
2017
USE WIND INTELLIGENTLY
LIVE SUSTAINABILITY
NORDEX
acciona
Windpower

USE WIND INTELLIGENTLY. LIVE SUSTAIN-ABILITY.

As a company that is fully aware of its responsibilities, through our wind energy systems we aim to contribute to climate-friendly energy generation – and ensure sustainable thinking is embedded in all areas of our Company.

WE ARE NORDEX

THE NORDEX GROUP is one of the world's leading providers of high-performance wind power systems. The Group unites the two formerly independent manufacturers – Acciona Windpower and Nordex – which complement each other perfectly. Whereas Acciona Windpower generates the majority of its revenues from major projects in growth markets, Nordex focuses its business activities on Europe. By bundling these business activities, we cover **around 90 percent** of the markets (excluding China) for onshore systems. As both sections of our Company have different focus areas we can offer suitable wind turbines to meet very different requirements. Our manufacturing network includes facilities in Germany, Spain, Brazil and India. In 2017 we also established a technology center in Denmark for rotor blade development. Nordex's focus lies not only on sustainable economic growth but also on taking responsibility and countering the challenges posed by climate change. Our Sustainability Strategy forms the foundation for our actions, entitled: **'Use wind intelligently – live sustainability'**. In this Sustainability Report we present a detailed account of our economic, environmental and societal activities.

12.5

consolidated net profit 2017
in EUR million,
2016: EUR 141.8 million

2,699

installed capacity 2017 in MW,
2016: 2,622 MW

5,260

employees 2017 at the reporting date,
2016: 5,129 employees

29,306

energy consumption per installed
capacity 2017 in kWh / MW,
2016: 22,819 kWh / MW

2,775

waste per installed
capacity 2017 in kg / MW,
2016: 2,607 in kg / MW

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OUR STRATEGIC FIELDS OF ACTION

ORIENTATION FOR FAST READERS

Reference to sections in the report or to other Nordex publications

www

Links to external internet sources

Further information on key Nordex topics

JOSÉ LUIS BLANCO
Chief Executive Officer (CEO)

FOREWORD BY THE CHIEF EXECUTIVE OFFICER

DEAR READER,

G4-1 Today and in future, climate-friendly energy generation requires numerous actors who pool their knowledge of making sustainable energy a reality. As a manufacturer of wind power systems, our products play a key role in creating a new energy landscape – but we are not stopping there. We want to show that Nordex is just as responsible and reliable a partner to its employees, business partners and society. We have therefore expanded our sustainability reporting continuously since 2016. We also let our deeds speak for themselves: On pages 20–21 you will find an insight into the first Nordex Sustainability Day, which was a resounding success with its highly diverse program. Sustainability topics are more present than ever in the Nordex Group, and we intend to strengthen our commitment over the years to come.

For many of our stakeholders too, the topic of sustainability continues to grow in importance. Our customers and shareholders in particular continue to approve of our thorough approach to safeguarding environmental, occupational and health protection standards. For them, Nordex's sustainability performance increasingly represents a fundamental factor when deciding whether to award projects or make investments. This Sustainability Report offers our stakeholders a comprehensive overview of our sustainability activities and key figures.

IN 2015 we laid the foundation for the continual increase in our environmental, societal and economic commitment by defining our Sustainability Strategy. Our strategy slogan, **'Use wind intelligently – live sustainability'**, emphasizes our conviction that doing business sustainably in all areas of our company contributes to positioning Nordex successfully in the market for the long term.

At the same time, our strategy slogan also describes our understanding of sustainability. Our wind power systems represent the first pillar and core element of this, through which we contribute worldwide to limiting global warming to 2° Celsius and mitigating climate change. The United Nations agreed on this target value at the COP 21 Global Climate Conference in Paris in 2015. Within the global implementation of this stated climate target, companies play a vital societal role – and Nordex actively accepts this responsibility.

THE SECOND PILLAR of our understanding of sustainability is supported by the personal behavior of our employees, suppliers, service providers, customers and business partners. We intend to live and shape sustainability together with our employees in our daily work, and a core Nordex management objective is to anchor sustainability principles in all areas of our company.

87.3

per cent
of the electricity we purchased in 2017 was from renewable sources, compared to 66.8% in 2016.

THE IMPLEMENTATION of our Sustainability Strategy was launched in a year characterized by substantial change for Nordex. Through our merger with Acciona Windpower, with the acquisition of the Spanish wind power system manufacturer concluded in April 2016, Nordex continues to position itself strategically for the future and develop into a globally active and competitive provider with a significantly expanded product range. With this decision we have entered the next phase of our company's development.

ALONGSIDE SETTING OUR STRATEGIC COURSE, ensuring the health and safety of our employees and service providers is a central management task and takes the highest priority across all areas of our business. With targeted training programs in English, German and Spanish, and the resulting improvement in our LTIF (Lost Time Incident Frequency) rate, we intend to reduce accidents at work even more effectively.

A FURTHER MAIN TOPIC of our Sustainability Strategy is to minimize the environmental impacts resulting from Nordex's operations. Comprehensive analyses and reviews of the Group's major sites now enable us to implement site-specific measures to move us consistently closer to our goal. Within this effort, the individual company departments benefit from actively exchanging their experiences. For example, this has made it possible to increase the share of renewable energies within our overall third-party electricity consumption to 87.3% since 2016. Additionally, initial detailed investigations of Nordex's best-selling wind power system in 2016 identified a very satisfactory recyclability rate of over 87%. We will expand these analyses to cover further systems in our product portfolio, with the goal of achieving even better results as part of our product development.

While 2016 and 2017 were mainly characterized by securing the prerequisites for establishing our Sustainability Strategy, the initial results in this reporting period give us cause for optimism. We are convinced that thinking and acting sustainably is inseparable from the future of the Nordex Group.

I cordially invite you to continue accompanying us on our path to becoming a company that feels and lives out its commitment to sustainability on every level.

Sincerely,

José Luis Blanco

Chairman of the Management Board

EXECUTIVE MANAGEMENT OF THE NORDEX GROUP

ABOUT THIS REPORT

MATERIALITY ANALYSIS

To define the relevant sustainability aspects Nordex carried out a materiality analysis which identified 15 material topics.

FIELDS OF ACTION

Nordex has grouped the material topics into five central fields of action: Product Responsibility, Employee Responsibility, Environmental Management & Resource Efficiency, Responsibility in the Supply Chain, and Responsibility for Society.

STRATEGY 2018

The Sustainability Strategy is based on the fields of action and material topics identified. It forms the basis for the sustainability activities of the Nordex Group up to 2018.

Our strategic path
Materiality analysis, fields of action, and strategy up to 2018.

In our Sustainability Report we provide detailed information on our economic, environmental and societal performance. The report describes our Sustainability Strategy 2015 – 2018 as well as current developments, activities and KPIs in the area of sustainability. Together with the Nordex Group Annual Report 2017, our Sustainability Report provides a comprehensive picture of our current business situation, taking into account financial and non-financial key figures.

REPORTING PERIOD AND SCOPE

G4-28

This Sustainability Report relates to the 2017 financial year and covers the reporting period of 1 January 2017 to 31 December 2017. This is the second time Nordex has published its sustainability activities in this form. The company will continue to update and publish its sustainability-related report content and data annually.

G4-30

G4-17

The disclosures made in this Sustainability Report generally apply to all Group companies as recorded in the Nordex Group's consolidated annual financial statements. In the previous year's report the key figures on consumption related solely to the Nordex Group's active production sites in Germany, Spain, Brazil and India, as well as to its head offices in Germany and Spain. For the current report, we have expanded the scope to include the Rotor Blade Technology Center in Denmark, acquired at the start of 2017, as well as all office sites with 50 or more employees. In accordance with the materiality principle we therefore now report on all sites which, due to their size and business activities, have a significant influence on the reporting data. Where information and data in the report relate to Group sites other than those stated above, this is highlighted accordingly.

G4-23

INFORMATION

Please see page 87 of the 2017 Annual Report for the full Consolidated Statement of Financial Position of the Nordex Group.

Content & structure

G4-32

We produced our Sustainability Report 2017 in accordance with the Core option of the Global Reporting Initiative's (GRI) G4 Guidelines. In line with GRI Principles, we applied an integrative process to work out the content focal areas before launching the reporting process. In the first stage, a working group of internal company representatives, which was established for this purpose, determined and prioritized all sustainability aspects of potential relevance. Nordex then identified 15 material topics derived from this research and grouped them into five central fields of action. This report is structured in alignment with these fields of action, reflecting the key economic, environmental and social topics for Nordex with regard to sustainability.

We derived our overarching Nordex Sustainability Strategy for 2015 to 2018 from these key sustainability topics. For a detailed explanation of what underpins this strategy, and the targets by which we measure our sustainability performance, please refer to the section: 'Sustainability as part of our Corporate Strategy'.

The Audit Committee and Supervisory Board have examined the separate non-financial Group Report (Sustainability Report) produced by the Management Board for the period to 31 December 2017. The Management Board explained this documentation in detail in personal meetings with the Audit Committee and Supervisory Board and answered additional questions put by members of the Supervisory Board. Following its due examination of the documentation the Supervisory Board approved it with no reservations.

INFORMATION

For an overview of all standard disclosures provided in this report please see the GRI-G4 Content Index on page 73–78 in the Annex.

SCOPE OF 2017 REPORT IN RELATION TO CONSUMPTION VALUES

G4-23

	Production sites			
	Nacelle	Rotor blade	Tower	Offices
Brazil	■		■	■
Denmark		■*		
France	■	■		■ ■
Germany				■
Great Britain				■
India	■			
Spain	■ ■	■		■ ■
Turkey				■
USA				■

* Rotor Blade Technology Center

Reporting scope

■ Old ■ New

The green dots represent expanded content in the 2017 report. Both of the company's own tower production sites in Brazil, which had been active in the previous year, were shut down; production continued at one plant until March 2017.

In addition to the company's own production sites, there are also production sites belonging to suppliers where Nordex Group staff are employed to monitor quality and production. These sites, a tower production site in Brazil, and a tower and rotor blade production site in India, are outside of the scope of this report.

COMPANY PROFILE

ABOUT NORDEX

G4-4

The Nordex Group is a supplier of innovative onshore multi-megawatt wind turbines for use in heavy, moderate and light wind locations.

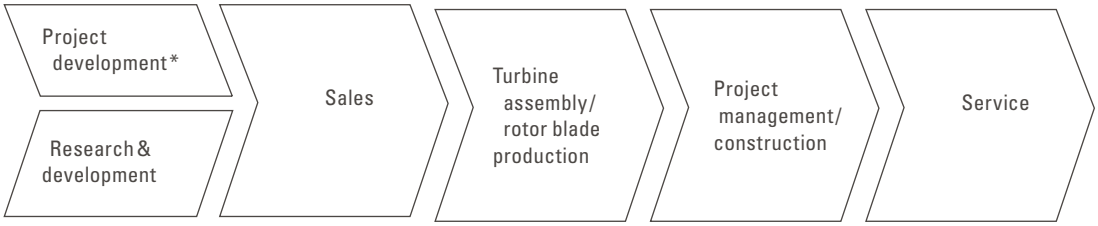
As one of the pioneers of wind power, Nordex has been developing more and more efficient wind turbines for use on land since 1985. In doing so, we remain true to proven principles, rely on tried and tested serial production technology, and pay the utmost attention to the reliability of all system components. In 2000 we installed the first 2.5-megawatt serial production turbine in the world. Since then, Nordex has added well over 5,000 turbines of this platform type to power grids at very different sites worldwide, so we know what we are talking about when we certify the quality, sophisticated technology and reliable performance of our wind turbines, even in extreme locations.

We focus on the development, production and installation of complete wind power systems, including control software and key components. At our facilities we assemble nacelles and hubs for wind power systems in particular. We also manufacture a key part of the rotor blades there ourselves, while the remaining blades are manufactured by contract manufacturers according to Nordex design and specifications. Components such as gearboxes, generators and inverters are supplied by partner companies whose expertise we also frequently integrate when developing products. Towers are purchased as steel and steel-concrete hybrid towers from different suppliers, often locally. Nordex also uses its own concrete tower technology, which enables the production of precast concrete towers close to the project. These production sites are operated partly by Nordex itself and partly by subcontractors.

INFORMATION

For more details on the basis of the Nordex Group, see the Nordex Group Annual Report 2017 page 20.

THE VALUE-ADDING STRUCTURE OF NORDEX SE AT A GLANCE



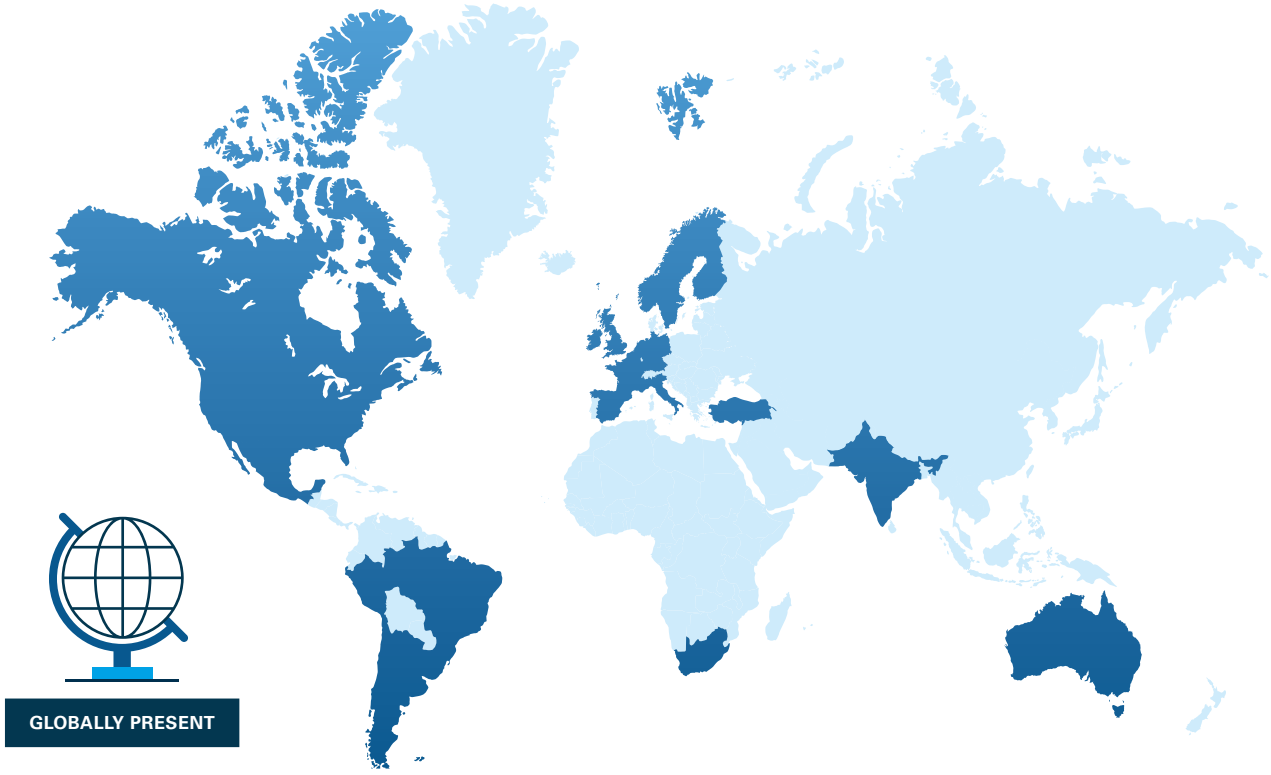
* Activities in selected markets.

We serve our customers in all focus markets through our regional sales organizations. Nordex offers installation of the supplied wind power systems and subsequent servicing of the wind turbines over their whole operating life. We particularly value long-term customer service and loyalty. As a result of the high number of installations, the Nordex Group now services more than 6,800 wind turbines, mainly of its own Nordex and Acciona Windpower brands, under maintenance contracts usually lasting for many years. Services such as the supply of spare parts and customer training are also offered separately. In selected markets, especially France, the Nordex Group is also a project developer for wind farms.

G4-7 The publicly listed holding Nordex SE has its registered office in Rostock, Germany. The majority of the Nordex SE shares are in free float. However, since the acquisition of Acciona Windpower by Nordex in 2016, the Spanish company Acciona S.A., which is listed on the stock exchange, has been a strategic anchor investor. Acciona Windpower's former parent group, Acciona S.A., acquired a 29.9% stake in Nordex SE through the issue of new share capital in the form of a capital contribution and the purchase of further shares.

Our Company's main administration office is based in Hamburg, where our corporate functions are located, along with sections of our Development, Global Sourcing, Project Management and Service Departments, and Sales Germany. The German facilities for nacelle assembly and rotor blade manufacture are based in Rostock. Further significant production sites are located in Spain, Brazil and India. In the reporting period, the Group operated Sales and Service offices in 29 countries, mainly in Europe, North and South America, and in other selected markets such as India, Pakistan, South Africa, and Australia. G4-5 G4-6 G4-8

FOCUS MARKETS OF NORDEX GROUP



INFORMATION

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

They key figures provided in the following fulfill International Financial Reporting Standards (IFRS) requirements for the full period 2014–2017.

