56</b>	<b>20</b>	<b>15.75</b>
Asia	<30	148	21	4	16.89	25	16.89
	30-50	362	63	6	19.06	66	18.23
	>50	8	1	0	12.50	1	12.50
	<b>Total</b>	<b>518</b>	<b>85</b>	<b>10</b>	<b>18.34</b>	<b>92</b>	<b>17.76</b>
Australia	<30	1	0	0	0.00	0	0.00
	30-50	10	1	0	10.00	1	10.00
	>50	2	0	0	0.00	0	0.00
	<b>Total</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>7.69</b>	<b>1</b>	<b>7.69</b>
Europe (Without Germany & Spain)	<30	454	60	10	15.42	45	9.91
	30-50	1,166	151	22	14.84	119	10.21
	>50	131	37	6	32.82	8	6.11
	<b>Total</b>	<b>1,751</b>	<b>248</b>	<b>38</b>	<b>16.33</b>	<b>172</b>	<b>9.82</b>
Germany	<30	311	107	23	41.80	53	17.04
	30-50	1,803	557	93	36.05	238	13.20
	>50	534	127	35	30.34	18	3.37
	<b>Total</b>	<b>2,648</b>	<b>791</b>	<b>151</b>	<b>35.57</b>	<b>309</b>	<b>11.67</b>

		Average Active Employees (2022 FY)	Male (number of departures)	Female (number of departures)	Turnover rate, total in %	Total number of Voluntary departures	Voluntary leavers in %
		2022	2022	2022	2022	2022	2022
Spain	<30	332	216	48	79.52	68	20.48
	30-50	1,310	319	91	31.30	107	8.17
	>50	186	40	4	23.66	8	4.30
	<b>Total</b>	<b>1,828</b>	<b>575</b>	<b>143</b>	<b>39.28</b>	<b>183</b>	<b>10.01</b>
North America	<30	195	69	2	36.41	50	25.64
	30-50	388	102	9	28.61	79	20.36
	>50	67	15	1	23.88	11	16.42
	<b>Total</b>	<b>649</b>	<b>186</b>	<b>12</b>	<b>30.51</b>	<b>140</b>	<b>21.57</b>
South America	<30	363	85	11	26.45	16	4.41
	30-50	934	213	44	27.52	66	7.07
	>50	35	11	1	34.29	4	11.43
	<b>Total</b>	<b>1,333</b>	<b>309</b>	<b>56</b>	<b>27.38</b>	<b>86</b>	<b>6.45</b>

The turnover refers to employees who have left the Company, excluding interns, students, temporary staff, and trainees.

#### Parental Leave

➤ GRI 401-3

	Male		Female		Total	
	2022	2021	2022	2021	2022	2021
Employees who took parental leave	80	131	39	46	119	177

**Social**

## Appendix: Employee Numbers and Development

**Diversity of Employees**

GRI 405-1

		2022	2021
Management Board	Female	0	0
	<30	0	0
	30-50	2	2
	>50	1	1
	<b>Total</b>	<b>3</b>	<b>3</b>
Management Positions (M1-M4)	Female	82	75
	<30	0	1
	30-50	363	359
	>50	105	78
	<b>Total</b>	<b>468</b>	<b>438</b>
Blue Collar	Female	237	284
	<30	1,318	1,210
	30-50	3,929	3,080
	>50	428	504
	<b>Total</b>	<b>4,775</b>	<b>4,794</b>
White Collar	Female	1,255	1,140
	<30	606	196
	30-50	3,184	827
	>50	546	117
	<b>Total</b>	<b>4,336</b>	<b>3,864</b>

		2022	2021
Total	Female	1,492	1,424
	<30	1,924	1,406
	30-50	6,213	3,907
	>50	974	621
	<b>Total</b>	<b>9,111</b>	<b>8,658</b>

**Diversity on the Supervisory Board**

GRI 405-1

		2022	2021
Supervisory Board	Female	2	2
	<30	0	0
	30-50	2	2
	>50	4	4
	<b>Total</b>	<b>6</b>	<b>6</b>

# 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 make ESG-oriented business decisions. One of the top achievements of this year in the field of Regulatory Compliance and preventing corruption is the update of the Nordex Group Code of Conduct.



Main Targets	Indicator	Baseline 2021	2022	Status
				■ Achieved
Anchor ESG risks in business decisions and increase transparency	qualitative	–	–	
Promote responsible and ethical business conduct internally and with our business partners	Employee training rate on prevention of bribery and corruption	–	57%	
Zero tolerance of unethical behavior	Percentage of fulfilled ISO 37001 requirements	–	72%	
Engage with and positively impact the supply chain		–	–	

For further details, see p. 120 ff, 138 ff

## Governance

### Responsible Sourcing

# RESPONSIBLE SOURCING

## MANAGEMENT APPROACH

↗ GRI 2-6, 2-23, 2-24, 204-1, 3-3, 308-1, 308-2, 407-1, 408-1, 409-1, 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. 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. Therefore, we believe it is vital to ensure that our own environmental and social standards are maintained throughout our supply chain. The Code of Conduct for Contractors and Suppliers forms the basis for this, and we expect and require all of our sub-contractors 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. 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 have 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 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.

Along with our many measures to ensure responsible sourcing, we are aiming to positively impact our supply chain in our business activities. We strive to minimize potential negative effects and maximize positive effects on human rights, the environment, and societies globally. «

## Global Sourcing

Our Sourcing department covers 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 is focused on two global sourcing centers in Germany and Spain, as well as regional sourcing centers in China, the USA, Brazil, and India.

## Governance

### Responsible Sourcing

#### 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 following up on deliveries. Moreover, the Sourcing department is involved in our cross-functional cost of energy (COE) program and closely collaborates with suppliers. All COE initiatives are analyzed regarding their compliance with occupational health and safety aspects, as well as with the applicable environmental regulations, before being implemented.

#### Supplier Engagement

» In many instances, our main suppliers have specific expertise and long-standing experience, which is why we cooperate with them in areas such as product development and process design. We also communicate regularly with our suppliers at annual international congresses and our supplier conference, which took place in September 2022.

One of the main demands voiced by our customers and investors during the stakeholder roundtable in 2021 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 are generally very open and responsive to the needs expressed by the Nordex Group, our customers, and investors. Our 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 initially 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 a 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.

Based on our Code of Conduct for Contractors and Suppliers, we ask suppliers to agree with a paragraph on the usage of conflict minerals and make it thus part of Nordex' supplier due diligence process to ensure compliance with regulatory requirements.

Our aim: In the upcoming 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.

## Governance

### Responsible Sourcing

#### Our Suppliers

[GRI 2-6, 204-1](#)

The key materials, products, and services the Nordex Group purchases 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, and ancillaries
- › Services: transportation, cranes, and installation

In the 2022 reporting year, the Nordex Group worked with around 12,000 suppliers. Sourcing expenditures increased by 14% to approximately EUR 5,861 million (2021: EUR 5,144 million). The share of sourcing expenditures with suppliers who have their head office or production sites in Europe decreased slightly to approximately 55% (2021: 58%). In this region, 32% (2021: 31%) of total sourcing expenditures were for products and services from German suppliers, while 7% (2021: 8%) were from Spanish suppliers. The diversity of our other supply markets is reflected in the expenditures in Turkey, America, China, Asia, Brazil, and Africa (see table on the right).

#### Supplier countries of origin in %

	2022	2021	2020
Germany	32.2	30.6	29.5
Europe (excluding Germany and Spain)	15.6	19.4	16.4
Turkey	10.7	11.0	8.7
America (excluding Brazil)	10.4	10.5	7.7
China	8.5	7.8	8.6
Brazil	8.0	4.8	7.3
Spain	7.2	8.1	7.9
Asia (excluding China)	6.9	5.2	5.1
Africa	0.4	2.2	8.9
Australia	0.2	0.4	0.0

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

#### Sourcing activity by area in %

	2022	2021	2020
Nacelles	27	31	31
Services	20	18	23
Towers	15	14	14
Rotor blades	14	15	13
Site Services	11	11	11
Other	13	9	9

#### 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

## Governance

### Responsible Sourcing



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 quality of products and processes, the upholding of human rights as well as statutory occupational health and safety standards. 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 potential negative impacts on the Company's business activities.