The 2014–2017 Annual Reports were audited by the auditing company PWC.

FINANCIAL DATA OF THE NORDEX GROUP

in EUR million	2017	2016	2015	2014
Sales	3,077.8	3,395.0	2,430.1	1,734.5
Total revenues	3,127.4	3,395.4	2,416.1	1,739.5
Earnings before interest and taxes (EBIT)	43.4	168.6	126.2	78.0
Cash flow	–10.8	114.4	144.6	–24.6
Investments	144.3	102.4	75.1	76.3
Consolidated net profit/loss	0.3	95.4	52.3	39.0
Cost of materials	2,294.9	2,559.4	1,879.8	1,342.7
Personnel expenses	359.2	289.9	197.3	167.7

Figures are based on the Group's consolidated income statement in the relevant Nordex Group Annual Report.

ECONOMIC PERFORMANCE OF THE NORDEX GROUP G4-EC1

in EUR million	2017	2016	2015	2014
Direct economic value generated	3,078.4	3,395.4	2,430.3	1,741.3
Economic value distributed				
of which operating costs	2,724.8	2,936.9	2,092.4	1,500.2
of which employee wages and benefits	359.2	289.9	197.3	167.7
Payments to providers of capital	33.7	34.7	23.3	20.5
Payments to the government	38.1	49.9	13.5	7.3
Community investments	n. d.	n. d.	n. d.	n. d.
Economic value retained	–77.5	84	103.8	45.6

Figures are based on the Group's consolidated income statement in the relevant Nordex Group Annual Report.

Corporate governance

UNDER A TWO-TIER management system, G4-34 the Nordex Management Board manages the Company at its sole discretion with the aim of achieving sustained increases in enterprise value, and attaining the established long-term Company targets. It also coordinates and controls all significant activities and conducts the Company's business in accordance with statutory provisions. In compliance with its statutory obligations, the Supervisory Board advises and monitors the Management Board in matters relating to the Company's governance. It is also directly involved in all decisions of fundamental importance for the Company. The Management Board maintains ongoing contact with the Supervisory Board, briefing it comprehensively on the current status and performance of the Nordex Group as well as on all material business transactions. In financial year 2017 the Supervisory Board established three committees: Besides the Executive Committee, which acts as the Personnel and Nomination Committee, these were the Audit Committee and the Strategy and Technology Committee.

INFORMATION

For more on the topic of diversity see page 45.

INFORMATION

For further details on Corporate Governance, see the Corporate Governance Report in the Annual Report on page 74.

Nordex customers are primarily developers and operators of wind farms. These include large and medium-sized, often internationally active, energy supply companies and Independent Power Producers (IPP) on the one hand, but also further customer groups such as medium-sized project developers, municipal utilities and public wind farms or energy cooperatives on the other. In addition, customers include an increasing number of industrial producers and financial investors such as insurance companies and pension funds. These groups invest in the construction and/or acquisition of wind farms in order to cover their electricity requirements (industry, commerce) or to generate an economic return on their installations (financial investors).

In financial year 2017, Nordex, with its G4-9 5,260-strong workforce (as at 31 December 2017), generated sales of EUR 3,077.8 million and consolidated profit after tax of EUR 0.3 million. The Projects segment accounted for around 90% of sales, with the Service segment generating the remaining 10%. In the reporting year, the Nordex Group installed 932 wind power systems in 16 countries with a total capacity of 2.7 GW. The largest single markets by installed capacity were the USA, Germany, Turkey and Brazil, followed by France, and Ireland.

As at the financial reporting date of 31 December 2017, the Group's total assets stood at EUR 2,807.6 million, of which EUR 919.0 million, or 32.7%, represented equity. Longer-term borrowing mainly comprises a promissory note loan and, since the beginning of 2018, a corporate bond. As a company with sustainable business practices, Nordex achieved certification of this financing instrument as a green bond in accordance with the criteria of the Climate Bonds Initiative's Climate Bonds Standard Board. Furthermore, Nordex has received third-party financing in the form of an investment loan from the European Investment Bank (EIB).

INFORMATION

For further information on the Climate Bonds Initiative standards, visit: www.climatebonds.net/standards.

RISKS AND OPPORTUNITIES FROM CLIMATE CHANGE

G4-14
G4-EC2

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

INFORMATION

More information is available in the Opportunities and risk report in the 2017 Annual Report on page 54.

For many years now, renewable energies have been gaining importance not only in industrialized countries but also in developing and emerging countries. This trend could accelerate further as a result of the potential consequences of climate change and the resulting pressure to act, which will very probably lead to a further increase in the demand for wind energy technologies. At the same time, changes in the weather present manufacturers with challenges, since the availability and suitability of wind farm sites are determined in the first instance by the prevailing wind conditions. For several years now, the Nordex Group has been reacting to these new requirements by developing systems for areas of particularly light or strong winds, as well as project and site-specific solutions.

Nevertheless, rapidly changing conditions may negatively influence the efficiency of existing wind farms and cause a shift in suitable locations. In addition, climate change also harbors general risks for Nordex as a production and plant construction company. This includes, for example, risks to our own production sites and the supply chain, as well as adverse effects on logistics chains and in the construction of wind farms due to extreme weather events.

We are actively meeting the challenges described and see these as an incentive for optimizing our wind power systems with increasingly effective and innovative technologies and ideas. For further explanations of our product strategy and development, please see the section on Product Responsibility in this report.

Sustainable from the ground up

Nordex relies on holistic thinking in production, construction and operation.

SUSTAINABILITY AS PART OF THE STRATEGY

GUIDING PRINCIPLES AND CORPORATE CULTURE

VALUES AND GUIDELINES

G4-56 Our Company is committed to handling resources in full awareness of our environmental and economic responsibilities. Our actions also reflect the respect we have for all Nordex employees and our customers, suppliers, service providers and shareholders, as well for our neighbors and local communities.

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 general Nordex guidelines, corporate guidelines and, in particular, our Codes of Conduct for employees and suppliers.

The Code of Conduct for Nordex employees comprises five core Compliance Principles: Compliance with applicable law; Avoiding conflicts of interest; Protecting Company property; Upholding the Code of Conduct; Aspiration towards ethical standards. It is binding for the entire Nordex Group. In the Code of Conduct for subcontractors and suppliers, we adhere to the principles of integrity and ethical, lawful conduct throughout the entire duration of the business relationship.

G4-15 In accordance with our Codes of Conduct, the ethical guidelines of the UN Global Compact and the Organization for Economic Cooperation and Development (OECD) provide fundamental guidance for all our business activities.

CORPORATE COMPLIANCE

The Corporate Compliance Department supports the specialist departments, managers and employees in acting according to their duties and guidelines. The core task of Corporate Compliance consists in implementing an effective Compliance Management system that is designed to promote risk awareness and integrity and to identify, stop and permanently prevent potential legal violations. Besides this specialist department there is also an interdisciplinary Compliance Team.

Both Corporate Compliance and the Compliance Team inform employees and management staff about general and current compliance issues, such as tackling corruption and preventing antitrust law infringements. They also support them in fulfilling compliance obligations and are available to employees, managers and contractual partners for any questions about compliance. Their focus is on promoting risk awareness and integrity, with the aim of strengthening the company's sustainable compliance culture in which there is zero tolerance for violations of the law.

CORRUPTION PREVENTION – STAFF TRAINED (2017) G4-SO4

Region	Staff trained*	Of whom: Managers trained*
Africa	9	4
Asia	52	9
Europe (excluding Germany and Spain)	153	46
Germany	1,184	211
North America	27	5
South America	52	14
Spain	295	67

* by risk-based target groups.

In the reporting period, activities were focused on the one hand on the organizational realignment of Corporate Compliance beyond the Legal Department in the middle of the year and an increase in personnel that will take effect in the first quarter of 2018; on the other hand, the foundations for updating and expanding the Compliance Program were laid. Another focus point was once again raising awareness as well as training employees and managers worldwide. The training courses extended from the Management Board and the management levels through to employees carrying out risk-relevant activities. In addition to the existing e-learning format for preventing corruption (see below), a further course on antitrust law was developed which will be introduced in 2018.

COMPETITION

Agreements and actions that inhibit free trade or restrict competition are contrary to our understanding of compliance and must be avoided. To do so, we have committed ourselves and our suppliers to the respective Code of Conduct. In 2017, there were no instances of anti-competitive behavior, nor were any criminal proceedings initiated owing to violations of the law or regulations.

G4-SO4 G4-SO7 G4-SO8

PREVENTING CORRUPTION

Effective corruption prevention is a core task for Corporate Compliance. On the one hand, when joining the company all new employees are verifiably informed and obliged to sign their compliance with the Code of Conduct and the guidelines contained therein for preventing corruption. On the other, employees in risk-relevant functions and country organizations take part in a mandatory e-learning course. In addition, relevant employees and organizational areas are informed about current topics on a case-by-case basis. G4-SO4

In the reporting year the e-learning course on preventing corruption continued, which had been introduced at the end of 2016. In accordance with the risk-based targets, all members of the Management Board and 1,772 (85%) employees in risk-relevant areas of activity and regions had completed the required e-learning course by the end of 2017 (see table above).

100

percent
of business sites were assigned a risk level in the reporting period.

As well as information measures and training courses, the Internal Audit department also carries out audits for corruption risks on Group companies. In the reporting year the audits were carried out in accordance with the 2017 Audit Plan, which established a risk-based ranking based on the following factors:

- The Corruption Perceptions Index (CPI)
- Employee fluctuation
- Date of the last assessment
- Assessment by the specialist departments and the Compliance Team
- Economic development (EBIT/revenue)

G4-SO3 G4-SO5 In the reporting period 100% of our business sites were ranked. The corruption risks are distributed according to the CPI within the Nordex Group. We are pleased to confirm that there were no confirmed instances of corruption in 2017, nor was any resulting legal action taken.

HUMAN RIGHTS

G4-HR1 All our business decisions and activities, including our investment agreements, are subject to upholding human rights globally. We place the same demands on our business partners.

We continuously train new employees and suppliers as part of communicating our Codes of Conduct and their commitment to our guidelines and principles. Our Supplier Code of Conduct applies to our security service providers as well as all other subcontractors and suppliers. Within this we explain our labor and human rights requirements and explicitly require our business partners to comply with them. We will intensify our training courses on this in 2018.

MEMBERSHIPS AND COLLABORATIONS

G4-16 Nordex is a member of various international and sector-specific associations. As members of management or steering committees we play an active role in the following organizations: VDMA PS (Specialist Power Systems Association of the Mechanical Engineering Industry Association), WindEurope, FEE (France Energie Eolienne), SAWEA (South African Wind Energy), CEA (Cámara Eólica Argentina) and PSEW (Polish Wind Energy Association).

The following associations and technical bodies are also particularly relevant to us: FGW (Federation of German Windpower and other Renewable Energies), ABEEolica (Associação Brasileira de Energia Eólica), AEE (Asociación Empresarial Eólica), AWEA (American Wind Energy Association), TUREB (Turkish Wind Energy Association), ANEV (Associazione Nazionale Energia del Vento) and AMDEE (Asociación Mexicana de Energía Eólica).

FINANCIAL ASSISTANCE

G4-EC4

As an important actor in the wind power industry, energy market-related policy decisions in particular greatly affect our business activities and projects. Nordex itself receives no subsidies for its products. The electricity we generate using renewables and which is fed into the consumer power grid is remunerated depending on the particular state's subsidy programs.

In 2017, Nordex received investment grants of EUR 1,735 thousand (2016: EUR 993 thousand) from the Mecklenburg-Vorpommern State Development Institute for the procurement of additional productive assets at our Rostock site to improve and expand the plant. Approval of these funds is subject to fulfillment of pre-established contractual conditions. The subsidized plant assets must remain there until the end of the five-year restricted period, which commences upon completion of the investment activity. Furthermore, during the restricted period a yearly average of 1,126 jobs must be maintained; Nordex has formally requested a reduction of this average number to 1,026.

Regarding research and development (R&D), Nordex projects received subsidies of EUR 1,322 thousand (2016: EUR 497 thousand). These related to individual plant and joint projects in experimental, industrial and pure research that we are implementing as part of German federal state specialist programs.

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 necessary information and binding declarations, and in doing so we are also directly involved in the financial guarantees. In individual cases we also apply for our own supplier and production coverage to safeguard against specific risks associated with customers' wind farm projects. In the reporting period, the Nordex Group concluded new business worth EUR 126.7 million (2016: EUR 77.2 million) covered by ECAs.

In the reporting year Nordex received EUR 107 thousand in tax relief for 2015 in Germany under the German Electricity and Energy Tax Act.

We received no financial incentives nor any other fiscal benefits that included forms of financial support. Furthermore, no governments held stakes in Nordex SE in the reporting period. For further information on our shareholder structure, please see the Nordex Group Annual Report.

2015

Nordex established the Sustainability Management organizational unit to meet our stakeholders' rising demand for information, among other factors.

SUSTAINABILITY MANAGEMENT

In 2015 we established our Sustainability Management organizational unit to coordinate sustainability measures in a target-orientated way and meet our stakeholders' growing information requirements. Sustainability Management is responsible for all aspects of sustainability at Nordex and is supported by a broad spectrum of Company areas. This unit's responsibilities include the management and communication of internal and external processes, coordinating different departments, and engaging in dialog with various stakeholder groups. Its objective is to implement the Nordex Sustainability Strategy efficiently.

In the reporting period, Sustainability Management implemented numerous measures. After the unit had launched software for controlling key figures and for internal and external reporting in 2016, the reporting framework was expanded in 2017 and appropriate in-house international training courses were held (see "About this report" from page 7). It also coordinated specific measures to achieve the objectives we set in our Sustainability Strategy. In the reporting year, for example, specific environmental targets were set and measures to achieve these were defined for all relevant sites.

SUSTAINABILITY STRATEGY 2015 – 2018

IN 2015 THE NORDEX MANAGEMENT BOARD ADOPTED THE SUSTAINABILITY STRATEGY ENTITLED 'USE WIND INTELLIGENTLY – LIVE SUSTAINABILITY'.

The strategy includes the strategic fields of action and the derived sustainability topics, for which we have defined specific objectives and KPIs.

Since 2016 we have conducted an annual Group-wide status survey that focuses on material sustainability topics. Together with the sites within the survey scope we identified individual measures intended to secure the implementation of our Sustainability Strategy. In doing so, we aim to make a systematic contribution to ensuring that our employees, together with our suppliers and service providers, live out our sustainability principles and take responsibility.

With the development in the 2018 financial year of a new Sustainability Strategy, which will apply from 2019 onwards, we are entering the next stage of the consistent implementation of sustainable development for the entire NordexAWP Group.

ECONOMY

Cost of energy (COE)
–18%
page 25 et seq.

Sustainable product development
Market-specific product development for Nordex target markets
page 25 et seq.

Supply chain
Integration of sustainability requirements in the sourcing process
page 51 et seq.

PEOPLE

Health and safety
LTIF < 5
page 47 et seq.

Corporate culture
High employer attractiveness
page 35 et seq.

Engagement with at least one social project in each focus market
page 65 et seq.

ENVIRONMENT

Environmental footprint
Improvement of the environmental balance of wind turbines

Reducing energy consumption and waste per wind power system produced
page 55 et seq.

Dismantling and recycling
85% recyclability of wind power systems
page 31 et seq.

Environmental behavior
100% of the external electricity we consume is from renewables
page 58 et seq.

Successful kick-off for more sustainability

FOR ONE WHOLE DAY EVERYTHING AT THE HAMBURG HEAD OFFICE REVOLVED AROUND THE QUESTION OF HOW NORDEX AS A COMPANY, AS WELL AS EACH OF OUR EMPLOYEES, CAN ACT IN AN ECONOMICALLY, ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE WAY.

G4-26 In 2017 the Nordex Group not only intensified its CSR reporting but also set a clear signal with the first Sustainability Day. Its purpose was to generate enthusiasm and make a complex topic that affects everyone more accessible. The CSR Team developed an attractive and varied program: At topic-centered booths participants were able to learn more about sustainability-relevant aspects such as waste, mobility, nutrition and textiles, and experience these for themselves through the various activities on offer. Interactive tools, discounts from sustainability partners, special activities such as testing out different e-mobiles, regional, seasonal and organic catering, and a food-sharing offer rounded off the day.

The highlight of the diverse program was a panel discussion with well-known presenters: Jens Kerstan, Senator for the Hamburg State Ministry of the Environment and Energy, Prof. Dr. Werner Beba from the Faculty of Economics and Social Affairs at the Hamburg University of Applied Sciences (HAW), and Jörg Scholle, Chief Technology Officer at Nordex, held an open debate with around 100 participants on current topics relating to the energy revolution, such as the digitalization of industry, intelligent networking

of systems, and the realization of the vision of a 100 percent renewable energy supply. The NEW 4.0 innovation alliance (Norddeutsche-EnergieWende 4.0 – North German Region Energy Transition 4.0) also triggered an intensive exchange. As part of this pioneering project, around 60 actors from industry, research and politics in Hamburg and Schleswig-Holstein have come together since 2016 to drive the fourth industrial revolution and to show how Northern Germany can make itself sustainably viable for the future. We also take part in this endeavor through system services and the Energy Campus, which Nordex supports as part of a cooperation with HAW Hamburg.

SWITCHOVER TO REUSABLE COFFEE CUPS

A TANGIBLE HIGHLIGHT OF THE SUSTAINABILITY DAY, AND A SMALL BUT EFFECTIVE CONTRIBUTION TO CLIMATE PROTECTION, WAS THE INTRODUCTION OF AN ENVIRONMENTALLY FRIENDLY ALTERNATIVE TO DISPOSABLE COFFEE CUPS. AT OUR HEAD OFFICE THESE ARE NOW A THING OF THE PAST. INSTEAD SUSTAINABLE REUSABLE COFFEE CUPS MADE FROM BAMBOO FIBER WILL BE USED HERE IN FUTURE.

Our first Sustainability Day was a special event for us, but it will not remain the only one: It represents the kick-off for a series of activities that Nordex will organize in future. There are plans to hold regular Sustainability Days at different sites, which will become a new Company tradition across the Group.

INFORMATION

Read more about NEW 4.0 on page 65.

Jörg Scholle, Nordex Chief Technology Officer.

(From left) Jens Kerstan, Herbert Schalthoff, Prof. Dr. Werner Beba.

Employees and interested students calculate their environmental footprint.

MATERIALITY ANALYSIS

G4-18 G4-24 For us and for the majority of our stakeholders, the sustainability performance of our business partners continues to gain in significance. When selecting partners for a project or making investment decisions, their professionalism in fulfilling environmental and occupational health and safety standards plays an increasingly important role for our customers and shareholders. The development of our Sustainability Strategy was therefore based on an integrative process that closely involved key Company functions in identifying stakeholder groups and sustainability topics relevant to Nordex, as well as in the development of the strategy itself. The working group we formed for this mission consisted of representatives from a broad spectrum of Company areas. The working group's goal was to identify and prioritize key sustainability topics for Nordex from a Company-internal as well as a stakeholder perspective.

G4-26 The process encompassing the acquisition of new customer groups through to project finalization can take several years at Nordex. During every stage of this process we engage closely and regularly with key stakeholder groups, for instance as part of supplier audits and regular investor and analyst conferences. We also engage in regular dialog with key stakeholder groups in many forms, including employee, customer and supplier surveys.

The result of our materiality analysis is presented in the Nordex Materiality Matrix that reflects the 15 sustainability topics from the areas of Economy, Environment, and Society. The core topics of health and safety, Cost of Energy (COE), supply chain, sustainable product development, environmental behavior, environmental footprint, corporate culture, and dismantling and recycling, are of very high relevance to Nordex and its stakeholders, and therefore a fixed component of our Sustainability Strategy.

In the following chapters we present the sustainability topics grouped into five fields of action, which represent the overarching challenges we constantly work to meet.

Stakeholders

G4-25 **AMONG OUR MOST IMPORTANT** stakeholders are government agencies and policy-makers, employees, customers, suppliers and service providers, shareholders and investors, non-governmental organizations, the media and general public, local communities, competitors, grid operators, trade associations, and the scientific community. In 2018 we plan to conduct an additional survey specifically on sustainability to ensure that stakeholders' views will continue to be reflected in our sustainability activities in the future. This stakeholder survey will form the basis of our new Sustainability Strategy from 2019 onwards.

PRODUCT RESPONSIBILITY: Our goal at Nordex is always to be customers' first choice for new projects and their execution. Right from the development and construction of our wind power systems, alongside technological further development we prioritize environmental and societal aspects that include recyclability, serviceability, use of materials, noise emissions, and health aspects. To ensure wind power remains competitive it will be essential to reduce our cost of energy (COE) further. This is therefore a material business KPI for Nordex.

EMPLOYEE RESPONSIBILITY: Nordex's success is based on a corporate culture that focuses on recruitment, retention and further training as well as the satisfaction, health, safety and diversity of our workforce.

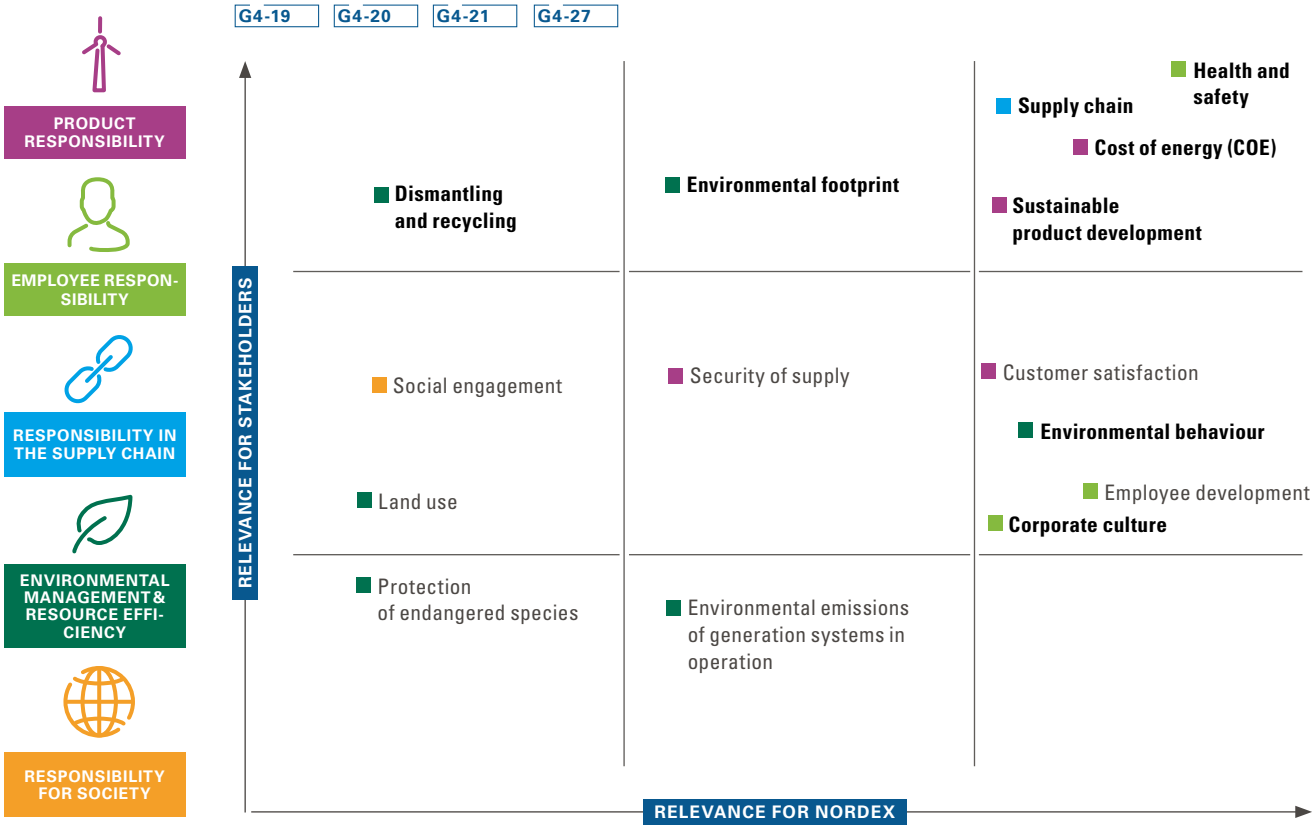
RESPONSIBILITY IN THE SUPPLY CHAIN: A significant share of Nordex's added value is created in the pre-production phases. This makes it vital to push through compliance with social and environmental standards in the supply chain too.

ENVIRONMENTAL MANAGEMENT & RESOURCE EFFICIENCY: As a manufacturer of wind power systems we act in the interests of our customers and the environment. Through the considerate use of resources we aim to continually reduce our environmental footprint.

RESPONSIBILITY FOR SOCIETY: As a dynamic global company, engaging for the benefit of society at a local level is part of the way we see and understand ourselves.

THE NORDEX GROUP MATERIALITY MATRIX

G4-19 G4-20 G4-21 G4-27



PRODUCT RESPON-SIBILITY

CONTENT

Nordex wind power systems

THE HIGH PRIORITY OF SUSTAINABILITY in the development and manufacture of our wind power systems is why we regularly review our core processes and use of materials for areas of optimization potential. A central strategic aim of product development at Nordex is to reduce our COE by 18% by 2018 against our 2015 baseline. This figure has been calculated based on the total sum of all wind farm project costs over its entire lifetime, divided by the revenue that the wind farm generates after commissioning. COE can be reduced in two ways: Firstly, through cost reduction ('cost-down') measures, and secondly through increasing our wind farms' productivity (value-up, measures).

STRATEGY 2018

For further information on our Sustainability Strategy, see page 19.

SUSTAINABLE PRODUCT DEVELOPMENT

DMA

Renewables, particularly wind power, are gaining in importance globally. 'Green' electricity generated from these sources helps to reduce the carbon greenhouse gas dioxide (CO_2) emitted during conventional electricity generation and which contributes significantly to global warming. High-performance wind power systems play a key role in this positive development, and we intend to increase our customers' satisfaction with our products and services through the continued development of our wind power systems to the highest safety and quality standards.

Once connected to the grid, our wind power systems generate electricity for some 20 years, thus making a major contribution to the eco-friendly supply of electricity as part of the overall transformation of the energy sector. A single Nordex large wind turbine can meet the average electricity requirements of around 3,000 four-person households. Globally, Nordex and Acciona Windpower have many thousands of wind turbines installed with a combined nominal power rating of over 22 gigawatts, ensuring electricity is supplied cleanly and securely in 38 countries around the world. To achieve the transformation of the energy sector with our partners we are also active in cross-regional project initiatives such as Norddeutsche EnergieWende 4.0 (North German Region Energy Transition 4.0).

INFORMATION

Find out more about this topic on page 65.

Sustainability aspects play a very significant role in all lifecycle phases of our wind turbines – from the development phase, through sourcing, production and operation, to dismantling and recycling. With our Sustainability Strategy we have therefore set ourselves the aim of continually reducing our cost of energy generation (COE) as well as improving both our environmental footprint and the recyclability of our systems.

CONTINUOUS PRODUCT DEVELOPMENT

As a manufacturer of reliable and cost-effective wind power plants, we strive to contribute to meeting the world's growing energy demand with renewable, environmentally friendly electricity and thus contribute to the success of the transformation of the energy sector. In times of intensifying competition, also in other forms of energy generation, the development of ever more powerful and profitable systems for the inexpensive generation of electrical energy has been the driving force and focus of product development in 2017. A key milestone in achieving this goal was the launch of the latest addition to our Delta family: The powerful N131/3600 along with the N131/3900 for light-wind sites.

RISING POWER YIELDS AND LOW NOISE EMISSION LEVELS

In 2017 a number of technical innovations and optimizations were introduced into the serial production of both system derivatives of the Delta family, N131/3600 and N131/3900. Thanks to serrations, the sound levels per wind class remain low despite a significant increase in rated power and annual energy yield. These serrated components significantly reduce trailing-edge noise on the rotor blades. They have been available as retrofit components since 2017 and can also contribute to lower sound levels in existing systems.

Material savings from a smart plant control system

By implementing a modular and standardized installation concept in the reporting year we were able to drastically reduce the number of components. This not only lowers material consumption in the tower, it also nearly halves the development time for each tower derivative. Another major step towards reducing materials was achieved through continued development of the plant management technology. A new type of control algorithm significantly reduces system oscillation under certain wind conditions and enables an increase in available tower heights while saving around 22 tonnes of steel per tower at the same time. Smart management helps to reduce extra safety costs and raise load potentials. As a result, the rotor can now be installed in areas with higher wind speeds and provides a more even airflow, which increases annual energy yield by 3% on average while saving material in the tower and leading to noticeably cheaper power generation.

Reduction in the cost of energy generation over the whole wind power system life-cycle

In 2017 we once again reduced the complexity and costs of our wind power systems over the whole product development process and life-cycle. For example, transport and storage concepts for blades were optimized and rotor components were redesigned to reduce component complexity and production costs. In addition, it was also possible to further reduce the costs associated with product and service development. By developing algorithms for implementing predictive maintenance planning we were able to significantly reduce downtimes for maintenance and repairs, resulting in decreased yield losses for our customers.

Another innovation in 2017 was the development of an automated system for optimizing the layout of wind farms. Through newly implemented, special algorithms we have created an integrated layout process that takes into account and balances out the topographical conditions of a wind farm site with all relevant influencing factors for the arrangement of the plant, the optimal turbine configuration for the specific site, and the required development and installation costs. Thanks to our 'Balance of Plant Cost Optimizer' we were able to achieve significant increases in energy yields at the level of wind farms; in the case studies carried out we were able to demonstrate an average reduction of 4% in energy production costs in the wind farm.

The Nordex Group clearly exceeded its own targets for lowering the cost of energy generation in the 2017 reporting period, and we will continue to work on reducing this further in future. For example, with the latest generation of the Delta series, the N149/4.0-4.5, we are developing our most profitable turbine to date for sites with low to medium wind speeds. With larger rotors, increased nominal output and optimized technical systems, the Delta4000 will set new standards in terms of economy, reliability, serviceability and work safety.

22

tonnes of steel

A new type of control algorithm can save 22 tonnes of steel per tower.

Expanded utilization range of Nordex systems worldwide

In order to enable operations at sites with particularly strict conditions, Nordex offers a wide range of operating modes and equipment modules, such as demand-driven flight beacons, the shadowing module and special modules for species protection. These can be controlled according to the local prevalence of protected species and their behavior, approaching flying objects, local wind direction, sunshine intensity, outdoor temperature, time of day, or the local holiday calendar. This minimizes environmentally damaging light and noise emissions and meets construction regulations.

Our Delta systems can continue to operate at sites with average temperatures in the normal climate range, even at temperatures as low as –20° Celsius. The tried and tested Nordex Cold Climate Package also helps to develop profitable cold sites. In the cold-climate variant (CCV) the system has an extended operating range and is ready for operation at outside temperatures down to –30° Celsius: A contribution to the sustainable safeguarding of planned annual energy yields in cold periods with a view to global climate change and the investment horizon of wind turbines, which usually extends over several decades. Our effective anti-icing system, which we continued to develop in 2017, heats the most aerodynamically important surfaces of the rotor blades as required and reduces ice build-up in an energy-efficient way. This technical development leads to higher energy yields at sites with frequent ice formation.

The systems in the Delta family meet the grid requirements of the German market. One of the most demanding grid connection guidelines in Europe is the German System Service Ordinance (SDLWindV). The Fault-Ride-Through capability of the turbines enables them to bridge voltage dips effortlessly and thus meet all requirements for the system service bonus, among other things. In addition, the Nordex wind farm management system allows grid operators to directly control the active and idle power of the wind farm in the grid.

THE AW3000 PLATFORM AS A COMPETITIVE FAMILY OF SYSTEMS FOR THE NON-EUROPEAN MARKET

In the 2017 reporting period our developers focused on further reducing the costs of electricity generation in markets with specific regional regulations and framework conditions by implementing technical innovations. In the course of the cooperation between Nordex and AWP development teams, it was possible to transfer technological and methodological findings and incorporate them into the further development of the successful AW3000 platform. With AW132/3X00 IEC IIb, a wind turbine for sites with medium wind speeds has been put into serial production that achieves an annual yield increase of 4–5% thanks to the larger rotor and the use of pre-bent blades, and without significant structural design changes to the machine frame and tower.

Another focus was on the development of an AW3000 platform asset derivative with a reinforced tower design for installation in earthquake-prone regions of the world. With the development of the 'Seismic Tower' we have been able to significantly increase the global range of applications and deployments of our wind turbines for the environmentally friendly and safe generation of electrical energy in seismologically critical regions.

DIGITALIZATION ON CONSTRUCTION SITES

Everyday construction site activities are characterized by considerable administrative effort in documenting and recording procedures and transactions. To increase the speed, efficiency and transparency of the construction team and project manager's work, we use the benefits of a new application for mobile devices. This enables numerous tasks to be performed digitally and allows all project participants to view key information in real time. The application is compatible with numerous devices and can also be used offline at the construction site; the data are synchronized automatically as soon as the user

is back online. The project is being realized in close cooperation with our Continuous Improvement Department and the Nordex IT organizations.

In 2017 the mobile app was in use at 35 wind farms, also as part of initial pilot projects on the AWP platform. By the end of the reporting period a total of around 31,000 forms had been digitally created in the various databases, significantly reducing paper consumption, administrative tasks and the number of e-mail attachments sent. In 2018 we intend to anchor this mobile application in our IT organization and roll it out to all projects of the European Division.

DIGITALIZATION INITIATIVE IN SERVICES

SITE (Service IT Environment), a long-term digitalization initiative, has been running since 2016 as a joint program between Service and IT. The aim is to support the entire service process with up-to-date technologies and systems, thus enabling a more efficient and transparent provision of our services, shorter response times in the event of a service incident, and the development of additional offers. The first set of these systems are now in operation, or are just about to be launched.