We audit new suppliers before we engage in a business relationship with them. Our processes require that we qualify new suppliers regarding their working practices, upholding of human rights, impact on society, and environmental aspects. 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, forced or compulsory labor, or if serious shortfalls in occupational health and safety are identified – we refrain entirely from working with the company.

With the effective Advanced Anti-Icing System, our Nordex turbines can efficiently deliver clean electricity even in icy conditions – especially practical in icy regions such as Finland (here: Finnish Lapland)

Overall, in 2022, we conducted 172 audits of Nordex-specific component suppliers as well as construction and service-related suppliers (2021: 240). 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. 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.

### RISKS AND OPPORTUNITIES

The main challenge for the Global Sourcing department is to procure materials and services for the timely production, construction, and servicing of wind turbines by the Nordex Group – at the planned cost and quality, and 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. On top of the challenges posed by the Covid-19 pandemic, the war in Ukraine has resulted in a dramatic increase in material, logistics, and energy costs as well as disruptions in the supply chain. We have been able to manage these risks and have put measures in place to mitigate them. Independent, cost-efficient, and reliable energy production from onshore wind is even more relevant now for many countries that are still dependent on coal, gas, and oil, and this presents an

## Governance

### Responsible Sourcing

opportunity for the Nordex Group. This should also have a positive effect on our supplier base and enable us to establish a more resilient sourcing process.

Due to high price pressure, we increasingly shift to sourcing from best cost countries, which can entail two risks. First, if the suppliers are based in emerging countries, we face different and sometimes low social and environmental standards. And second, relocation can lead to longer transportation routes, which might increase emissions. In other cases, however, transportation distances are shortened if the supplier's location is closer to the sales market. To mitigate these risks and negative impacts, we oblige our suppliers to act in accordance with our Code of Conduct for Contractors and Suppliers, and we evaluate or audit our most important suppliers on a regular basis. We also try to produce some parts of our turbines, such as the concrete towers, near the wind farms, and we purchase locally where it is economically feasible and follow smart logistics principles.

Global Sourcing continuously monitors risks related to the supply chain, such as material costs, availability and logistics, as well due diligence and audits, and fallback action planning. COE management is fundamental to overcoming these challenges. At the same time, it represents an opportunity to remain competitive in the demanding wind power market.

### SUSTAINABILITY STRATEGY 2025

In our Sustainability Strategy 2025, we have set three goals for responsible sourcing:

- › 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,
- › reduce carbon emissions in the supply chain (scope 3), and
- › engage with and positively impact the supply chain.

We have launched additional initiatives and conducted a gap analysis in 2022 covering corporate due diligence obligations in our supply chain. The German Supply Chain Due Diligence Act will become effective for the Nordex Group from 01 January, 2024, as we currently have fewer than 3,000 employees based in Germany. We will continue to prepare ourselves for the upcoming legislation in 2023 in order to fulfill the relevant requirements. Our comprehensive approach should address the requirements regarding a risk management system, annual and ad hoc risk analysis, policy statements, preventive measures, remedial action and compliant procedures, and documentation and reporting. In connection with this, we will also update the Code of Conduct for Contractors and Suppliers by 2023. Regarding the supplier assessment on conflict minerals, we continued contacting relevant suppliers in the interest of full transparency. We have also continued to participate in industry working groups such as WindEurope and

the Global Alliance for Sustainable Energy to work on sector-wide initiatives regarding sustainability in the supply chain.

By defining SBTs for scope 3 emissions, the Nordex Group is determining the baseline for carbon emission reduction in the supply chain. As the majority of our emissions are in our supply chain, we plan to set a supplier engagement target. This will be an important step in the development of the scope 3 action plan, which we have on our agenda for 2023.

To further engage with and positively impact the supply chain, the Nordex Group has planned several measures for 2023 and the following years, such as developing an ESG reporting system for our supply chain, engaging with suppliers in waste reduction and recycling initiatives, and working internally on a concept for socially responsible sourcing criteria.

For further information on the implementation of measures, see Action Plan "Responsible Sourcing," p. 120 ff. «

## Sustainability Strategy 2025 – Action Plan “Responsible Sourcing”

»

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implement- ation
<b>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</b>						
Set up harmonized due diligence process for ESG topics (including onboarding, assessment, audits, continuous improvement)	2022 » 2023	Qualitative	–	–	We conducted a gap analysis regarding the fulfillment of the German Supply Chain Due Diligence Act in 2022. On this basis, we will outline improvements and the further development of ESG due diligence in 2023.	
Update Code of Conduct for Contractors and Suppliers (SCoC)	2022	Qualitative	–	–	After updating our Code of Conduct for Employees in 2022, we plan to revise our Code of Conduct for Contractors and Suppliers in 2023 accordingly, taking into account new legislation.	
Ensure supplier commitment to the Code of Conduct for Contractors and Suppliers	2022	% of new suppliers committed to SCoC	100%	n/a	We will initiate this measure with the new Code of Conduct for Contractors and Suppliers based on a comprehensive due diligence process for ESG topics.	
Assess all high-risk suppliers on ESG topics	2022	% of high-risk supplier assessment coverage	100%	n/a	We will initiate this project in 2023.	
Conduct supplier assessment on conflict minerals to achieve full transparency about conflict minerals in the supply chain	2022	% of suppliers assessed on conflict materials	100%	92%	We continued with the assessment of selected suppliers that began in 2021. Nordex' Engineering department defined the criteria for selecting these suppliers. In 2023, we plan to evaluate and update the assessment concept, defining next steps based on the provided information regarding conflict minerals.	
Audit all high-risk suppliers on ESG topics (via harmonized due diligence process for ESG topics)	2022	Number of audits total/ ESG-related audits and % of high-risk suppliers coverage	100%	n/a	We will start this project in 2023.	
Train all high-risk suppliers on ESG topics	2023	% of high-risk supplier training coverage	100%	n/a	Project has not started yet.	

**Governance**  
Responsible Sourcing

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
						■ Achieved
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)	2022 » 2023	Number of cases and % coverage for analysis/ measures	tbd <sup>1</sup>	n/a	We will initiate this project in 2023.	
Participate in sector initiatives	ongoing	Qualitative	–	–	In the Wind-Europe group, we work closely with different companies throughout the supply chain, from utilities and wind turbine manufacturers to tier-1 suppliers of main systems, to establish a shared approach to assessing sustainability within the entire supply chain.	
Embed legal requirements on ESG criteria and auditing in supplier contracts	2023	% of new contracts with updated ESG criteria	100%	n/a	Project has not started yet.	
Conduct capacity building with suppliers	2023	Number of corrective actions/ capacity actions/number of overdue actions	tbd <sup>1</sup>	n/a	Project has not started yet.	
Anchor business conduct in contracts with suppliers	2023	Number of supplier contracts including compliance agreement	tbd <sup>1</sup>	n/a	Project has not started yet.	
Train suppliers in high-risk areas on our understanding of ethical business conduct	2023	Number of supplier employees who received compliance inductions	tbd <sup>1</sup>	n/a	Project has not started yet.	
Assess all relevant direct suppliers on ESG topics	2024	% of suppliers assessed on ESG	100%	n/a	Project has not started yet.	

**Governance**  
Responsible Sourcing

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
 Achieved						
<b>Goal 2: Reduce carbon emissions in the supply chain (scope 3)</b>						
Define goal for suppliers' commitment to science-based targets	2022 » 2023	% of suppliers (by number or sourcing volume) committed to science-based targets	tbd <sup>1</sup>	n/a	As supply-chain based scope 3 emissions account for the majority of our corporate GHG emissions, engagement with suppliers is the key to reducing such emissions. We will define a goal for suppliers' commitment to SBTs and identify further supplier engagement measures in the course of developing the scope 3 action plan in 2023.	
Ensure certification of suppliers to achieve 100% certified sustainable forest balsa wood sourcing	2023	% of certified balsa wood	100%	100%	The Nordex Group already began exclusively supplying certified balsa wood in 2022.	
Assess energy consumption of suppliers and improve share of renewable energy in the supply chain	2024	% of renewable energy consumption by suppliers	tbd <sup>1</sup>	n/a	Project has not started yet.	
<b>Goal 3: Engage with and positively impact the supply chain</b>						
Develop ESG reporting for supply chain and implement this in awarding decisions	2023	Qualitative	–	–	Project has not started yet.	
Engage in initiatives with suppliers for waste reduction and recycling (e.g., packaging, reuse)	2024	Number of initiatives with suppliers on recycling/waste reduction	n/a	n/a	Project has not started yet.	
Define socially responsible sourcing criteria to improve socially responsible sourcing	2025	Qualitative	–	–	Project has not started yet.	

«

## Governance

Business Ethics, Compliance, and Integrity

# BUSINESS ETHICS, COMPLIANCE, AND INTEGRITY



See our Codes  
of Conduct

## Regulatory Compliance and Preventing Corruption

### MANAGEMENT APPROACH

➤ GRI 2-16, 2-23, 2-24, 2-25, 2-26, 2-29, 3-3

#### Business Culture and Values

» Our company is committed to using resources in full awareness of our legal, social, environmental, and economic responsibilities. We treat all people with whom we interact 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 that is applicable in the countries where we do business, as well as our strong company values.

Acting within the law and, moreover, acting with integrity 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.

#### Anchoring an Ethical Culture within the Nordex Group

In 2022, we conducted a worldwide compliance survey to foster an ethical culture and continue improving the Nordex Group's compliance management system. We will use all of the employees' insights to optimize our compliance strategy for the upcoming year. 1,200 employees provided valuable feedback.

#### Our Values: Integrity, Respect, Collegiality 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

In 2022, we comprehensively updated the Nordex Group Code of Conduct for Employees. This is our legal and ethical compass for doing the right thing, in the right way, at the right time, in all of our activities and relationships. The Code of Conduct was approved by the Management Board.



## Governance

### Business Ethics, Compliance, and Integrity

As a shared yardstick for responsible conduct, our Code of Conduct is our guide. It represents the principles, standards, and ethical expectations of the Nordex Group and addresses the Company's main compliance risks, such as in the field of business relationships. It is the core document that sets out our top-level binding corporate rules. The Nordex Group's robust corporate governance provides a clear framework that defines our role and empowers us in our responsibility to uphold our standards every day and in every situation – to support each other, to protect ourselves and the Nordex Group, to create ethical relationships, and to be committed to society and nature.

The Code of Conduct is binding for all employees, managers, executives and directors of the Nordex Group. Managers, executives, and directors have a special responsibility as role models, supporters, and representatives of our company management. In order to make it as accessible as possible, we worded the revised Code of Conduct in an easy-to-read and understandable way, as well as included for every section a practical example as illustration. The

role of Nordex Group employees and the additional responsibilities of the managers, executives, and directors are highlighted. An ethical decision-making path provides support before taking action when facing complex and/or ambiguous situations.

In addition to the Code of Conduct for Employees, we established a special Code of Conduct for Contractors and Suppliers ("Supplier Code of Conduct"), according to which we expect them to adhere to the principles of integrity and ethical, lawful conduct throughout the entire duration of the business relationship with us. Our subcontractors and suppliers are required to commit to this in writing and receive compliance training when applicable.

#### Human Rights Policy

[GRI 2-23](#)

Our business decisions and activities are also subject to the demand to uphold human rights globally. This includes all of our investment commitments. In accordance with our Codes of Conduct, we follow several guidelines for all of our business activities:

- › the ethical guidelines of the UN Global Compact,
- › the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises,
- › the United Nations Guiding Principles on Business and Human Rights (UNGPs),
- › the International Labour Organization's core labor standards (ILO),
- › the ILO's Declaration on the Fundamental Principles and Rights at Work,
- › the UN Universal Declaration of Human Rights that stipulates zero tolerance for child labor, forced labor, discrimination, and retaliatory measures, as well as
- › international legislation wherever we operate.

At the Nordex Group, we have an additional Human Rights Policy as well as a Diversity and Inclusion Policy in place, which were approved by our most senior executive (CEO).

We commit to conducting our business in accordance with the above-mentioned ethical standards, our values, and the applicable laws. We strive to be



Please find our Human Rights Policy on our webpage

Nordex Group Code of Conduct –  
the common yardstick for compliant  
and responsible behavior

## **Governance**

### **Business Ethics, Compliance, and Integrity**

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.

The Board of Nordex is responsible for ensuring adherence to these commitments, and our senior management bears responsibility for overseeing their implementation and ensuring that any breaches of this policy or any related policies and procedures are investigated. To guarantee compliance with the

measures in the Human Rights Policy throughout the Nordex Group, we created a human rights questionnaire that must be completed and signed annually by each country's P&C representatives or managers.

#### **Preventing Corruption**

[GRI 2-26, 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 all employees, managers, executives and directors in all countries, departments, and divisions to ensure they 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 integrity and an awareness of corruption risks. This specifically includes the sustainable prevention of potential misconduct or violations relating to any form of corruption. The aim is also to uncover and put an end to violations of laws or internal regulations, to

investigate suspected breaches in this regard and, if necessary, to intervene immediately. The compliance management system is continuously monitored and improved based on lessons learned.

The interdisciplinary Business Ethics Committee supports these efforts as part of its general purpose to promote the implementation of and compliance with our Codes of Conduct, to further develop and adapt the codes, and to manage investigations into possible material violations of the codes.

At the Nordex Group, we prevent, identify, evaluate and mitigate corruption risks at different stages in the value chain and its core processes and activities, especially in our sales and sourcing activities. We avoid any actual or potential conflict of interest, or even the appearance of it, that may adversely influence the Nordex Group's business decisions. Where a conflict of interest cannot be prevented, it must be disclosed and managed accordingly. Donations and sponsorships are carefully assessed and approved by the appropriate Corporate Compliance and Global Sustainability departments.

## Governance

### Business Ethics, Compliance, and Integrity

Corruption risks are also taken into account when planning the annual internal audit. In this process, all Group companies are classified according to a risk-based ranking:

- › 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 corruption risks were identified in the reporting period. «

#### **Fair Competition**

The Nordex Group conducts its business activities with integrity and in full compliance with all applicable laws, including competition laws. We equally expect this from our employees and business partners, especially from our suppliers and third parties acting on our behalf. To ensure such compliance, we train and commit our employees within the framework of our Code of Conduct. We also require our

subcontractors and suppliers to sign our Code of Conduct for Contractors and Suppliers as a precondition for doing business with us.

By the end of 2022, the Nordex Group was not involved in any pending competition law proceedings or in any such proceedings that were closed in 2022 (2021: 0).

#### **Commitment and Training by Employees regarding Compliance issues**

➤ [GRI 2-24, 205-2, 206-1](#)

» The P&C and Corporate Compliance departments support our employees and managers by offering training courses on values, policies, guidelines and our Code of Conduct, and by providing advice on a case-by-case basis. «

Our e-learning program on competition law provides a basic understanding of the issues. It aims to explain 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. This helps the target groups identify antitrust risks and become more aware of their own responsibilities so that infringements are prevented, and it ensures that 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 had been rolled out to all managers worldwide as well as to other highly exposed target groups (about 1,500 employees in total). The training program was due to be completed by the end of October 2022 and will be repeated every two years. By the end of 2022, the training rate goal had been partially achieved, with a completion rate of more than 60%.