A first important milestone was reached in November 2017, when the incident and ticketing system ServiceNow was put into operation. In future this tool will record and document all incidents at our turbines and manage them in a transparent process, monitored by the Company, in order to develop and implement a suitable and sustainable solution as quickly as possible.

By linking ServiceNow to the SAP system, the technician assignment process can be initiated in response to incidents and a corresponding notification can be generated as the basis for the service order.

In order to raise our service delivery to a new level and provide everyone involved in the process with the information they need to carry out their tasks in the best possible way, we plan to put a tool for technician deployment planning and a new mobile solution for order processing into operation in the first half of 2018. To this end, IT has already set up an integration platform by implementing ServiceNow. This ensures that the different systems utilized in the service process communicate with each other and can exchange data.

The prompt supply of spare parts is an important part of service provision and was also optimized within the scope of SITE. In February 2018 a system will be launched that automates transport assignments and the transmission of shipment data; this will not only relieve the team of manual transmission activities but will also ensure greater transparency for the service organization in the field. Employees will then be able to track spare parts orders. In order to be able to offer a comprehensive Smart Service in the future we are already working on integrating turbine data-streams and reports into our service processes, especially in the engineering area.

PRODUCT SAFETY AND HEALTH

Safe products always have the highest priority for Nordex. To guarantee the health and safety of all people in or near a wind power system we employ an iterative process to constantly monitor markets and identify the statutory and normative requirements in each target market.

It is extremely important for us to make our wind power systems safe places to work. Well planned emergency escape and rescue routes, easily accessible systems, an on-board crane for exchanging components with a weight of up to one tonne, as well as rapid, weather-protected access to the rotor hub to reduce any maintenance-related downtime of our Delta-series turbines are all measures that increase workplace safety.

Nordex always develops wind power systems in accordance with the requirements of the European Union Machinery Directive and applicable national regulations such as the German Equipment and Product Safety Act. This generally also includes an analysis of:

- **ENVIRONMENTAL RISKS** relating to fuels, hazardous substances, noise emissions, bird migration, bat protection, ice cast-off, electromagnetic radiation, and subsonic noise
- **STABILITY RISKS** relating to the wind power system identified through foundation surveys, design of the foundation and load-bearing structure, as well as onsite geological and wind conditions
- **RISKS TO PERSONNEL** during manufacturing, transportation, warehousing and storage, installation and finalization, as well as during commissioning, operation, maintenance, repair work and system dismantling
- **FUNCTIONAL RISKS** which could affect technical or power availability

The necessary standards in terms of health and safety requirements are ensured through processes that support product development.

In the reporting period all material Nordex products and services were assessed in terms of health and safety aspects. To implement the measures resulting from these checks, Nordex has qualified specialist and functional departments that monitor and perform the company's own construction, manufacturing, management, installation supervision and functional commissioning, as well as wind power system servicing and maintenance activities. Nordex works with specialist companies such as crane providers and assembly companies for installation activities and special tasks involving the lifting of modules. To ensure health and safety is maintained at every stage, we train these providers on the special requirements of the Nordex Group and our customers. G4-PR1

In the development of the N131/3600 and N131/3900 systems, the design changes over the N131/3300 were assessed in terms of personnel and plant safety. A risk assessment was carried out to ensure human safety. As new potential hazards to people were identified, adjustments were assessed by teams from the Engineering, Service, and HSE Departments. Suitable measures were then implemented as required to mitigate and/or avoid any risks.

To guarantee the structural integrity of our wind power systems we carried out a functional analysis of hazards in the reporting year. Based on the results of this analysis, safety functions were implemented and adapted that took the new limit values of the new system types into account.

WIND POWER SYSTEM DISMANTLING AND RECYCLING

G4-EN27 While progress in wind power technology allows electricity to be generated ever more efficiently and with higher yields, the dismantling of first-generation wind power systems will also become increasingly important over the coming years. This gives rise to the need for eco-friendly, economically rational solutions for dismantling and recycling these systems. Here, the primary challenge lies in the dismantling and separation of the individual components and materials. The customer, typically the owner of the wind power system, is usually responsible for this. Yet Nordex considers itself responsible for playing an active part here. As part of the Nordex Sustainability Strategy we aim to achieve a wind power system recyclability ratio of 85% by 2018.

To achieve this target we performed an initial analysis to identify the recyclability ratio of our best-selling N117/2400 system in 2016, which has three different towers: Two steel towers of 91 meters and 120 meters respectively, and one 141-meter hybrid tower. As part of our analysis we investigated the rotor blades, rotor hub, nacelle, the tower and the foundation, as well as relevant operating fluids to determine the composition of materials.

Assuming that steel, aluminum, copper and concrete are completely recyclable, and that fluids are up to 72% recyclable, we calculated the recyclability of the N117/2400 system with its three different tower types to be 86.7%, 91.0% and 95.8% respectively. If the foundation is incorporated into the analysis results, these values increase owing to the higher proportion of concrete to 97.1%, 97.9% and 98.3%. The wind power system foundation type depends heavily on the system size and tower construction type. Further influencing factors include the water-table height and whether the soil is sandy or mainly clay. The required foundation mass can vary greatly depending on these factors. The values stated here are based on the average foundation type.

87%

of Nordex's best-selling wind power system in 2016 is recyclable, according to a study.

RECYCLABILITY

	Turbine type N117/2400		
in %	91m steel tower	120m steel tower	141m hybrid tower
Recyclability excl. foundation	86.7	91.0	95.8
Recyclability incl. foundation	97.1	97.9	98.3

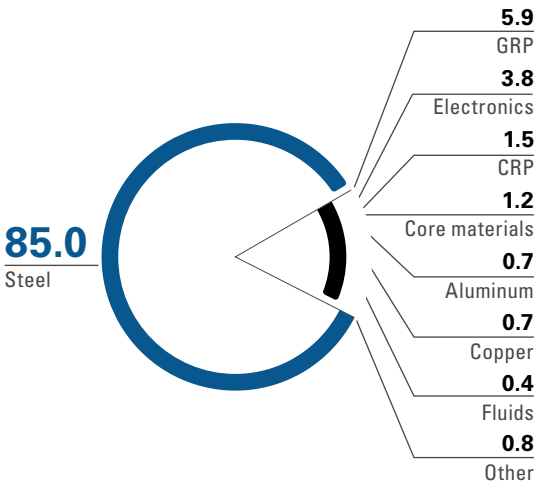
G4-EN1

SUMMARY OF MAIN MATERIALS USED IN THE N117/2400 SYSTEM, EXCL. TOWER FOUNDATION, IN TONNES AND PERCENT

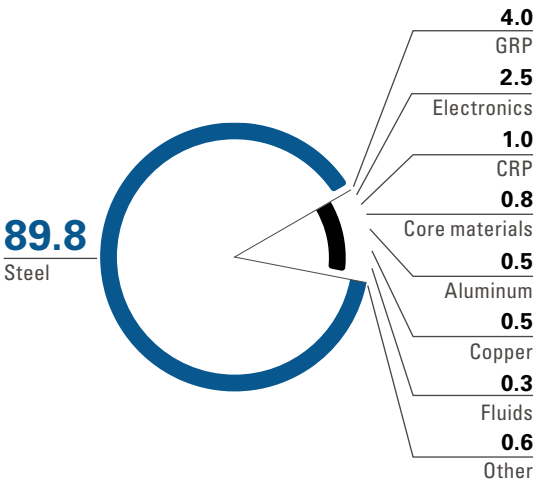
Tower height	91 m	120 m	141 m	91 m	120 m	141 m
Material*	Proportion (in t)			Proportion (in %)		
Steel	320.1	499.1	293.6	85.0	89.8	24.6
Glass-Reinforced Plastic (GRP)	22.2	22.2	22.2	5.9	4.0	1.9
Electronics	14.2	14.2	14.2	3.8	2.5	1.2
Carbon-Reinforced Plastic (CRP)	5.6	5.6	5.6	1.5	1.0	0.3
Core materials (balsa wood and PET foam)	4.4	4.4	4.4	1.2	0.8	0.4
Aluminum	2.8	3.2	4.0	0.7	0.5	0.4
Copper	2.6	2.6	2.6	0.7	0.5	0.2
Fluids	1.7	1.7	1.7	0.4	0.3	0.2
Concrete	0.0	0.0	841.5	0.0	0.0	70.5
Other	3.2	3.4	3.8	0.8	0.6	0.3
Total	376.8	556.4	1,193.6	100	100	100

* Owing to the great variation in foundation types as described above, the detailed material composition breakdown is presented excluding the foundation.

MATERIAL COMPOSITION 91 M STEEL TOWER, EXCL. FOUNDATION

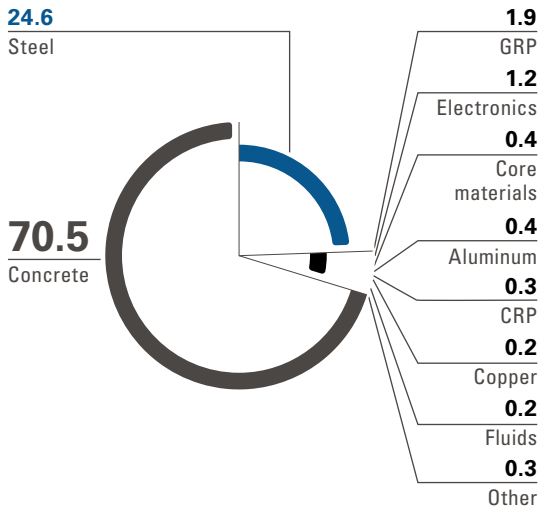


MATERIAL COMPOSITION 120 M STEEL TOWER, EXCL. FOUNDATION



MATERIAL COMPOSITION, 141 M HYBRID TOWER, EXCL. FOUNDATION

in %



In light of the increasing amount of waste generated through the dismantling of decommissioned wind power systems, the Nordex Group continued its major component recycling measures in the reporting year. As part of these, used rotor blades are recycled in collaboration with environmental service providers and transferred to the cement industry for the thermal and material recycling of glass fibers and high-calorie synthetic materials.

CUSTOMER SATISFACTION

We carry out a customer survey every year to measure the satisfaction of our customers and enable us to optimize Nordex products and services accordingly. This survey is an important tool for us in identifying potential for optimization and deriving the actions required, which is why we always analyze these results in great depth.

In the reporting period around 800 customers were asked about their satisfaction with Nordex Service on the basis of a worldwide customer satisfaction survey. As well as the sites that had already been taken into account in previous years, for the first time country organizations also became involved through the merger with Acciona Windpower in 2017. This means that it has not been possible to make a direct comparison with results from the previous years.

FOCUSING

Our customers' satisfaction is decisive in our business success. Integrating our customers' perspective, understanding their needs, and continually adjusting our range of products and services to meet these optimally is therefore fundamentally important to us.

Of the sample surveyed, 73% would recommend our service to others, with 46% of the participants in the survey mostly or very satisfied with Nordex Service. The areas of health, safety and environment, quality and scheduling arrangements were assessed as very positive. Our customers saw potential for improvement in the areas of spare parts availability, for example, and documentation. G4-PR5

Based on the analysis of these results, optimization measures were developed and implemented at both Group level and specifically for each country. As part of the digitalization initiative of Nordex Service, for example, a new electronic reporting system was introduced to make documentation processes simpler, more efficient and paperless. In the area of spare parts too, a further step towards a smart service was taken, in which the transport assignment and the transmission of consignment data was automated. Beyond that we also use the results of the survey to develop individual solutions for specific customer concerns. After all, it is our guiding principle always to be able to provide our customers with tailor-made service solutions.

INFORMATION

Find out more about this topic on page 29.

Nordex Sales also conducted a global customer satisfaction survey again in 2017. On this occasion almost 1,400 customers were asked to share their experiences regarding Sales. Here too, our customers were very satisfied on the whole, and as in 2016, 89% of those surveyed in the reporting period also indicated that they would recommend Nordex to others. Cost of energy is an important factor in our customers' purchasing decisions, and Nordex has made great efforts to reduce these costs over the last few years. Nordex Sales will conduct its next customer survey around mid-2018.

EMPLOYEE RESPONSIBILITY

CONTENT

DMA We firmly believe that motivated, satisfied employees make a key contribution to Nordex's success. This is why our People & Culture Department manages and supports the continued development of our corporate culture, a professional recruitment process, the promotion of diversity, the systematic continued development of managers and staff, as well as occupational health and safety. Our global workforce of 5,260 employees benefits directly from the Department's activities and initiatives.

EMPLOYER AWARDS

Furthermore, as a core part of the Nordex Sustainability Strategy, the People & Culture Department is also responsible for continually improving our attractiveness as an employer. In the reporting period we won multiple awards for our efforts here. Nordex is one of 'Germany's Top 100 Employers' and in 2017 received awards as a 'TOP National Employer', 'Fair Company' and 'Top Career Opportunities for German University Graduates'. The Nordex Group was also mentioned in the context of the German Innovation Prize. Furthermore, the high-quality training we offer once more secured us the 'Top Training Organization' quality seal in Germany.

RECRUITMENT

At a time of demographic change, finding suitable employees and securing their long-term loyalty to our company is more important to us than ever. This is why professional recruitment is an important cornerstone of our forward-looking staff policy. Our employees and managers work in a cross-departmental and cross-divisional way to address the variety of target groups. In 2017 we were the only company in Germany to present ourselves at eleven career and vocational training fairs as well as at the Training Day and Industry Day in Rostock with a trade-fair stand and personnel from different parts of our company. In addition to Training and Recruitment Officers from the People & Culture Department, our Engineering and Service departments as well as experts and managers from a range of corporate departments played an active role in approaching applicants.

EMPLOYEES BY EMPLOYMENT CONTRACT G4-10

	REPORTING DATE	
	2017	2016
Employees with temporary contracts	543	620
of whom male	418	473
of whom female	125	147
Employees with permanent contracts	4,717	4,509
of whom male	3,939	3,756
of whom female	778	753
Temporary employees	165	462
of whom male	134	383
of whom female	31	79

Differences to totals may arise owing to rounding off.

Technical temporary employees outside of our production facilities are not included. Further temporary employees at all sites globally have been included.

EMPLOYEES BY EMPLOYMENT TYPE G4-10

	REPORTING DATE 2017	2016
Total no. of employees	5,260	5,129
of whom male	4,357	4,229
of whom female	903	900
Full-time employees	4,969	4,867
of whom male	4,243	4,135
of whom female	726	732
Part-time employees	291	262
of whom male	114	94
of whom female	177	168

Being a highly attractive employer is an important element of our Sustainability Strategy, and stems predominantly from our unique Nordex corporate culture. Other reasons for joining Nordex are the international composition of the workforce, the sustainability of our business activities, our technology and innovation focus, the wide range of development opportunities at our company as well our sense of community. Additional company provisions such as a subsidized company pension scheme are open to all employees, independent of their type of employment (full time/part time) and their employment contract (temporary/permanent). Our offering is complemented by additional benefits such as subsidized meals and travel at selected sites, as well as our country-specific benefits. G4-LA2

5,260

employees
overall in 2017.

EMPLOYEES BY REGION G4-10

	REPORTING DATE	
	2017	2016
Total number of employees	**5,260**	**5,129**
of whom male	4,357	4,229
of whom female	903	900
Africa	53	57
of whom male	43	44
of whom female	10	13
Asia	133	172
of whom male	114	142
of whom female	19	30
Europe (excluding Germany and Spain)	1,025	907
of whom male	901	791
Germany	2,456	2,468
of whom male	1,992	471
of whom female	464	1,997
of whom female	124	116
North America	242	186
of whom male	215	166
of whom female	27	20
South America	307	452
of whom male	258	382
of whom female	49	70
Spain	1,044	887
of whom male	834	707
of whom female	210	180

PARENTAL LEAVE

Nordex ensures a healthy and sustainable balance of private and professional life through measures such as flexible parental-leave models. In the reporting period 138 employees in Germany (141 in 2016) took parental leave.

G4-LA3

NUMBER OF EMPLOYEES TAKING PARENTAL LEAVE (IN GERMANY)

Employees	2017	2016
Total	138	141
of whom male	47	50
of whom female	91	91

JOINING NORDEX

We offer new recruits to Nordex a range of options to help them familiarize themselves with the company. This is reinforced through the use of special orientation plans by the specialist functions and departments. Since 2015, Welcome Days have also been part of the induction process for Nordex employees. In the course of two days, new recruits get to know the different departments and acquire an overview of the Nordex Group. Three such events took place in 2017, two of them in German and one of them in English. This gives new employees the opportunity to build their own network and consequently make their start and future work in the company easier. We take care to ensure that we familiarize new employees with our Nordex corporate culture and live by our core corporate values from the very beginning.

Across all occupational groups, we recorded a worldwide decline of around 15% in the number applications to 11,898 (13,916 in 2016). This is largely due to the raised job requirements in individual employment advertisements. The number of vacant positions in IT, Law and Finance increased significantly last year (IT +13%, Law +36%, Finance +57%). The effects of a shortage in skills is reflected in the lower number of applications. In spite of this decline, the Nordex Group was successfully able to fill the almost 11% higher number of advertised positions within the Engineering Department (89 in 2017, 80 in 2016). An important factor here was the additional detail and the corresponding greater transparency in the profiles advertised. The application situation among students is just as satisfactory. Compared with 2016, the number of applications increased by 2 to a total of 13 for each position in 2017 – further confirmation of the effectiveness of the personnel marketing measures initiated in the university sector. Applications figures for Acciona Windpower have not been considered in this comparison.