» Furthermore, we use our Code of Conduct, policies, guidelines, risk assessments, individual advice, and communications 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

Each of us is entrusted with the obligation to take care of and protect the assets and reputation that allow Team Nordex to embody the Nordex Group. We rely on them to successfully perform our daily work.

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### Business Ethics, Compliance, and Integrity

# 3,414

employees completed the e-learning course on preventing corruption in 2022

and the anti-corruption guidelines it contains, and we formally oblige them to comply with it. All of our industrial workers are required to complete an e-learning course on preventing corruption once every two years. By the end of 2022, a total of 3,414 employees, including all members of the Management Board, had completed the course (also see the table on the right). This represents 57% of the target group (2021: 75%).

Additionally, we raise awareness of corruption risks and enforce our rules for preventing, detecting, and responding to them through compliance e-onboarding for new employees and compliance induction for managers.

The compliance e-onboarding is part of our onboarding program for new white-collar employees worldwide and focuses on preventing corruption at the Nordex Group right from the start. A total of 146 new employees received this voluntary training in 2022 (17.5% of the target group).

The compliance induction for managers is aimed at all employees with managerial responsibilities worldwide. It emphasizes their specific role and responsibilities for preventing corruption. 635 managers received the training (50.2% of the target group).

Due to different circumstances, such as the technical introduction of the LMS with gaps in data collection or the cyber incident, the training rates are not as high as we had hoped for 2022. We aim to increase participation in the coming years.

### Number of employees<sup>1</sup> trained in the prevention of bribery and corruption (e-learning course on preventing corruption)

Region	2022	2021	2020
Africa	21	35	21
Asia (incl. Australia)	258	223	180
Europe (excl. Germany, Spain)	617	1,252	788
Germany	1,342	1,996	1,362
Spain	786	690	623
North America	215	338	225
South America	175	240	159
<b>Total</b>	<b>3,414</b>	<b>4,774</b>	<b>3,358</b>

<sup>1</sup> By risk-based target group

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### Business Ethics, Compliance, and Integrity

#### “notify!” Whistleblower System

[GRI 2-4, 2-16, 2-25, 2-26](#)

Nordex Group employees, our business partners' employees, and the general public can use the “notify!” whistleblower system to report any suspected misconduct or maladministration in connection with the Nordex Group's business activities. There are three reporting channels available: getting in touch personally with the staff of Corporate Compliance, using an online reporting portal, or using a central hotline/e-mail/postal address. Reports can be submitted anonymously wherever this is not restricted by country-specific regulations. The Company protects reporters from negative consequences.

An information sheet outlines the main features of the whistleblower system and is issued in 22 languages so that every employee can easily access it in their native language.

We follow up every report confidentially, independently and competently. There is a dedicated human resource for conducting internal investigations. The Corporate Compliance department validates all new reports. The Business Ethics Committee then discusses and evaluates the matter, which also steers any necessary investigations and consequences. We inform the Management and Supervisory Board on a regular basis about the reports received, and their status and resolution. We identified no critical reports during 2022, but the Business Ethics Committee received all reports.

In 2022, there were a total of 46 reports submitted through the three different reporting channels of the whistleblower system.

#### Compliance reports

	2022	2021	2020
Reports received	46	48	51 <sup>1</sup>
Ongoing follow-up/ investigations (at the end of the reporting period)	4	20	27
Substantiated reports with improvement/ disciplinary measures initiated	5	7	18

<sup>1</sup> In 2020, there were 51 reports, including 19 (not 39) received via the online portal. This was incorrectly reported in the Sustainability Report 2021.

In 2022, we simplified the overview of our compliance reports. From now on, “reports received” refers to all of the reports submitted via the three different reporting channels in the “notify!” whistleblower system.

Additionally, Nordex Group employees can seek advice on implementing the Nordex Group's compliance policies and practices for responsible business conduct by directly contacting the Corporate Compliance department. In 2022, we received 52 queries. «

#### Compliance with Laws and Regulations

[GRI 2-27](#)

In 2022, there were no significant incidents of non-compliance with laws or guidelines that resulted in fines or non-monetary sanctions.

In order to define whether or not an incident qualifies as “significant” within the aforementioned meaning, we have considered the severity of the impact both in terms of monetary and non-monetary aspects. For the purposes of this report, monetary impacts are considered to be significant if the impact of an individual incident exceeds an amount of EUR 2 million. With respect to non-monetary impacts, we have based our assessment on such (potential) impacts that are not directly measurable in terms of value, but which nevertheless may have a significant impact on our business activities, e.g., reputational aspects in general as well as potential impacts on the Nordex Group's future business development or significant specific business opportunities.

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### Business Ethics, Compliance, and Integrity



Further information on due diligence activities in the chapter “Responsible Sourcing”, p. 115 ff

#### 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 extent of our business activities, legally compliant conduct to prevent corruption, fraud, and competition law infringements 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 and claims against companies and may 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 any other kind of dealings with business partners and we will abstain from entering into or by any other means fostering any agreements or other behavior that unlawfully inhibit or restrict competition.

In markets with high price pressure, there is a risk of accepting offers that do not ensure that a supplier’s employees will be paid appropriately. Since this could be a human rights issue, the risk is mitigated by performing due diligence on suppliers and contractors regarding previous unethical conduct, obliging suppliers to sign the Supplier Code of Conduct, and conducting supplier audits. We also conducted a comprehensive risk and gap assessment regarding human rights 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 a target group of new first-tier suppliers. This aims to ascertain the risks in various areas, including human rights, and to ensure that our Sourcing departments identified the risks and suppliers are requested to mitigate or avoid them entirely. Our initial focus has been on business areas that we could directly influence, such as within the Company or among our first-tier suppliers.

## Governance

### Business Ethics, Compliance, and Integrity

#### **SUSTAINABILITY STRATEGY 2025**

At the Nordex Group, we set the goal to systematically anchor environmental, social, human rights, and business ethics risks in our business decisions. This is only possible if the risks are known, which requires a human rights and ecological risk analysis. In 2022, we commenced the project for conducting a comprehensive ESG risk analysis to consolidate a generic ESG risk profile for Nordex' activities, regions and partners. We screened the sustainability risks connected to our strategic focus topics and conducted a detailed climate risk and opportunity assessment according to TCFD standards.

At the same time, we focused on raising risk awareness through training and communication. We launched a measure to anchor ESG criteria in the sales gate process and implement a project risk assessment to evaluate all high-risk wind park projects. We have only included compliance criteria for the time being, but the process will be rolled out further in the coming years and additional ESG criteria will be evaluated. We additionally focused on raising awareness of human rights. Based on our Human Rights Policy, we created a questionnaire that was completed and signed by P&C representatives and

managers in Nordex' business regions and countries in order to ensure compliance with the highlighted commitments.

To foster our goal of promoting responsible and ethical business conduct internally and with our business partners, we comprehensively updated the Nordex Group Code of Conduct. All of the topics addressed in the previous Code of Conduct that were considered relevant after the gap analysis were retained and further elaborated. New specific sections were included for Human Rights, QHSE, Diversity and Inclusion, Environment, and other topics. The Code of Conduct review in 2022 is a good basis for developing training programs by 2025. The employee training courses on preventing bribery and corruption continued to be conducted and were completed by 57% of employees in 2022.

Our efforts to improve the compliance management system underline our commitment to "zero tolerance" of unethical behavior. Although we completed the assessment of sections of ISO 37001 and the gap analysis, we shifted the certification process to 2023.

In 2022, we continued to review and improve our existing compliance policies, fostered the use of a reporting tool for the case management process, enhanced the commitment by board and top management, further expanded the presence of Local Compliance Officers across the Nordex Group countries, and enhanced our due diligence process with respect to our business partners. Additionally, new employees joined the Corporate Compliance team, one of them exclusively focused on internal investigations. All of these actions contribute to the continuous improvement of the compliance management system.