NEW EMPLOYEES BY AGE STRUCTURE G4-LA1

	2017 Total	2017 AWP	2017 Nordex	2016 Nordex
Overall result	1,165	494	671	578
Employees aged under 30	34%	27%	39%	32%
Employees aged 30–50	57%	64%	53%	62%
Employees aged over 50	9%	10%	8%	6%

Differences to totals may arise owing to rounding off.

The values for 2016 apply to the Nordex Group excluding AWP.

NEW EMPLOYEES BY REGION AND GENDER G4-LA1

	2017 Total	2017 AWP	2017 Nordex	2016 Nordex
Overall result	**1,165**	**494**	**671**	**578**
Africa	16	7	9	10
of whom male	14	5	9	7
of whom female	2	2	0	3
Asia	28	19	9	33
of whom male	23	15	8	28
of whom female	5	4	1	5
Europe (excluding Germany and Spain)	271	0	271	196
of whom male	228	0	228	171
of whom female	43	0	43	25
Germany	321	0	321	317
of whom male	248	0	248	258
of whom female	73	0	73	59
North America	109	60	49	15
of whom male	96	53	43	15
of whom female	13	7	6	0
South America	71	61	10	7
of whom male	55	46	9	6
of whom female	16	15	1	1
Spain	349	347	2	0
of whom male	283	281	2	0
of whom female	66	66	0	0

Differences to totals may arise owing to rounding off.

The values for 2016 apply to the Nordex Group excluding AWP.

NEW EMPLOYEES AND EMPLOYEE FLUCTUATION G4-LA1

REPORTING DATE

	2017 Total	2017 AWP	2017 Nordex	2016 Nordex
New employee hires	1,165	494	671	578
Ratio of newly recruited employees (in %)	22	32	18	16
Employees leaving	1,035	443	592	330
Fluctuation rate (in %)	20	28	16	9

The 'Employees leaving' figure does not include interns, students, temporary staff or apprentices.

Training options

OPENING UP LONG-TERM CAREER PROSPECTS to young people and training them in disciplines relevant to Nordex are something we consider to be an important mainstay in securing the future of our company. This is why we offer apprenticeships for both men and women in the following professions every year: Industrial Management, Process Mechanics, Mechatronics, Electrical Engineering for Operating Technology, and Specialist Warehouse Logistics Management. As at the end of 2017, Nordex employed 46 vocational trainees and three students enrolled in dual studies university programs in Germany (41 trainees in 2016).

REDUCING STRUCTURAL COSTS

The wind power industry is characterized by constantly increasing competition and – especially in Europe – changed requirements for the approval of new projects. Moreover, the Nordex Group also needed to respond to delays in projects in Brazil and India. Our Group needs to reduce its structural costs in response to this profound change. In addition to savings in operation costs, around 450 permanent positions were reduced in Europe. In Germany this happened through a voluntary program, internal shifts, natural turnover, expiry of fixed-period contracts, and not reoccupying posts that became vacant. The result of the voluntary program will only come into effect in 2018, however, as the actual terminations of these posts will mostly take place then.

The effects of these measures and events can be seen in the staff fluctuation rate, which amounted to 20% in the reporting period. In 2016 the Nordex fluctuation rate was 9% (excluding AWP).

EMPLOYEE FEEDBACK AND DEVELOPMENT

We fully intend to keep our employees' skills up to date and enable them to cope with constantly increasing requirements, which is why we consider the continued development of our employees to be particularly important. So the 'Compass Dialog', the annual appraisal discussion between the line manager and the employee, is particularly important in our company. This was carried out in all the Nordex Group countries in 2017, with the exception of Brazil, India and China. It covers the assessment of performance, communication of expectations and planning of professional development actions. People & Culture tracks the completion of Compass Dialogs and supports employees and managers in the process. On an overall level, the People & Culture department analyses the results of the talks, and adjusts or adds to their product range according to the needs of the

G4-LA10

organization. Through this structured process we ensure that the wishes and expectations of our employees are taken into account and the requirements of the company are met.

With the implementation of the Compass Dialog and the development conferences in Chile, Italy, Spain, South Africa, Turkey and the USA, the company was able to offer this important personnel development tool to virtually all the employees in the Nordex Group after the merger with Acciona Windpower in 2016. Its implementation in the countries Brazil and India is envisaged for 2018.

Following the Compass Dialogs, we carry out development conferences where the managers agree on the assessment standards, discuss employee feedback as part of the Compass Dialog process, and acquire a cross-departmental overview of talent and high-potential employees in the Company. Beyond that, participants for the Upwind Group-wide international management trainee program are also nominated in this context. This program aims to promote talent on a sustained basis from the Company's own ranks and ensure that the management trainees remain loyal to Nordex. The nominated participants first undergo an in-depth analysis of their potential, with further modules that focus on the development of their management capabilities. We are continuing this successful program to promote young talent in 2018.

A mentoring program was also developed in 2017, which will be launched as a pilot project in Germany in 2018. The objective of this program is to retain talent within the company, for talents to gain important insights and experience in the company, to encourage cooperation across departments, and to further develop our managers. The mentors were signed up from the first management level and the mentees are currently in the middle management levels. In regular meetings over the nine-month program these tandems will be working together on individual topics.

In the reporting year, 77% (72% in 2016) of the possible Compass Dialogs took place, with managers holding discussions with a total of 3,329 employees (2,452 in 2016). The age structure of employees who participated in the Compass Dialogs largely reflects that of the Nordex Group, with 72% of the employees in the 30 to 50 age group, 14% under 30, and 13% over 50. Measured by gender distribution in the company, there were no significant differences between the participation of women (18% in 2017; 17% in 2016) and men (82% in 2017; 83% in 2016). G4-LA11

The People & Culture Department facilitated a total of 34 development conferences in the reporting period (30 in 2016). Other conferences were held in the departments and were supported by internal or external moderators.

FURTHER TRAINING

G4-LA10 The Nordex Academy is a cornerstone of our employee development activities and we use this to provide them with a thorough technical and safety-related training program. Besides test rigs, various large components are available for technology, service and safety training to develop our employees' practical know-how, expand their knowledge and further secure the high quality standards of the Nordex brand. We constantly expand the Nordex Academy's further training catalog and supplement it with specialized training courses run by external providers. One of the innovations in 2017 was the implementation of an e-learning platform, an offer aimed at all employees globally and available in multiple languages. In the reporting year a compliance training course and a course on internal product development processes were among the training offers made available online.

FRUITFUL OFFICE

In the course of providing fruit baskets for the training participants through the 'Fruitful Office' (Frankfurt) supplier, 22 fruit trees were already planted in Malawi on behalf of the Nordex Academy in October and December.

As part of the new divisional structure of the Nordex Group, the whole training program was also rearranged with a view to getting closer to the markets and the customers with our entire value chain. The Technical Training Center (previously the Nordex Academy) is available both to the company's own employees as well as to customers and subcontractors, with all its technical training courses on Nordex technologies. In the process, the central People & Culture Development Department took over responsibility for cross-disciplinary further training and management development training. As this change took place in the middle of the reporting year and will only be implemented in terms of costs in 2018, the training figures are currently reported in terms of the old structure.

G4-LA9 In 2017 the Nordex Academy recorded 3,982 participants (4,166 in 2016), who completed an average of 15 training hours (15 in 2016). The majority of participants came from the Service and Engineering Departments. The number of participants in cross-disciplinary training and management development training amounted to 916. The participants in these areas completed an average of 10 training hours. In Spain a total of 3,517 employees completed training courses, with an average of 5 training hours.

In 2017, personnel and external training provider costs for the Nordex Academy amounted to EUR 2.52 million (EUR 2.26 million in 2016, which corresponds to an increase of 12%). Hence, costs averaged EUR 672 per employee for the Nordex Group before the merger. Not included in these figures are training courses and other professional development courses undertaken outside the Nordex Academy, for instance with voluntary organizations or institutes. In many cases the People & Culture Department provides support in the choice of suitable providers and formats to ensure the high quality of the services booked. These development courses are not centrally monitored or budgeted. Neither taken into account is the established on-the-job training that forms the largest part of practical (further) qualification at Nordex.

MANAGEMENT DEVELOPMENT

In alignment with our Code of Conduct we promote and call for a positive and holistic view towards people and an understanding of leadership within our Company. This is why we work hard to continually develop our leadership culture, with the aim of increasing our organization's performance and supporting our employees' involvement. Four corporate values lie at the heart of our leadership development approach at Nordex: Integrity, Respect, Collegiality, and Ownership. We have set these out in detail in the form of our 'Ten Guidelines of Nordex's Understanding of Leadership'. To embed these values and guidelines permanently, our managers have taken part in compulsory training courses since as long ago as 2014. The centerpiece of our training program is our Trust.Listen.Lead. course which is uniform G4-LA10

across the world; all employees with leadership responsibilities must complete this training program. In addition to this, we offer our managers numerous other options to develop their own expertise further. The portfolio includes seminars on Labor Law, Occupational Health and Safety, Leadership and Conflict Management as well as coaching and workshop offerings and subject-specific further training courses.

In 2017 we held 17 Trust.Listen.Lead. seminars (17 also in 2016) in German, English, Spanish and Turkish. After the successful and extensive initiative for introducing the training in 2015, in most countries in the subsequent years only those managers were trained who had just joined the company, or who had recently taken on a leadership role within the company for the first time. Beyond that, the training program was also rolled out at the former AWP sites in the reporting period. In 2018 Nordex is pursuing the objective of further training all managers worldwide through the measures described above, and to increase the training quota to 100% within this target group.

EMPLOYEE INVOLVEMENT

It is important for us to develop the corporate culture of our company further with the active involvement of our employees. The objective here is to continually improve collaboration and boost Nordex's attractiveness as an employer.

At the end of 2015 we therefore conducted the first global employee survey focusing on our Leadership Culture for the pre-merger Nordex Group.

The projects targeting the cross-Group fields of action that were developed based on the results of this employee survey were concluded successfully in the reporting period. The project groups developed a feedback workshop in preparation for this, concerned with the areas of interfaces, processes, and cross-Group collaboration. As a result, from 2018 onwards the capability of managers to interface with their employees is assessed in the annual employee appraisals. A further program was developed to strengthen the leadership culture, with the objective of provoking ideas and food for thought regarding the Nordex Leadership Principles available to all managers each month (in the form of articles, presentations or exercises, for example) over a one-year period. We were also able to implement and conclude this project in 2017.

There have been some profound organizational changes at Nordex in the last few years that have mainly affected the employees in Germany. To identify the demands in the company that result from this, we are planning to carry out a strain analysis in 2018. To ensure the wellbeing of our

Guidelines

1. Recognise yourself
2. Communicate appreciatively and transparently
3. Delegation & granting trust
4. Be able to endure difficult situations
5. Initiate, shape and implement changes
6. Sustainably create clarity and transparency – give orientation
7. Make decisions reflectively
8. Assume responsibility
9. Treat people positively and like them
10. Be a role model!

workforce in the long term, we intend to reveal and process sources of strain by means of a topic-specific employee survey.

EMPLOYEE REPRESENTATION

We have constructive working relationships with
G4-11 employee representatives in all countries and promote collaboration based on trust. In Germany our employees are included in collective agreements. These usually involve Group-wide or local works agreements. This does not include employees who are not covered by co-determination agreements (such as company executives). In the rest of Europe all employees are represented by the European Works Council (known as the SE Forum). In individual countries such as France, Sweden or Finland, local internal agreements reached with the local employee representatives also apply.

In Germany, all employees are entitled to contact their local Works Council to address any issues there. The Works Council has information, consultation and co-determination rights in social, personal and economic matters, and represents the interests of the workforce. Both the Works Councils and the employees are extensively informed about any significant operational changes by senior management and/or
G4-LA4 local management. As a rule, the minimum period of notice granted to the employees or their representatives before any significant changes are implemented is between three and twelve months. The periods of notice and/or consultation regulations are set out in Group or local labor management agreements. Communication takes place in particular through company meetings, the intranet and through telephone conferences.

We explicitly support the rights of our employees at all sites throughout the world, and provide all the representatives of country sites in Europe with the opportunity to exchange views and engage with the senior management at least twice a year at our SE Forum.

There are no known business sites of the Nordex G4-HR4 Group where employees' rights of association or collective bargaining were breached or endangered in the reporting period.

On the one hand, formal complaints procedures are offered within the remuneration system in Germany, in which an employee's salary grouping can be checked at any time. If employees feel they are not grouped correctly they can lodge an appeal to the Arbitration Board, which comprises two employer's representatives and two members of the local Works Council. Furthermore, since the introduction of the new remuneration system in 2016, employees have also had the option to contact an arbitration service regarding their new grouping within three months.

Within this framework 243 complaints against the new grouping through the installed formal complaints procedure were submitted in 2017. All the complaints were processed and resolved in the reporting period.

In the case of additional conflict issues, the Works Council in Germany and the People & Culture Department have recourse to Conflict Resolution Officers as points of contact and mediators within our organization.

DIVERSITY

We understand the diversity of our workforce as one of our company's own assets. Men and women of different ages with varied cultural backgrounds, different attitudes and lifestyles enrich our company and contribute to the Nordex Group's success. In the reporting period we are pleased to confirm that no instances of discrimination were confirmed by our relevant bodies. G4-HR3

MANAGEMENT DIVERSITY G4-LA12

Members of the Management Board/ Supervisory Board	2017	2016
Management Board total	**3**	**4**
of whom female	0	0
of whom aged under 30	0	0
of whom aged 30–50	2	3
of whom aged over 50	1	1
Supervisory Board total	**6**	**4**
of whom female	1	1
of whom aged under 30	0	0
of whom aged 30–50	0	1
of whom aged over 50	6	3

As a result of the merger between Nordex and Acciona Windpower in 2016, the overall share of women in the company has fallen. We have not yet reached our objective with respect to equality of men and women. The share of women on the two highest management levels in the German companies was 12% (15% in 2016). To achieve improvements in this area, we pay particular attention to including women in our managerial promotion programs. In addition, recruitment consultants are obliged to put forward at least one suitable female candidate for each vacancy. We will be increasing our efforts to gain more qualified female managers in future.

In the opinion of the Management Board and Supervisory Board as governing bodies, Nordex had established its own diversity concept in the reporting period. Details are provided in Section 5 of the Corporate Governance Report, along with the Declaration of Conformity of Nordex SE.

INFORMATION
Further details are provided in the Annual Report 2017 on page 78.

The basic salary for men and women was at a relatively similar level across all the salary groups considered. In some salary groups, the basic salary for women was higher than that for men, and vice versa. These differences are not systematic, which means that there is no connection between position level and salary difference with regard to gender. G4-LA13

INCLUSION

The number of severely disabled people employed by us in Germany increased by around 6% in the reporting period. As at the reporting date in 2017 a total of 55 severely disabled people (52 in 2016) were employed at Nordex and had indicated their severely disabled status to their employer.

EMPLOYEES WITH DISABILITIES (GERMANY ONLY) G4-LA12

	REPORTING DATE	
	2017	2016
Employees with disabilities	55	52
of whom Administration employees	10	8
of whom Engineering employees	5	3
of whom Blade Production and Sourcing employees	21	18
of whom Nacelle and Tower Production and Sourcing employees	13	16
of whom Project Management employees	3	2
of whom Service employees	3	5

EMPLOYEES BY AREA AND AGE STRUCTURE G4-LA12

	REPORTING DATE 2017	2016
Total number of employees	**5,260**	**5,129**
of whom female	17%	18%
of whom aged under 30	29%	21%
of whom aged 30–50	61%	66%
of whom aged over 50	10%	13%
Administration employees	855	617
of whom female	36%	45%
of whom aged under 30	13%	15%
of whom aged 30–50	73%	71%
of whom aged over 50	14%	13%
Blade Production and Sourcing employees	974	805
of whom female	15%	16%
of whom aged under 30	17%	19%
of whom aged 30–50	60%	60%
of whom aged over 50	22%	21%
Engineering employees	578	625
of whom female	19%	18%
of whom aged under 30	9%	12%
of whom aged 30–50	78%	77%
of whom aged over 50	12%	11%
Nacelle and Tower Production and Sourcing employees	952	1,121
of whom female	17%	15%
of whom aged under 30	14%	23%
of whom aged 30–50	69%	62%
of whom aged over 50	17%	15%
Project Management employees	292	427
of whom female	13%	19%
of whom aged under 30	13%	19%
of whom aged 30–50	73%	69%
of whom aged over 50	14%	11%
Sales employees	160	104
of whom female	29%	23%
of whom aged under 30	23%	14%
of whom aged 30–50	68%	73%
of whom aged over 50	9%	13%
Service employees	1,449	1,430
of whom female	7%	8%
of whom aged under 30	30%	28%
of whom aged 30–50	64%	65%
of whom aged over 50	6%	7%

Differences to totals may arise owing to rounding off.