For further information on the implementation of measures, see Action Plan "Business Ethics, Compliance and Integrity," p. 138ff. «

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### Business Ethics, Compliance, and Integrity

## ESG Governance

### MANAGEMENT APPROACH

➤ GRI 2-29

» 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 that 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

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 the Company. 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 ESG performance.

We focus on different sustainability reporting frameworks depending on the target group. 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 other recognized approaches as well. These include ESG criteria that are largely defined by sustainability ratings, and the technical assessment criteria of the classification system of the EU Taxonomy Regulation (see p. 32 ff). The European Sustainability Reporting Standards (ESRS), a key provision of the EU Corporate Sustainability Reporting Directive (CSRD), will also apply to the Nordex Group from 2024. Based on the draft proposals, we screened the new ESRS requirements in 2022 and plan to apply them on our current reporting in the coming years. The ESRS are already serving as a framework for improving transparency. «

Additionally, our impact reporting on sustainable development goals (SDGs) provides an insight into the impact of Nordex' business activities on global sustainability issues.

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### Business Ethics, Compliance, and Integrity

#### 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, an introduction to Nordex' Sustainability department, strategy and activities is a fixed component of the onboarding process for new employees. In 2022, 156 new white-collar employees participated in the voluntary e-onboarding session (18.7% of the target group). One staff member is responsible for sustainability communication tasks (ESG ratings, sustainability reporting, projects, and campaigns in Germany, etc.). On a regular basis, employees are fully informed about internal processes, sustainability topics, goals, and progress regarding our Sustainability Strategy 2025 implementation.

» In 2022, we held another Sustainability and Health Day in Hamburg. The comprehensive range of information and variety of activities offered highlighted the many facets of sustainability for our employees. Addressing sustainability in combination with the Company's health promotion efforts has proven sensible in the past, as health is also one of the key sustainability topics in Nordex's Sustainability Strategy.

We also focus on sustainability and health in the area of nutrition: healthy smoothies as well as pure vegetarian and vegan meals are on the menu at the Sustainability and Health Day.

#### Sustainability and Health Day 2022 in Hamburg

Nordex's 4<sup>th</sup> Sustainability and Health Day was held at our head office in September 2022. The richly varied program of talks, workshops, hands-on activities and information stands covering a range of sustainability and health topics attracted employees from many different departments. This year the Sustainability department focused on packaging avoidance and resource conservation following the motto of "Zero Waste.100% Health." More than 110 participants attended the workshops and presentations, and many more employees participated in the open program sessions. Occupational health support was represented by move UP, a local service partner for health management, which offered presentations and practical activities relating to back health. We also followed the suggestions in our sustainability employee survey from 2021 to find local approaches to making improvements in the area of sustainability.



## **Governance**

### **Business Ethics, Compliance, and Integrity**

#### **Corporate Governance**

[GRI 2-9, 2-10, 2-11, 2-13, 2-14, 2-15, 2-19, 2-20](#)

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 Company has earned over the past decades. Our corporate governance principles guide our daily actions, enabling us to achieve better results and pave the way for 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. The German Corporate Governance Code (GCGC) adopted on 28 April 2022 and officially published on 27 June 2022 contains principles and recommendations for the consideration of environmental and social sustainability in the management and supervision of listed companies that the Nordex Group complies with. The declaration of conformity can be found in the annual report and in the corporate governance section on the Company's website.

#### **Working Practices of the Management Board**

The Management Board leads the 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 chairman of the Supervisory Board is not an executive at the Nordex Group. 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 and sustainability strategy. The Supervisory Board also reviews the Sustainability Report (also see chapter "About the Report," p. 9 ff)

#### **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

## Governance

### Business Ethics, Compliance, and Integrity

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 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 policy:

- › 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 on the Management Board was set by the Supervisory Board in 2020 at 25% by 2025 (current share in 2022: 0%).<sup>1</sup>

#### **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. It includes a diversity policy, the Supervisory Board's objectives regarding its composition, skills, and expertise, including expertise on sustainability matters relevant to the Company as set out in the German Corporate Governance Code (GCGC) adopted on 28 April 2022 and officially published on 27 June 2022.

<sup>1</sup> More detailed information on the targets for the proportion of women on the Management Board can be found in the Annual Report 2022, p. 87 ff.

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) at 16.67% by 2025 (current share in 2022: 33.3%).<sup>2</sup>

In 2022, there was a change to the Nordex Group's Supervisory Board. The board continues to have four male and two female members, meaning that the proportion of women is still one third (1/3).

#### **Remuneration of the Members of the Management Board and Supervisory Board**

Detailed information concerning the remuneration systems for the members of the Management Board and Supervisory Board can be found in the corporate governance section on the Company's website. A clear and easily understandable overview of the remuneration awarded and due in the 2022 financial year to current or former members of the Management Board and Supervisory Board is published in the Company's remuneration report.

<sup>2</sup> Further information on the targets for the quota of women on the Supervisory Board can be found in the Annual Report 2022, p. 87 ff.

## Governance

### Business Ethics, Compliance, and Integrity

#### 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 the Company'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 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 results, Sustainability Report 2021, p. 103 ff). They also perceive a need for improvement, however. In

the future, we want to use various campaigns and projects beyond 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 are or will be addressed and discussed with the responsible internal stakeholders to strengthen motivation and confidence in the Company'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 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

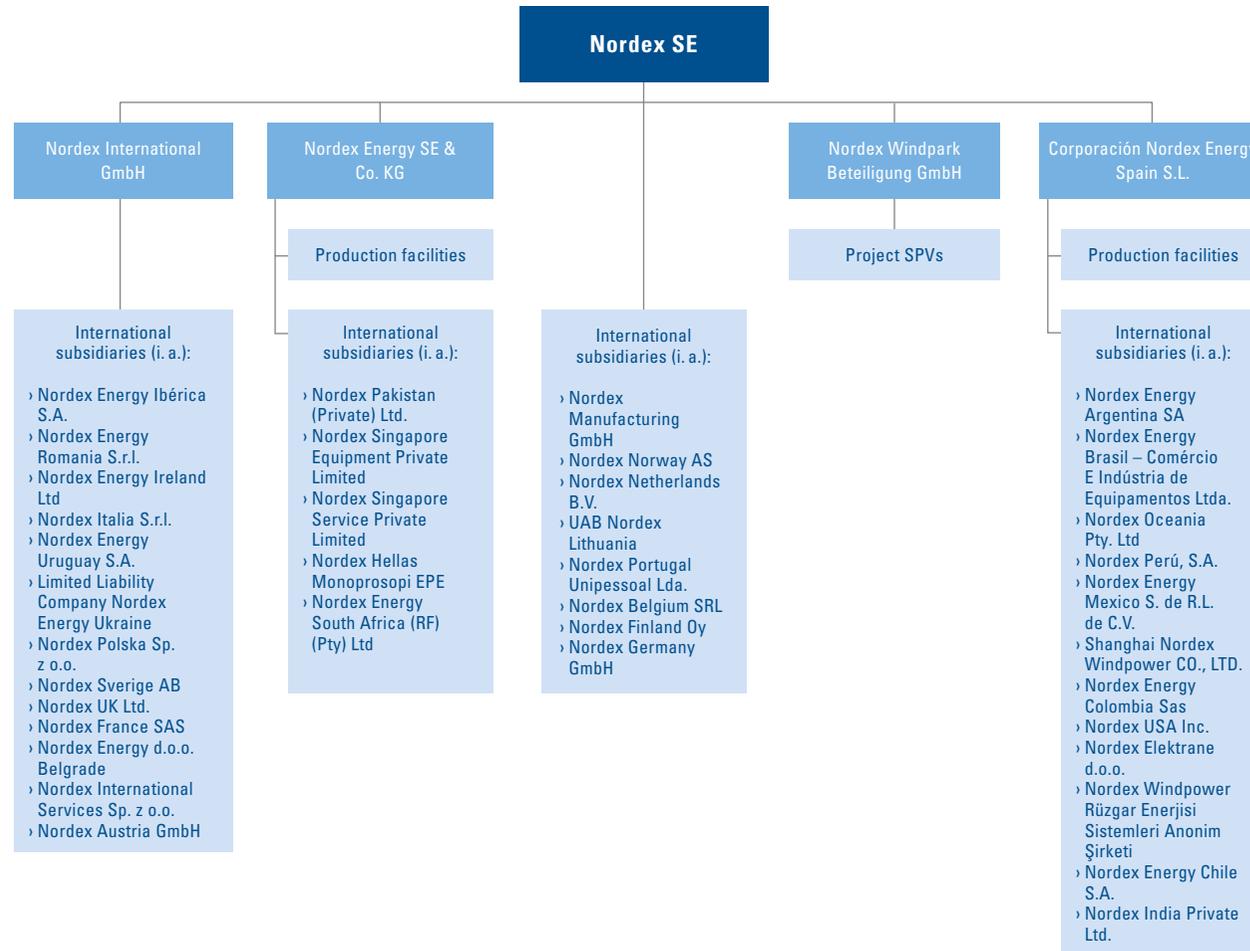
communication with investors and proxy voters. If certain complicated agenda items are to be addressed in an upcoming general meeting, Nordex SE provides a fact book covering the most relevant information about them in a way that is easy to understand. The fact book is available to all shareholders in German and English on the Company's website. This proved to be helpful for our investors regarding the resolutions about corporate actions and the reelection of members of the Supervisory Board.