OCCUPATIONAL HEALTH AND SAFETY

DMA

Our employees' health and safety in their workplace is of critical importance to us, and forms a key part of our long-term Corporate Strategy. As part of a continuous process we work on further developing the safety culture that we live and breathe, and always making our work environment safer. This is a process that includes all our own employees as well as business partners, subcontractors and suppliers.

Within the Nordex Group we take a systematic approach to ensuring occupational safety. We provide worldwide programs and training courses that advance participants' awareness of safety and their level of qualification. Our strong occupational health and safety organization supports management by providing professional advice on strategic topics in our business areas and also assists managers in its operational implementation at our sites and in specific projects. With the aim of establishing the culture of health and safety sustainably in the wind power industry, our involvement extends beyond the confines of our own Company to include industry-specific initiatives such as the international Working Group Wind Industry Safety Culture.

We regularly measure our performance against a range of parameters to continually document and review the effectiveness of the measures taken to improve our safety culture. Besides indicators that provide clear statements on accident prevention, one of the most important parameters is the number of occupational accidents per million working hours: The LTIF (Lost Time Incident Frequency) rate. This key figure includes all the work accidents that result in one or more days lost. As part of our Sustainability Strategy we aim to achieve an LTIF of below 5 by 2018. Thanks to the support and efforts of our employees and business partners we were able to reduce our LTIF from 8.6 in 2014, 8.2 in 2015 and 6.6 in 2016 to 6.4 in the reporting period. The Nordex Group LTIF has included AWP since 2016.

Furthermore a new IT-based incident database was implemented in 2017 to enable us to respond even more effectively to Health, Safety and Environment incidents. Nordex uses a Group-wide standardized workflow to record and process incident reports and introduce appropriate countermeasures. We pay special attention to investigating these incidents so we can learn from them and avoid them as far as possible in future. Standardized reports show relevant key figures in a clear format and enable the performance of the various parts of the company to be compared.

In Germany last year we held a safety conference once again with all subcontractors for installation and service provision, where we looked at a range of incidents and developed packages of measures based on these. We will be further extending this initiative in 2018.

In addition to achieving certification for our Quality Management System (ISO 9001), since 2010 our management system has also been successfully certified in accordance with the Occupational Health and Safety (OHSAS 18001) and Environmental Protection (ISO 14001) standards. This means that in the reporting year all permanent production sites, the company head offices in Germany and Spain, as well as all major subsidiaries and production facilities belonging to the pre-merger Nordex Group were certified according to these standards.

At the same time, auditing of the company sites was prepared in accordance with the new edition of the ISO 9001 norm for Quality Management and the ISO 14001 norm for Environmental Management. The new certification of our sites is scheduled for 2018. The adaptation of our integrated management system to the new norm requirements will be checked by the external TÜV Rheinland certification body.

SIGNIFICANT ACCIDENTS G4-LA6

	Employees		Service providers	
Region	2017	2016	2017	2016
Overall result	**1**	**13**	**7**	**8**
Africa	0	1	0	0
Asia	0	2	0	0
Europe (excluding Germany)	0	6	1	0
Germany	1	0	3	1
North America	0	0	0	2
South America	0	4	3	5

Significant Accidents are all accidents with a SR of 3 or 4.

The recorded accidents will be rated by means of a classification system. We differentiate between four rates of severity (SR):

- SR 1: No injury, or slight injury or health impact
- SR 2: Moderate injury or health impact
- SR 3: Severe injury or health impact
- SR 4: Fatal injury or extreme health impact

PROMOTING A CULTURE OF SAFETY

We firmly believe that occupational accidents, job-related illnesses and environmental incidents can be avoided.

Based on our identification and analysis of risks, we rely on the ESTOP principle when implementing protective measures at the workplace and during product development. ESTOP stands for: Elimination, Substitution, Technical measures, Organizational measures and Personal measures.

To raise our managers' risk awareness and to ensure the development of our culture of safety is as lasting as possible within all our Departments, since 2014 we have run a global training program for company executives and individuals with management responsibility called Safety First Leadership Training. In this program we share important information with participants, including our key HSE principles, within which:

- The health and safety of our employees is of paramount importance
- Every accident is preventable – and we are responsible for our safety
- Managers have a special responsibility and lead by setting a good example

As well as knowledge of risk identification and assessment in day-to-day work, participants in the Safety First Leadership Training also gain practical skills for carrying out Safety Walks. During these inspections the managers regularly hold frank discussions on safety and other HSE topics with employees onsite. This generates a dialog between the managers and employees that transcends departmental or divisional boundaries. Such Safety Walks take place in all areas of the company (production areas, offices, project management and service sites etc.), with the objectives of:

- Reinforcing employees' conviction in our values and safety policy
- Showing that our colleagues are important to us
- Recognizing, confirming and promoting safe behavior
- Rectifying unsafe behavior and conditions
- Encouraging employees to reduce risks by thinking together.

PROMOTING HEALTH PROTECTION

We see healthy employees as key to the success of the Nordex Group. After organizing the first Health Day at one of our Rostock sites in 2016, it became very important for us to also offer such campaigns at other sites. We were subsequently able to organize two more Health Days as well as various other health campaigns in 2017. The focus here was on binding our employees to our company and responding directly to their needs and wishes. Furthermore, reports from the health insurance mutual funds were also consulted.

G4-LA5 Organizations in each country support safety committees in accordance with currently applicable laws. In Germany, for example, there are the Occupational Health and Safety Committee meetings that take place at the main sites in Hamburg and at the two production facilities in Rostock. These committees are chaired by the heads of each site and regular participants include the Works Doctor, the occupational safety specialist, safety administrators, and representatives of the Works Council, the management and (if necessary) the workforce. In the last few years the average number of participants came to around 5% of the workforce.

G4-LA8 Agreements are concluded at the Nordex Group at operational level, however, which is intended to help ensure that the highest levels of occupational health and safety are maintained. As Nordex is not a company bound by collective salary-scale bargaining agreements there is no formal agreement with trade unions in this area. These issues are regulated in trusting cooperation with the Works Councils instead.

COMPLIANCE WITH LEGISLATION

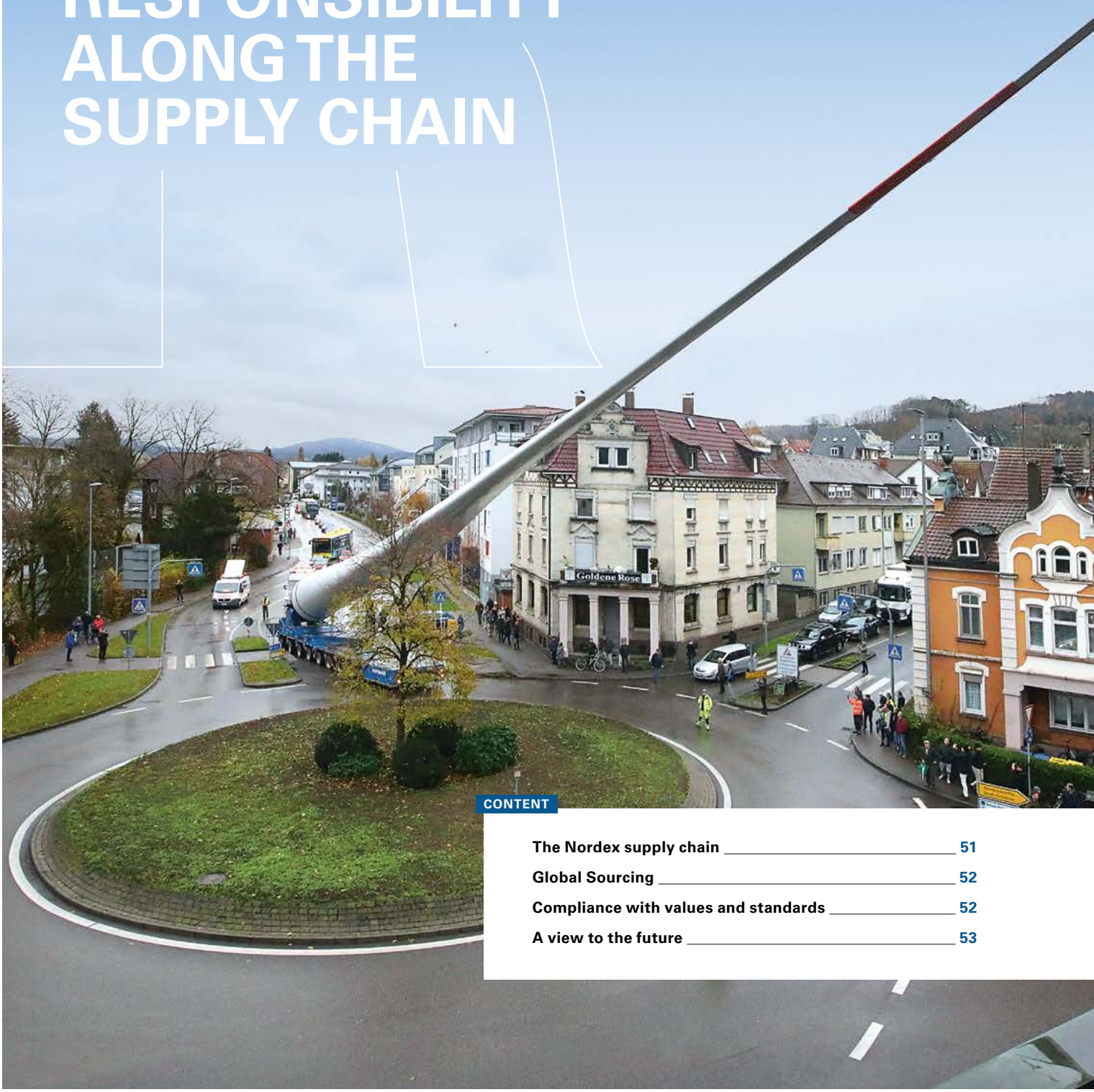
In the current 2018 financial year the introduction of a litigation-proof organization ('GEORG') is planned for the transmission of corporate obligations. Nordex, and above all the individual managers responsible for each site, should support this by complying with all the relevant statutory provisions with a focus on occupational health and safety and protecting the environment. This organization will first be implemented in Germany and subsequently at 23 international sites. To manage this, the employees responsible will be taking part in specific topic-related trainings from 2018 onwards.

CORPORATE SECURITY

It is fundamentally important to us at Nordex to protect our employees, the plant and assets with which they are entrusted, and the know-how and reputation of our company. The Corporate Security Department coordinates all activities for protection against criminality, terrorism and the effects of political disturbances and natural disasters with the support of a worldwide security and crisis management organization. This includes identifying and avoiding any security risks when fulfilling orders, and protecting people and property at our sites throughout the world, as well as on trips abroad. Awareness and prevention are key elements of our risk-based and cross-disciplinary security systems; a raft of prepared measures and contact people for support in emergencies and crisis management are also integrated here.

In the reporting year we concentrated our efforts on the further development of support services for employees and business activities, both through increases in personnel and through further integrating security risk-management into the value chain. A special focus here was on supporting our business activities in Central and South America. Additionally the significance of activities for employee security as well as accessible support services and regulations were embedded as an integral component of the training of our managers.

RESPONSIBILITY ALONG THE SUPPLY CHAIN



CONTENT

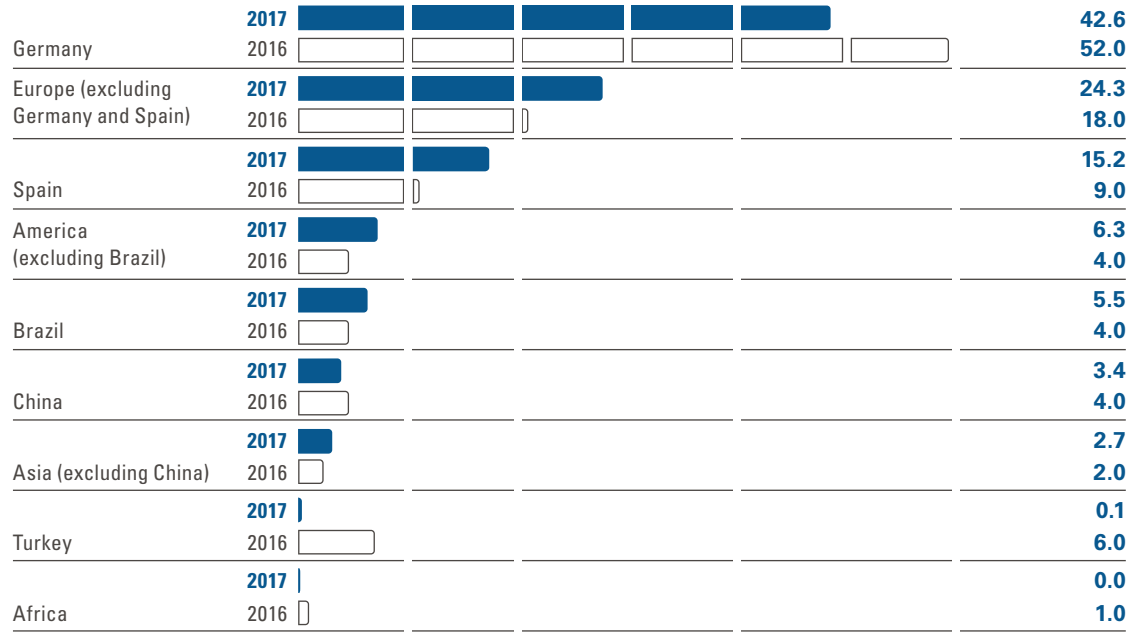
DMA As a manufacturer of wind power systems we source products and services from numerous suppliers based in a wide range of countries, and generate a significant share of value in our upstream production stages. As a consequence of the merger with AWP, further suppliers and market regions have been incorporated in the international structure of the Nordex Group. As we feel committed to the principle of sustainability, it is very important to us to ensure that environmental and social standards are also maintained in the supply chain. The Nordex Group Code of Conduct for suppliers and subcontractors (the Suppliers' Code of Conduct) forms the basis for this, and we expect and require all our subcontractors and suppliers to comply with it. Furthermore, the Principles of the UN Global Compact on Human Rights, Labor, Environment, and Anti-Corruption provide fundamental guidance for our business activities.

Given the Nordex Group's extensive supplier base, upholding our environmental and social standards in our overall sourcing process as well as in our supplier management is one of our core objectives.

THE NORDEX SUPPLY CHAIN

In the 2017 reporting year the Nordex Group G4-12 worked with around 4,200 suppliers (4,500 in G4-EC9 2016). A good 82% (79% in 2016) of the purchase volume at around EUR 2,323 million (EUR 2,508 million in 2016) was provided by suppliers who have their head office or production sites in Europe, where 43% (52% in 2016) of the total purchasing budget was spent on products and services from German suppliers and 15% (9% in 2016) was spent on Spanish suppliers. Owing to the merger with Acciona Windpower the composition of our supplier base has changed structurally compared with last year, with the proportion of suppliers from Spain as well as from North and South America increasing and the share of German suppliers decreasing (see table below).

SUPPLIER COUNTRIES OF ORIGIN in %



Germany	2017	42.6
	2016	52.0
Europe (excluding Germany and Spain)	2017	24.3
	2016	18.0
Spain	2017	15.2
	2016	9.0
America (excluding Brazil)	2017	6.3
	2016	4.0
Brazil	2017	5.5
	2016	4.0
China	2017	3.4
	2016	4.0
Asia (excluding China)	2017	2.7
	2016	2.0
Turkey	2017	0.1
	2016	6.0
Africa	2017	0.0
	2016	1.0

The values for 2016 apply to the Nordex Group including AWP from 01.04.2016 (after the merger).

Differences to totals may arise owing to rounding off.

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

SOURCING ACTIVITY BY AREA

Area in %	2017	2016
Services *	31	28
Nacelle-mechanical	27	24
Tower	18	21
Rotor blades	14	15
Nacelle-electrical	11	12

* Services such as cranes and installation, transport and logistics, repairs, indirect material, consultancy, facility management etc.

Differences to totals may arise owing to rounding off.

GLOBAL SOURCING

We organize our Sourcing Department by three main areas of activity:

- **COMPONENTS AND SERVICES:** Nordex has specialized teams for different components and services.
- **CENTRALISED AND DECENTRALISED SOURCING:** Nordex sources components and services from globally active suppliers, where the collaboration is partially regulated through framework agreements. Over 90% of the company's annual sourcing activities are focused on two global Sourcing Centers in Germany and Spain as well as two regional Sourcing Centers in the USA and Brazil.
- **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 Purchasing Department deals with day-to-day business such as placing purchase orders.

Moreover, the Sourcing Department is involved in our cross-functional project to reduce the cost of energy (COE) and works closely with suppliers to achieve the aims of this project. All COE initiatives are analyzed in terms of compliance with occupational health and safety aspects as well as the applicable environmental regulations before being implemented.

COMPLIANCE WITH VALUES AND STANDARDS

It is 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 us. To ensure this we require them to provide us with sustainability information as part of an annual self-assessment. We also subject our suppliers to a regular assessment program involving announced and unannounced visits and audits. Alongside regular audits, we also 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 topics of observation of human rights, occupational health and safety, as well as the quality of products and processes. Our Finance Department also maintains a credit-risk management system for transactions with our main suppliers. In 2017 this was used to analyze over 80% of all our purchasing transactions. The Finance Department discusses matters with Sourcing in quarterly meetings. If required, it introduces measures to prevent any potential negative impacts on the Nordex Group's business activities.