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.

**Governance**

Business Ethics, Compliance, and Integrity

**Legal structure of the Nordex Group (simplified presentation)**



## Governance

### Business Ethics, Compliance, and Integrity

#### SUSTAINABILITY STRATEGY 2025

The Nordex Group aims to ensure transparency as well as cooperative development and improvements relating to ESG governance. We have therefore been in regular contact with our stakeholders and have emphasized our communication of key facts from our sustainability reporting. We disclosed our taxonomy-aligned KPIs for the first time (see chapter "EU Taxonomy", p. 32 ff) and carried out measures and projects to raise awareness of sustainability and health. This also addresses our goal of anchoring sustainability in all departments and the Company's culture. One of our biggest local projects was the Sustainability and Health Day at the head office (Hamburg) in September 2022. We also carried out smaller local activities such as the annual CityCycling initiative in Hamburg and Rostock, Germany, where we were able to increase our participation rate and kilometers compared to previous years. Further measures will be initiated in the years to come.

For further information on the implementation of measures, see Action Plan "Business Ethics, Compliance and Integrity," p. 138 ff. «

Currently, approx. 85% to 95% of the materials used in a wind turbine are recyclable. We have set ourselves the goal of offering fully recyclable rotor blades by 2032.



## Governance

### Business Ethics, Compliance, and Integrity

# Sustainability Strategy 2025 – Action Plan “Business Ethics, Compliance, and Integrity”

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Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implement- ation
<b>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</b>						
Carry out ESG risk analysis in order to update the assessment and consolidate a generic ESG risk profile (activities, regions, partners)	2022 » 2023	Qualitative <sup>1</sup>	–	–	An assessment was carried out in 2022 in relation to Nordex' sustainability focus topics as a foundation for the generic ESG risk profile.	
Anchor ESG criteria in the sales gate process and implement project risk assessment to evaluate all high-risk wind park projects	2022 » 2025	Share of performed customer risk assessments <sup>2</sup>	tbd <sup>3</sup>	n/a	Due diligence on all customer and wind park projects was performed when requested by Sales. The project target achievements with respect to all ESG criteria have been shifted to 2025.	
Promote human rights as an important goal within the Company, with 100% of managers signing the Human Rights Policy annually	ongoing	% of managers signing the Human Rights Policy annually	100%	100%	A questionnaire to commit to the Human Rights Policy was sent out to all managers or P&C representatives. 100% of managers (or P&C representatives) signed the Human Rights Policy in 2022.	
<b>Goal 2: Promote responsible and ethical business conduct internally and with our business partners</b>						
Conduct integrity and ethical due diligence for 100% of customers	2023	% of customers undergoing ethical due diligence <sup>4</sup>	100%	n/a	All customer compliance due diligence was performed when requested by Sales. The indicator was redefined and will be measured from 2023 as the “Percentage of customers undergoing customer due diligence (in %).” Further integration into the sales gate process should be completed by 2023.	
Anchor ethical business conduct in contracts with customers	2023	Share of new customer contracts including compliance clauses (in %) <sup>3</sup>	tbd <sup>5</sup>	n/a	All customer contracts were reviewed by Corporate Compliance when requested. Additional clauses defined by Corporate Compliance were sometimes integrated into the contracts, e.g., if there were deviations from Nordex' compliance standards. The indicator was redefined and will be measured from 2023 as the “Share of customer contracts including compliance clauses (in %).”	

<sup>1</sup> The indicator was redefined.

<sup>2</sup> The indicator was redefined and will be measured from 2023 as soon as the full ESG sales gate process is implemented.

<sup>3</sup> The indicator target will be set in 2023.

<sup>4</sup> The indicator was redefined and will be measured from 2023.

## Governance

### Business Ethics, Compliance, and Integrity

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
						■ Achieved
Annual employee training on the Nordex Group Code of Conduct conducted by 100% of employees	2025	Training rate	100%	n/a	After the successful revision of the Nordex Code of Conduct in 2022, the training concept will be rolled out in 2023.	
Employee training on prevention of bribery and corruption completed by 100% of employees at two-year intervals *previously under Goal 3	ongoing	Training rate	100%	57%	57% of employees completed the training in 2022. The course content is due to be updated in 2023.	
<b>Goal 3: Zero tolerance of unethical behavior</b>						
Achieve certification of anti-bribery management systems (ISO 37001)	2022 » 2023	% of fulfilled ISO 37001 requirements <sup>1</sup>	100%	72%	The assessment of sections of ISO 37001 and the gap analysis were completed, with 72% of requirements fulfilled by the end of 2022. The certification process has been shifted to 2023.	
<b>Goal 4: Increase communication and transparency regarding ESG (environment, social, governance) performance</b>						
Sign the UN Global Compact and maintain active status	2024	Qualitative	–	–	Project has not started yet.	
<b>Goal 5: Anchor sustainability as part of all departments and the company culture</b>						
Establish a worldwide Nordex Sustainability/SDG network for local sustainability solutions	2023	Qualitative	–	–	Project has not started yet.	
Conduct an SDG campaign to promote ESG criteria and SDGs and their integration in the company culture	2025	Qualitative	–	–	Promoting sustainable development goals is part of various communication and training sessions, such as the monthly e-onboarding sessions, Welcome Days, and the Sustainability & Health Day. The goal is to make them more visible throughout the Company in the upcoming years. A project to systematically integrate SDGs into our culture has not started yet.	

<sup>1</sup> The indicator was redefined.

**Governance**

Business Ethics, Compliance, and Integrity

Measures	Year (planned implementation)	Indicator	Indicator Target	Status Quo 2022	Description of the measure	Implemen- tation
Offer sustainable alternatives in the business environment and set incentives for employees regarding climate-friendly and sustainable consumption	2023	Number of implemented projects	n/a	n/a	Small incentives for more sustainable working environments have already been introduced at various locations. For example, daily vegan meal options are offered at the German head office in Hamburg. From 2023, these measures should be initiated at further sites as soon as an SDG network for local sustainability solutions has been implemented.	 <span style="color: blue;">■</span> Achieved
Conduct measures and projects to raise awareness of sustainability and health topics	ongoing	Qualitative	–	–	Under the motto of “Zero Waste. 100% Health.” we organized our annual Sustainability and Health Day at our headquarters in Hamburg with various presentations, workshops and other activities. In addition, 171 employees (2021: 122) of #TeamNordex in Rostock and Hamburg participated in the CityCycling initiative and saved a total of 4,974 kg CO <sub>2</sub> in emissions.	

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## Governance

### Data and IT/OT Security & Digitalization

## Data and IT/OT Security

The exposure of any organization to threat actors into cyberspace has grown in recent years due to either organized crime or geopolitical actors, and the number of targeted cyber attacks is increasing annually worldwide. In 2022, various companies in the wind industry were targets of cyber attacks.

The Nordex Group detected a cyber security incident on 31 March 2022, and in response we initiated security protocols, immediately shutting down various IT systems across different business units. To safeguard customer assets, remote access from the Nordex Group's IT infrastructure was disabled for turbines under contract. Nordex turbines continued operating without restrictions, and wind farm communication with grid operators and energy traders remained unaffected. The business continuity measures that were initiated immediately included

setting up alternative remote control services. The impact of the incident was limited to internal IT infrastructure. Fortunately, the Nordex Group was able to restore its IT systems in order to enable business continuity and resume normal operations. Our production and commissioning schedules were impacted by this cyber security incident, however, as Nordex teams could not access online applications, tools, and databases, which adversely affected our financial situation in 2022.

Since IT and OT security is of great strategic importance to the Nordex Group, during this year an independent branch responsible for the security within the Organization was designed to report directly to the board and be accountable for the IT and OT security strategy. As a consequence of this, a large number of measures have therefore been implemented to harden Nordex' IT and OT infrastructure and improve its resilience to cyber

threats, improving the overall security posture of the company through the enhancement of the ability to protect, detect, and react. In the reporting year, the Nordex Group aimed to renew and achieve a set of industry IT certifications to ensure high levels of cyber security and data protection. With the renewal of the Microsoft E5 license package and the procurement of other enterprise end-to-end technologies, we were able to achieve re-certification according to two industry benchmark cyber security standards, namely, ISO 27001 and IEC-62443. Regarding the latter, Nordex expanded its IEC certification program by achieving certification for IT security in Engineering Processes (IEC 62443 4-1) and in the Delta Platform (IEC 62443 3-3) by the end of 2022. In 2023, further maturity and security level improvements are planned across the business units.

## Governance

### Data and IT/OT Security & Digitalization

## 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. 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.

We are continuing our digitalization journey for our own business processes by pressing ahead with our key strategic digitalization programs, OnePLM and AURA. OnePLM harmonizes merger-related product lifecycle management in a single system while also streamlining our core development, manufacturing, project management and servicing processes along the lifecycle of our turbines.

OnePLM is just the first step, however. With AURA, we will continue this journey of building the foundation of our company at Teamcenter with the SAP S/4 Hana software solution. This will optimize our business processes on a global scale along our entire value chain. Both of our Indian blade and nacelle production sites are already working with SAP S/4 HANA.

Our learning and training system is now integrated with MS Teams for even more seamless planning.

In general, our application modernization programs aim to harmonize and reduce applications to make IT operations more sustainable.

When it comes to digitalizing parts of our business model, our customers play an important role as drivers of progress. The customer portal, digital wind farm reports, engineering, service and IT are the core components of this. We are currently reevaluating our Internet of Things (IoT) platform to create a comprehensive approach to enterprise data management in the cloud. This will enable us to provide data for all customer needs as well as for internal business optimization. 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."

**Governance**

Public Policy

## 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, the Nordex Group 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. In addition, an annual average of around 1,026 jobs must be maintained permanently during this period. The last time the Nordex Group received the outstanding investment grant was in 2017.

Nordex projects received R&D grants of EUR 626 thousand (2021: EUR 968 thousand) in Germany. 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 448.6 million (2021: EUR 494.7 million) that was partly or wholly covered by ECAs.

In the reporting year, Nordex received EUR 126 thousand in tax relief for 2020 in Germany under the German Electricity and Energy Tax Act. In 2022, the Company applied for tax relief for 2021 in the amount of EUR 129 thousand. The payment for 2021 was 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

↗ GRI 415-1

As an international company active in manufacturing, installing, and servicing wind turbines, our business activities and projects are affected by several political and regulatory activities and decisions. Therefore, the Nordex Group 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 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 by a coordinating staff function at the head offices as well.

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

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# FURTHER INFORMATION



# APPENDIX

## » Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Code (s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)							Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Taxonomy-aligned proportion of turnover, year 2021 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	E					
		EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																					
Electricity generation from wind power	4.3	5,121.96	89.96	100	0	0	0	0	0	Y	N/A	Y		Y	Y	89.96	N/A				
Installation, maintenance, and repair of renewable energy technologies	7.6	559.89	9.83	100	0	0	0	0	0	Y				Y	Y	9.83	N/A				
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>5,681.85</b>	<b>99.79</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							<b>99.79</b>	<b>N/A</b>				
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																					
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0.00</b>	<b>0.00</b>																		
<b>Total (A.1 + A.2)</b>		<b>5,681.85</b>	<b>99.79</b>													<b>99.79</b>	<b>N/A</b>				
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>11.71</b>	<b>0.21</b>																		
<b>Total (A + B)</b>		<b>5,693.56</b>	<b>100.00</b>																		



## Appendix

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Code (s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)							Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2021 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
		EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Electricity generation from wind power	4.3	53.50	80.39	100	0	0	0	0	0		Y	N/A	Y		Y	80.39	N/A			
Installation, maintenance, and repair of renewable energy technologies	7.6	8.64	12.98	100	0	0	0	0	0		Y				Y	12.98	N/A			
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>62.14</b>	<b>93.38</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							<b>93.38</b>	<b>N/A</b>			
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0.00</b>	<b>0.00</b>																	
<b>Total (A.1 + A.2)</b>		<b>62.14</b>	<b>93.38</b>													<b>93.38</b>	<b>N/A</b>			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>OpEx of Taxonomy-non-eligible activities (B)</b>		<b>4.41</b>	<b>6.62</b>																	
<b>Total (A+B)</b>		<b>66.55</b>	<b>100.00</b>																	

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# GRI INDEX

GRI Standard	Disclosure title	Page	Note
<b>GRI 1 Foundation 2021</b>			
<b>GRI Sector Standards</b>			Not applicable
<b>GRI 2: General Disclosures 2021</b>			
<b>The organization and its reporting practices</b>			
GRI 2-1	Organizational details	2, 12	
GRI 2-2	Entities included in the organization's sustainability reporting	9	
GRI 2-3	Reporting period, frequency, and contact point	9	
GRI 2-4	Restatements of information	9, 128	
GRI 2-5	External assurance	9, 153	
<b>Activities and workers</b>			
GRI 2-6	Activities, value chain, and other business relationships	2, 12, 115, 117	
GRI 2-7	Employees	110	
GRI 2-8	Workers who are not employees	–	Omission: Information on employees who are not available
<b>Governance</b>			
GRI 2-9	Governance structure and composition	133	
GRI 2-10	Nomination and selection of the highest governance body	133	

GRI Standard	Disclosure title	Page	Note
GRI 2-11	Chair of the highest governance body	133	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	17	
GRI 2-13	Delegation of responsibility for managing impacts	17, 133	
GRI 2-14	Role of the highest governance body in sustainability reporting	9, 17, 133	
GRI 2-15	Conflicts of interest	133	
GRI 2-16	Communication of critical concerns	123, 128	
GRI 2-17	Collective knowledge of the highest governance body	17	
GRI 2-18	Evaluation of the performance of the highest governance body	–	<a href="https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html">https://ir.nordex-online.com/websites/Nordex/English/6000/corporate-governance.html</a>
GRI 2-19	Remuneration policies	133	
GRI 2-20	Process to determine remuneration	133	
GRI 2-21	Annual total compensation ratio	–	Omission: Information on this indicator has not been collected to date.
GRI 2-22	Statement on sustainable development strategy	5	