We also audit new suppliers before we start working with them. This audit result is then used to classify each supplier based on clearly defined indicators that also dictate the frequency of regular audits. If especially critical requirements are not met – particularly in the event of human rights violations such as child labor, forced or compulsory labor, or serious shortfalls in occupational health and safety – we refrain entirely from working with the suppliers concerned.

G4-EN33 G4-LA15 G4-HR11 G4-EN32 G4-LA14 G4-HR10 G4-SO9 Overall in 2017 we conducted approximately 250 audits of component suppliers as well as construction and service-related suppliers (2016: 200). In the reporting period 100% of new suppliers were audited regarding their working practices, upholding of human rights, impact on society, and environmental aspects. We are pleased to report that, as in the previous year, we registered no incidents that were subject to disclosure requirements. We received no formal complaints in relation to the Nordex 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. Furthermore, we expanded our supplier self-assessment and audit processes to include additional sustainability criteria. These came into force in 2017 and cover the aspects of compliance, environmental protection and supply-chain responsibility.

Merger with Acciona Windpower

TO TAKE ADVANTAGE OF ALL THE SYNERGIES resulting from the merger with AWP, we have thoroughly examined all the processes along the supply chain, combined many of them and coordinated them with each other. In the reporting period we continued our analysis of common suppliers as well as suppliers of common components, equipment and services. This reorganization and consolidation process will be further optimized in 2018. Particularly in response to the advance of globalization, we are planning to introduce uniform General Purchasing Conditions, to be rolled out in 2018.

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

A VIEW TO THE FUTURE

As a result of the increased worldwide installation of wind power systems, Nordex was able to continually reduce the cost of energy in the reporting period. This development still persists today and a fiercely competitive environment has developed as a result. This intense sector-internal competition is due to the efforts of all market participants to be able to offer the very lowest electricity production costs, while external competition results from all the different energy-generation methods, namely photovoltaic power.

In this challenging environment the Nordex Group will be making its contribution to further reducing COE with its expertise and know-how. To achieve this objective, an ideal configuration of the current supply chain and the development of a competitive network of suppliers will play a key role in the regions relevant to the Nordex Group.

ENVIRONMENTAL MANAGEMENT & RESOURCE EFFICIENCY

CONTENT

DMA As a manufacturer of wind power systems, the Nordex Group's business activities are focused on generating electricity from the wind in an efficient, environmentally friendly way. In doing so, we attach great importance to the consideration of environmental protection aspects in all lifecycle phases of our systems – from development, through sourcing, production and operation, to dismantling and recycling. Our overarching aim going forward is to improve our wind power systems' environmental footprint and reduce our consumption values. Using our new controlling tool, which we introduced in 2016, we are establishing a Group-wide systematic reporting and analysis system to achieve this goal. The reporting scope was expanded in the reporting year, so that the statements about the consumption of energy and water and waste production cover all production sites worldwide and all offices with 50 or employees, in accordance with our materiality principle.

THE NORDEX ENVIRONMENTAL MANAGEMENT SYSTEM

Our Health, Safety and Environment (HSE) Department is responsible for operational environmental protection. It has implemented a Group-wide integrated environmental management system whose processes have been certified in accordance with ISO 14001 by the International Organization for Standardization. This system supports the Nordex Group in raising our environmental protection performance and ensuring we meet compliance requirements as well as our environmental objectives. Through regular internal audits, processes are reviewed and optimized as part of an ongoing improvement process. Alongside this, in Germany the respective Occupational Health and Safety Committees meet regularly to discuss the individual Nordex sites' environmental KPIs, and to derive improvement measures as required. Comparable organizations are also established at the Group's global sites.

ENVIRONMENTAL ASPECTS AND IMPACTS

The Nordex Group collects and assesses information on environmental aspects on a regular basis. This analysis provides a report on all of the Company's global activities, services and products that may have a negative environmental impact. The areas covered in the audit include production sites, our Project Management and Service Departments, as well as service and administration sites.

The analysis results provide us with the basis for the continual improvement of our environmental protection measures. In the reporting period, 22 countries took part in the audit. The process of identifying environmental aspects and impacts is continual, so with a view to the future we intend to audit additional sites in further countries as part of our regular process of collecting and analyzing information on environmental aspects.

G4-EN12 Initial results reveal that the transportation, storage, use and disposal of hazardous materials at our production sites during exceptional operating conditions or emergencies are among the most critical environmental aspects. Thanks to effective preventative measures, well-trained and educated employees and a diverse set of protection systems, we reduce the resulting risks continually through a continuous improvement process.

ENVIRONMENTAL REPORTING AND DATA COLLECTION

In accordance with the agreed reporting scope we included all active production sites in Germany, Spain, Brazil and India, as well as our Company's head offices in Germany and Spain. We now also analyze the Rotor Blade Technology Center in Denmark, acquired at the start of 2017, as well as all office sites with 50 or more employees, with regard to environmental topics. This data was collected using our controlling software, introduced in 2016. In instances where no actual data existed in the form of invoices or statements, we determined the results based on extrapolations and by using appropriate, carefully estimated values. To collect and monitor this data we use absolute figures such as energy consumption in megawatt hours, and relative figures in relation to the installed capacity in megawatts. Please see the explanations for the base-data sets used.

ENERGY

Using energy efficiently and sensibly, both in terms of environmental and economic aspects, is a key aim of the Nordex Group. We are committed to continually increasing our energy efficiency through a continual improvement process, which is why our German production sites and office buildings have been ISO 50001-certified since 2014. The launch of our Energy Management System also lets us document our contribution to environmental and climate-protection activities.

Overall energy consumption for the Nordex Group increased by 32% to 79,097 MWh compared to the previous year, with approximately 93% of this increase resulting from the expansion of the scope of the report. In particular, the fuel consumption of the thereby additionally included Company and commercial vehicles has a significant share in the increased energy consumption. Furthermore, strongly increased production at the three Spanish facilities also consumed more energy, whereas lower production volumes at the German plants decreased consumption slightly. In relation to installed capacity, energy consumption also increased by 28% to 29,306 kWh/MW, mainly due to the expansion of the scope of the report. A comparison of relative energy consumption with the scope of the 2016 report shows that a slight reduction of around 1% to 22,702 kWh/MW was achieved. G4-EN6 G4-EN7

Definition: Environmental aspect

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

At our Rostock site we operate two combined heat and power (CHP) plants with a power-generation capacity of 387 kW and 70 kW respectively. This provides the process heat required for rotor blade production in an efficient, eco-friendly way. Our natural gas fueled CHP plant provides heat and electricity for production and uses the thermal discharge from the power plant to heat the rotor blade molds and the production halls. In 2016 we laid heating pipes and optimized the large CHP plant control system. We paid particular attention to reducing the processing times of each rotor blade we produce at our rotor blade facility in Rostock. Tempering, which bonds rotor blades together, is a key part of our production process. This is a relatively energy-intensive process that leads to changes in material characteristics through controlled heating over a long period.

In 2016 we also reviewed the lighting systems at all of our German sites and switched over to LED systems at the Nordex Logistics Center in Rostock and at the Nordex Academy in Hamburg. In the reporting period, adjustments were made at other sites such as the Spanish blade plant, the Rotor Blade Technology Center in Denmark, and both the German nacelle production facility and the Spanish one in La Vall d'Uixó. In the latter, the installation of several fast-closing doors was also completed to minimize the loss of heat and cold produced by air conditioning systems. In the second Spanish nacelle production site in Barásoain, the existing compressor was replaced with a highly efficient version fitted with a frequency converter. The new, smaller compressor is better able to meet production requirements and has a timer to switch it off during production downtimes.

At the Spanish blade plant in Lumbier production capacity was increased by 7% and the storage area for rotor blades was expanded, thus reducing internal goods traffic.

ENERGY CONSUMPTION G4-EN3

in MWh	2017	2016
Total energy consumption (direct and indirect energy consumption)	**79,097.4**	**59,836.9**
Total direct energy consumption	54,865.5	42,411.2
Gas	29,357.0	24,504.8
Heating oil	1,575.0	1,276.3
Diesel	23,933.5	16,630.1
Total indirect energy consumption	24,231.9	17,425.7
Electricity	22,064.2	15,196.1
District heating	2,167.7	2,229.6
Total energy sold	9.0	0.0
Electricity sold	9.0	0.0

ENERGY CONSUMPTION BY INSTALLED CAPACITY G4-EN5

Energy/installed capacity	kWh/MW
2017	29,306
2016	22,819

Based on total energy consumption within the organization.

PURCHASED ELECTRICITY

In our Sustainability Strategy we have set ourselves the target of obtaining 100% of our purchased electricity from renewables. Our status analysis of purchased electricity carried out in 2016 revealed that 66.8% of the overall amount of electricity we purchased from third-party suppliers came from renewables. In the reporting year the Nordex Group was able to increase this share of renewable energy sources to 87.3% as a result of switching contracts for the three Spanish production sites and for a building at our Spanish headquarters. At Nordex sites where no specific information is available on the share of renewables, we based our calculation on the country-specific energy mix. At some of our leased sites where electricity consumption is included in the leasing contract, or at sites where local conditions restrict the availability of renewables, the Nordex Group has no influence on the sources of the electricity it purchases.

INFORMATION

For further information on our country-specific energy mix, see page 72.

EMISSIONS

The major advantage of wind-generated electricity over conventional power plant production is that only a negligible amount of environmentally harmful CO_2 emissions is produced. Through our wind power systems we thus contribute to the elimination of several million tonnes of GHG emissions year after year. According to sector calculations, the energy scorecard of a wind power system is balanced after an operating period of just five to twelve months. This calculation includes the use of energy during the wind power system's overall product lifecycle from production, through the operational phase, to recycling. Despite this, producing and transporting wind power systems generates considerable emissions. Through our holistic approach to environmental protection in harmony with the Nordex Sustainability Strategy, we make regular organizational and technical improvements to steadily reduce environmentally harmful emissions. The Nordex Group's GHG emissions are divided into three Scopes:

INFORMATION

For further information on country-specific emissions factors, see page 71.

- **SCOPE 1** emissions are caused by Nordex directly. 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). In working out Scope 1 emissions, besides CO_2 we include the other greenhouse gases as CO_2 equivalents in the calculation (CO_2e). G4-EN15
- **SCOPE 2** covers emissions produced by the consumption of purchased electricity. These indirect emissions are calculated based on consumption data for electricity and district heating. To calculate the emissions resulting from purchased electricity we incorporate country-specific emissions factors, provided no contracts that include the use of 100% renewable energy were concluded for these countries' sites. Nordex only procures district heating at one production site and the associated warehouse in Rostock. The district heating utility, Stadtwerke Rostock, has provided us with the specific emissions factor. G4-EN16
- **SCOPE 3** includes emissions produced by third parties during the rendering of services. Scope 3 disclosures made in this report relate exclusively to business travel (hire cars, rail and air travel) and are based on information supplied by our service providers. While the 2016 report only included business travel for employees of Nordex Germany, the current report encompasses travel for all employees, in accordance with the reporting scope. G4-EN17

INFORMATION

Find out more on page 7.

87.3

percent
of the electricity we purchased in 2017 was from renewable sources, compared to 66.8% in 2016.

GREENHOUSE GAS EMISSIONS

G4-EN15 G4-EN16 G4-EN17

in t CO_2e	2017	2016
Scope 1 (CO_2e)	11,429	8,940
Scope 2 (CO_2)	2,022	1,931
Scope 3 (CO_2)	3,899	2,341

GREENHOUSE GAS EMISSIONS BY INSTALLED CAPACITY

G4-EN18

Emissions (Scope 1+2)/ installed capacity	kg CO_2/MW
2017	4,984
2016	4,146

The increase in emissions is the result of widening the scope of the report. Our 2017 Scope 1 emissions are influenced in particular by adding the fuel consumption of company cars at sites not yet included in 2016. The increase in Scope 2 emissions due to the inclusion of the other sites was greatly reduced by the simultaneous conversion to contracts with 100% green electricity at the Spanish facilities. Taking into account the expansion of the scope of the report, Scope 1 and Scope 2 emissions in relation to installed capacity increased by approx. 20% to 4,984 kg/MW. However, a comparison based on the scope of the 2016 report shows a reduction of around 18%.

The short-term increase in travel activities due to the merger with Acciona Windpower in 2016 was reduced again in 2017, so that Scope 3 emissions from business travel undertaken by Nordex Germany employees fell by 28%. As a result, expanding the reporting scope, emissions from third parties increased by a total of 67% to 3,899 t CO_2e.

WASTE

In terms of our environmental footprint, the relevance of how much waste we produce depends mainly on the volume and type of waste, as well as the disposal methods we employ. We differentiate mainly between hazardous and non-hazardous waste and aim to continually reduce all types of waste. To achieve this goal we conduct numerous measures: At our rotor blade production facility in Rostock, for instance, these include modifying punch cutters for glass and carbon fiber fabrics, optimizing the selection of materials for films, lacquers and bonding agents, and recycling process materials. Furthermore, during the reporting period we implemented a project to reduce waste volumes through logistics at the Rostock nacelle production facility. Small parts that used to be delivered in cartons, bags and Europool pallets will in future be delivered directly in reusable standard containers, in which they can also be stored.

WASTE PRODUCTION G4-EN23

in t	2017	2016
Total waste	**7,489.2**	**6,835.4**
Hazardous waste	832.2	731.7
Non-hazardous waste	6,657.0	6,103.7

WASTE PRODUCTION BY INSTALLED CAPACITY

Waste/installed capacity	kg/MW
2017	**2,775**
2016	2,607

Overall, the volume of waste in the reporting period increased by 9.6% to around 7,500 t. In addition to expanding the scope of the report, the higher production figures at the Spanish facilities, and one-off disposals at a Spanish nacelle plant and a warehouse in the USA are reasons for the increase. With regard to the extended scope of the report, the amount of waste generated by installed capacity (per MW) rose by approximately 6% to 2,775 kg/MW.

WATER

G4-EN10 We use water at our nacelle and rotor blade production sites, as well as in our administration activities, for cleaning and cooling processes amongst others. The main share of our cooling water requirement is driven in a circuit through our central cooling water supply system. One special aspect is our use of rainwater for the sanitary facilities at the Nordex Forum in Hamburg, where the rainwater is collected in cisterns and used instead of drinking water to flush the toilets. Related to the overall reporting scope, rainwater covered around 7% of our water requirements, as in the previous year.

In the reporting year, overall water consumption fell by around 11% to approximately 40,000 m³. Reasons for this include the closure of both the mobile tower-production sites, which used a lot of water in particular for manufacturing concrete segments. Furthermore, the cooling process at the Rostock rotor blade plant was improved, which led to a significant reduction in water consumption. Despite the expansion of the reporting scope and the production increases at the facilities in Spain, water consumption per installed capacity was reduced by approximately 13% to 14.9 m³/MW.

In 2017 a new warehouse was purchased at our Rostock nacelle plant. In order to save around 500 m³ of water per year in future, the wall hydrants were uninstalled and replaced by fire extinguishers in the reporting period.

WATER CONSUMPTION BY SOURCE AND WASTE WATER DISCHARGE G4-EN8 G4-EN22

in m³	2017	2016
Water consumption total	**40,150**	**44,973**
Municipal water supply	32,076	41,703
Rainwater	2,696	3,045
Groundwater	5,378	225
Waste water discharge total	**35,731**	**34,598**
Non-hazardous waste water	35,731	34,598
Hazardous waste water	0	0

WATER CONSUMPTION BY INSTALLED CAPACITY

Water/installed capacity	m³/MW
2017	**14.9**
2016	17.2

HAZARDOUS MATERIALS MANAGEMENT

G4-EN12 At our sites we store hazardous materials for use in a range of business activities, especially in production and service. We are committed to avoiding the use of such materials to the greatest extent possible – and if this is simply not feasible, to select substances which pose the lowest environmental risk. This approach is integrated as a distinct element in our product specification for product development. We have developed a formal procedure to constantly monitor the use of hazardous materials at production sites and in service. The process implemented in the Development Department for evaluating new hazardous substances in the material specification is being consolidated further and extended to other areas of the company.

Nordex places particular emphasis on safe use and legal compliance, and these are assessed by the local occupational safety specialist and the Works Doctor. In this context, a guideline including a list of banned substances will be drawn up in 2018. The aim of this document is to exclude particularly critical hazardous substances that pose a considerable risk in the use and handling of these substances.

We take a range of measures at our production sites to protect against hazardous materials. Through special ground seals and collection sumps we reduce the risk of hazardous materials coming into contact with the environment. We also established an emergency system and spill kits for the safe handling of hazardous liquids at all of our production sites and service points. We additionally ensure that unused or empty hazardous materials containers are separated and disposed of in accordance with local guidelines. In the various application areas there are projects in place to reduce the range of hazardous substances and hazardous substance exposure, and to expand spill management. We have increased the number of spill kits and carried out targeted training on dealing with leakages. Further environmental optimizations were achieved by improving the disposal of hazardous waste, changing the use of hazardous substances, and increasing the retention volume for potential leaks beyond the legal minimum.