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GRI Standard	Disclosure title	Page	Note
<b>Strategy, policies and practices</b>			
GRI 2-23	Policy commitments	58, 115, 123, 124	
GRI 2-24	Embedding policy commitments	115, 123, 126	
GRI 2-25	Processes to remediate negative impacts	123, 128	
GRI 2-26	Mechanisms for seeking advice and raising concerns	123, 125, 128	
GRI 2-27	Compliance with laws and regulations	128	
GRI 2-28	Membership associations	39	
GRI 2-29	Approach to stakeholder engagement	18, 19, 123, 131	
GRI 2-30	Collective bargaining agreements	92	
<b>GRI 3: Material Topics 2021</b>			
GRI 3-1	Process to determine material topics	19	
GRI 3-2	List of material topics	19	
GRI 3-3	Management of material topics	44, 52, 58, 62, 71, 84, 87, 90, 92, 99, 115, 123	
<b>GRI 201: Economic Performance 2016</b>			
GRI 201-1	Direct economic value generated and distributed	12, 15	This indicator is not reported on an individual market basis.
GRI 201-2	Financial implications, and other risks and opportunities due to climate change	58	
GRI 201-4	Financial assistance received from government	143	

GRI Standard	Disclosure title	Page	Note
<b>GRI 204: Procurement Practices 2016</b>			
GRI 204-1	Proportion of spending on local suppliers	115, 117	
<b>GRI 205: Anti-corruption 2016</b>			
GRI 205-1	Operations assessed for risks related to corruption	125	
GRI 205-2	Communication and training about anti-corruption policies and procedures	125, 126	
GRI 205-3	Confirmed incidents of corruption and actions taken	125	
<b>GRI 206: Anti-competitive Behavior 2016</b>			
GRI 206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	126	
<b>GRI 301: Materials 2016</b>			
GRI 301-1	Materials used by weight or volume	–	Information regarding the life cycle assessment can be found on <a href="http://www.nordex-online.com/en/sustainable-products">www.nordex-online.com/en/sustainable-products</a>
GRI 301-2	Recycled input materials used	44	
<b>GRI 302: Energy 2016</b>			
GRI 302-1	Energy consumption within the organization	63, 64	
GRI 302-3	Energy intensity	63, 64	
GRI 302-4	Reduction of energy consumption	63	

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GRI Standard	Disclosure title	Page	Note
GRI 302-5	Reductions in energy requirements of products and services	63, 64	
<b>GRI 303: Water and Effluents 2018</b>			
GRI 303-1	Interactions with water as a shared resource	71	The water consumption is not a material topic for the Nordex Group.
GRI 303-2	Management of water discharge-related impacts	71	
GRI 303-3	Water withdrawal	76	
GRI 303-4	Water discharge	76	
GRI 303-5	Water consumption	76	
<b>GRI 304: Biodiversity 2016</b>			
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	77	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	50, 77	
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# AUDIT OPINION

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## INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING <sup>1</sup>

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 to 31 December 2022 (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 the 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 the section EU-Taxonomy of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent

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.

<sup>1</sup> 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, are 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 the 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 group management report
- › Evaluation of the presentation of the Separate Non-financial Group Report
- › Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned 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 to 31 December

2022 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 for third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 28 March 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke                      ppa. Meike Beenken  
Wirtschaftsprüferin  
[German public auditor]

# GLOSSARY

**AVOIDED CO<sub>2</sub>e 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 (CO<sub>2</sub>e)** 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 CO<sub>2</sub>-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 power) 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** denotes online learning formats.

**EMPLOYEES** We define employees as people employed directly at the Nordex Group, 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.

## Glossary

**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.

**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.

**ONSHORE WIND TURBINE** Wind power systems installed on land.

**PHYSICAL RISKS** describe direct and indirect acute (event-driven) and chronic (resulting from longer-term shifts in climate patterns) 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.

**SCOPE 4 EMISSIONS** describe avoided CO<sub>2</sub>e emissions.

**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.

**UPWIND** Management talent program of the Nordex Group

**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.

## List of Abbreviations

<b><u>AktG</u></b>	Stock corporation act
<b><u>AWP</u></b>	Acciona Windpower (Corporación Acciona Windpower S.L.)
<b><u>CAHRAs</u></b>	Conflict-affected or other high-risk areas
<b><u>CapEx</u></b>	Capital expenditures
<b><u>CCF</u></b>	Corporate carbon footprint
<b><u>CDP</u></b>	Carbon disclosure project
<b><u>CHP</u></b>	Combined heat and power
<b><u>CLICCS</u></b>	Cluster of Excellence Climate, Climatic Change, and Society
<b><u>COE</u></b>	Cost of energy
<b><u>CPI</u></b>	Corruption perceptions index
<b><u>CSR-RUG</u></b>	CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz)
<b><u>dB(A)</u></b>	A-weighted decibels
<b><u>D&amp;I</u></b>	Diversity and inclusion
<b><u>EACs</u></b>	Energy attribute certificates
<b><u>EBIT</u></b>	Earnings before interest and taxes
<b><u>ECA</u></b>	Export Credit Agency
<b><u>EPC/PM</u></b>	Engineering procurement construction/ project management
<b><u>EPD</u></b>	Environmental product declaration
<b><u>ESG</u></b>	Environmental, social and governance
<b><u>GHG</u></b>	Greenhouse Gas
<b><u>GLF</u></b>	Global lead function
<b><u>GmbH</u></b>	Limited liability corporation (Gesellschaft mit beschränkter Haftung)
<b><u>GRI</u></b>	Global reporting initiative

Glossary

<u>GTA</u>	Global Technical Academy	<u>PPE</u>	Personal protective equipment
<u>GW</u>	Gigawatt	<u>PV</u>	Photovoltaics
<u>GWO</u>	Global Wind Organisation	<u>PwC</u>	PricewaterhouseCoopers
<u>HGB</u>	German commercial law (Handelsgesetzbuch)	<u>P2P</u>	Predict to prevent
<u>HSE</u>	Health, safety, and environment	<u>P&amp;C</u>	People & Culture
<u>IAS</u>	International Accounting Standard	<u>QHSE</u>	Quality, health, safety, and environment
<u>IEA</u>	International Energy Agency	<u>R&amp;D</u>	Research and development
<u>IFRS</u>	International Financial Reporting Standards	<u>SBTi</u>	Science Based Targets initiative
<u>ILO</u>	International Labour Organization	<u>SBTs</u>	Science-based targets
<u>ISAE 3000</u>	International Standard on Assurance Engagements 3000	<u>SDGs</u>	Sustainable development goals
<u>IT</u>	Information technology	<u>SED</u>	Socioeconomic development
<u>KPIs</u>	Key performance indicators	<u>SF6</u>	Sulfur hexafluoride
<u>kt</u>	Kiloton	<u>SR</u>	Rates of severity
<u>kWh</u>	Kilowatt hour	<u>SVHC</u>	Substances of very high concern
<u>LCA</u>	Life cycle assessment	<u>TCFD</u>	Task force on Climate-related Financial Disclosures
<u>LL</u>	Lessons learned	<u>UN</u>	United Nations
<u>LMS</u>	Learning Management System	<u>VDMA</u>	Association of the Mechanical Engineering Industry Association (Verband Deutscher Maschinen- und Anlagenbau)
<u>LTi</u>	Lost time injury	<u>VOC</u>	Volatile organic compounds
<u>LTIF</u>	Lost time injury frequency	<u>3TG</u>	Tin, tungsten, tantalum, and gold
<u>Mt</u>	Megatonne		
<u>MW</u>	Megawatt		
<u>MWh</u>	Megawatt hour		
<u>NESA</u>	Nordex Energy South Africa		
<u>OECD</u>	Organisation for Economic Cooperation and Development		
<u>OpEx</u>	Operational expenditures		

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We are setting our sights on a future worth living: In 2023, the Nordex Group will implement further measures from its Sustainability Strategy 2025.