Besides the environmentally friendly handling of hazardous materials we also pay close attention to the transportation of these materials to project sites and regional Service points. Training courses on the use, disposal, storage, and transport of hazardous substances continue to play an increasingly important role.

ENVIRONMENTAL INCIDENTS

G4-EN12 To fulfill its environmental responsibilities the Nordex Group documents all actual and potential environmental incidents. Near-miss incidents are also reported and analyzed in detail, so that we can take preventative measures and minimize environmental risks. We then classify the recorded incidents based on their environmental impact using a classification system.

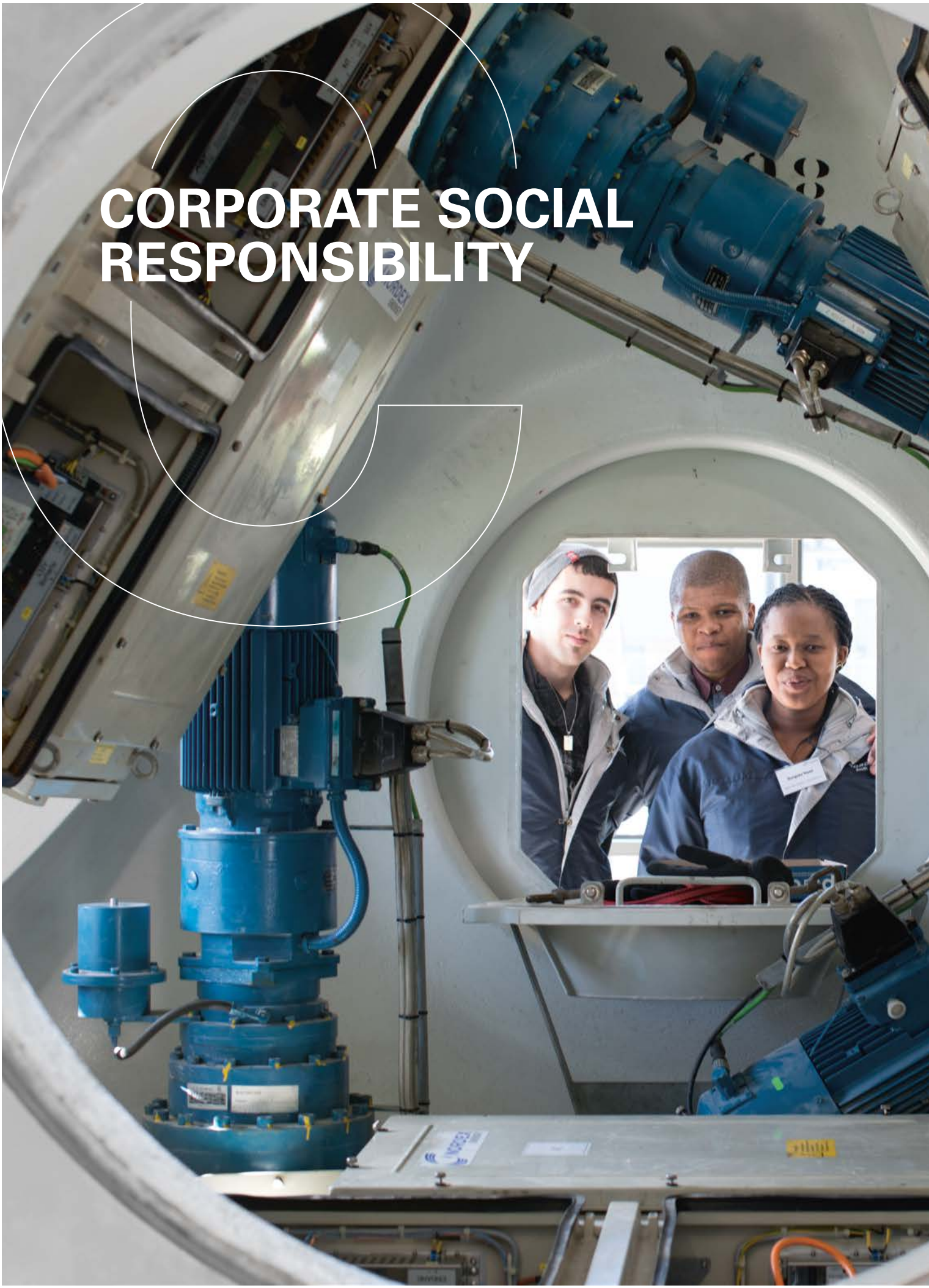
We differentiate between four rates of severity (SR):

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

G4-EN24 In the reporting year the Nordex Group recorded three significant environmental incidents rated SR 3 or 4. All three incidents were reported by the German organization and relate to oil spills. The damage was limited by the use of oil binders and the contaminated soil was collected and disposed of professionally. The respective investigations showed that none of the three incidents contaminated groundwater.

In order to avoid incidents with hazardous substances in the future, in 2017 the team leads took part in leakage training courses at our production sites in Germany. The HSE Department is also working on a leakage training course for employees in production, which will be carried out on a regular basis from 2018. Training courses in the areas of service and project management are also planned in the form of e-learning.

CORPORATE SOCIAL RESPONSIBILITY



DMA

Nordex is a dynamic company that is active in over 29 countries. As such, taking on corporate social responsibility at a local level is part of the way we see and understand ourselves. As an integral part of our Sustainability Strategy we consider CSR as our opportunity to contribute to regional development and engage as a member of society at the sites where we are based.

Besides our Company's economic objectives we are committed to the United Nations 2030 Agenda for Sustainable Development principles of using global resources responsibly, protecting the climate, and ensuring people can enjoy prosperous and fulfilling lives. To achieve these aims, knowledge exchange and transfer are of key importance. This is why at the Nordex Group we focus our social engagement activities on supporting public and private training and further education institutes that are active in the areas of renewables and climate protection, as well as on backing social and humanitarian aid projects and institutions. Nordex has established a Group-wide Donations Guideline for the targeted management of such activities.

As part of our projects and at our sites we are active in a range of local initiatives. We provide selected examples of these in the following.

WWW

INFORMATION

Read more about NEW 4.0 at www.new4-0.de.

SUPPORT FOR UNIVERSITIES

We partner with the Hamburg University of Applied Sciences (HAW Hamburg). At the Energy Campus Hamburg run by HAW Hamburg's Competence Center for Renewable Energies and Energy Efficiency, future issues are researched which may, for instance, eventually be used to optimize wind power systems. To ensure the course delivers hands-on training, and that research is conducted under realistic conditions, a wind farm with five Nordex wind power systems was put into operation right next to the Energy Campus in 2017. The erection of a lithium-ion battery storage unit in this wind park is planned for early 2018 in the course of the cooperation between Nordex, the HAW and Vattenfall Innovation Europe, as part of the NEW 4.0 (North German Region Energy Transition 4.0) research project.

The Energy Campus is also involved in NEW 4.0: This unique initiative brings together the worlds of business, science and politics, targets a sustainable energy supply in the north German federal states of Hamburg and Schleswig-Holstein, and aims to strengthen the future viability of the entire region. The initiative brings together around 60 regional and international partners, including the Nordex Group, to form a well-networked innovation alliance. This pools the partners' technical know-how on implementing the energy transition and is supported by the governments of both federal states. The core challenges facing this project are to be countered on the one hand by increasing the export of electricity to other regions by means of an efficient energy infrastructure and innovative grid technologies, and on the other hand by increasing the energy self-recovery rate. In doing so, NEW 4.0 systematically creates the prerequisites for supplying Hamburg and Schleswig-Holstein with safe and reliable regenerative electricity from 2025 onwards – meeting up to 70% of these states' needs. At the same time, the electricity generated is to be used increasingly to supply heat and for industrial processes which were formerly powered by fossil fuels.

For the Nordex Group the central aim of our involvement in NEW 4.0 is to develop and demonstrate system services that increase the stability of the power grid through decentralized, renewable energy generation. To do this, our attention is also drawn towards the future-proof incorporation of wind parks in the energy markets of the future, which can meet the increasing demand for information and data exchange, and consequently for Smart Markets.

Awarding scholarships in Hamburg and Rostock

THE NORDEX GROUP has been involved for several years in funding research at the company's home sites of Hamburg and Rostock. In the reporting period we awarded four German fellowships again in Rostock and once again supported four students at the University of Hamburg with a scholarship. Alongside providing financial support, establishing early contact with future industry experts is an important aspect for us.

OUR CHARITABLE COMMITMENT

As a committed actor in society we actively support the people and communities in the regions where we do business. We have, for example, agreed on a cooperation with the ACCI non-governmental organization in Simões Filho, Brazil. This organization is dedicated to supporting children suffering from cancer, and their families. We were able to promote the activities of the ACCI last year with our own campaign at Christmas, when around 60 presents for the severely ill children were collected and donated – and we intend to extend this cooperation in future. Besides this, at our production site in Lumbier in the Spanish Basque region in 2017 we supported the six-day San Ramón folk festival as a sponsor. Every year in August and September, visitors there were able to choose from a wide range of cultural offerings for young and old.

THE SOUTH AFRICA PROJECT

In South Africa, Nordex accompanied its market entry with its Nordex Education Trust. This foundation has a 20% stake in Nordex Energy South Africa and supports disadvantaged population groups as well as projects in the fields of school education, sports, culture and community work. In this way we have been able to support numerous non-governmental organizations, schools and universities as well as sports and cultural associations in the last few years. The foundation has also entered into strategic partnerships with the Stellenbosch University and the Nelson Mandela Metropolitan University. Through involvement in various development initiatives promoted by the Nordex Education Trust and by the Nordex Broad Based Black Economic Empowerment (BBBEE) Fund, we are contributing locally to both socio-economic development as well as to the development of business skills and competencies in this region.

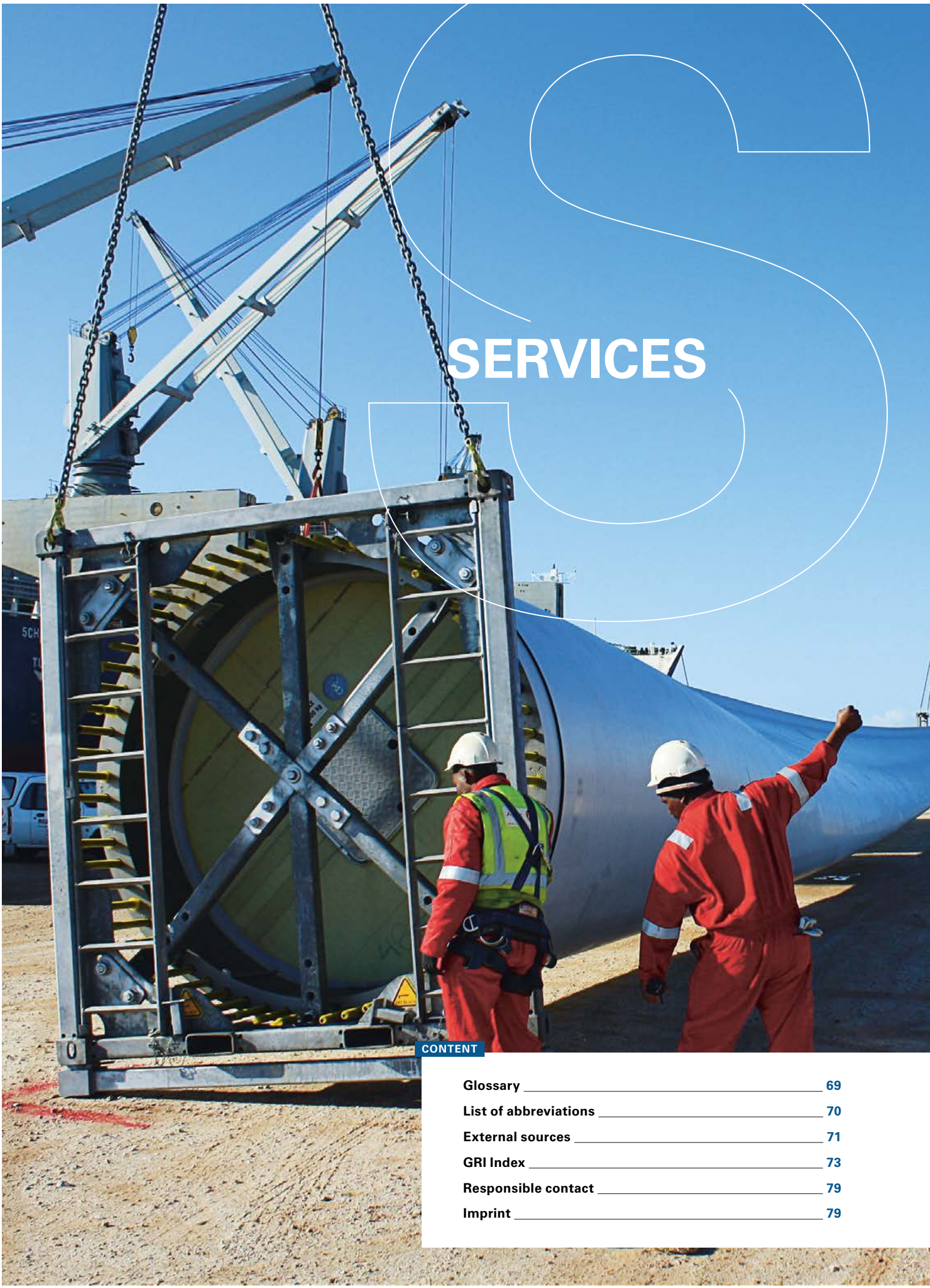
In 2017 Nordex celebrated its five-year presence in South Africa. Our activities there focus on the targeted further education of people to improve their chances and thus their life prospects. Consequently in the last three years a total of 17 pupils took part in the SciMathUS program for promoting science and mathematics at the University of Stellenbosch. In addition, 11 students received a scholarship which enables them to study at various faculties in South Africa. The community schools in Molteno, Sterkstroom, Cookhouse and Bedfort also participate in

various development initiatives supported by the Nordex Education Trust and the Nordex Broad Based Black Economic Empowerment (BBBEE) Fund.

As a major player in the renewables sector we intend to help to bring innovative technologies to South Africa and create new career prospects. To achieve this we are working in close partnership with the South African Renewable Energy Technology Centre to train new skilled professionals. As part of this collaboration, 15 participants received special training on the operation and maintenance of modern multi-megawatt wind power systems. In future years we will continue to build on the successes of our support programs and collaborations in South Africa. We intend to make an active contribution to new and existing educational projects in the natural sciences, and provide even greater support to people with disabilities by assisting institutions and special training programs.

Simply do good

Nordex celebrates five successful years in South Africa – and many charitable projects.



SERVICES

CONTENT

GLOSSARY

COST OF ENERGY Describes the cost of converting a form of energy (e.g. wind) into electrical energy. It is also referred to as COE.

E-LEARNING E-learning denotes online learning formats.

EMPLOYEES We define employees as being people employed directly at Nordex, excluding interns, 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.

HIGH-CALORIE SYNTHETIC MATERIALS Synthetic materials with a high-calorific value in the waste-to-energy process.

HYBRID TOWER Extremely high tower construction made from combined steel and concrete segments.

INSTALLED CAPACITY The installed capacity 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 recognised quality management standard.

ISO 14001 Internationally recognised environmental management standard.

ISO 50001 Internationally recognised energy management standard.

KILOWATT Power is defined as energy per time unit and is measured in Watts. One kilowatt (kW) equals 1,000 Watts.

KILOWATT HOUR A kilowatt hour (kWh) is the amount of energy with a power of one kilowatt (1 kW) which is generated or consumed within one hour.

LOST TIME INCIDENT FREQUENCY The Lost Time Incident 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.

NOISE LEVEL The noise level is the acoustic measurement scale and describes the source strength of a noise-emitting source.

OHSAS 18001 Internationally recognised occupational health and safety standard.

ONSHORE SYSTEMS Wind power systems installed on land.

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.

ROTOR The rotor of a wind turbine comprises the rotor blades and the rotor hub. The rotor is mounted on the main shaft.

SERVICE Nordex Service comprises a number of activities – from remote monitoring, preventative maintenance, on-site repairs and retrofitting additions, to complete modernisation of wind energy systems.

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.

WIND FARM Wind farms comprise multiple, jointly-operated wind turbines.

LIST OF ABBREVIATIONS

AWP	Acciona Windpower (Corporación Acciona Windpower S.L.)
CHP	Combined heat and power plant
CRP	Carbon fiber reinforced plastic
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COE	Cost of Energy
CPI	Corruption Perceptions Index
DB	Decibel
DEFRA	Department for Environment, Food & Rural Affairs
EBIT	Earnings before Interest and Taxes
ECA	Export Credit Agency
GHG	Greenhouse gas(es)
GRP	Glass fiber reinforced plastic
GRI	Global Reporting Initiative
GW	Gigawatt
HSE	Health, Safety and Environment
KG	Kilogram
KW	Kilowatt
KWH	Kilowatt hour
m^3	Cubic meter
MW	Megawatt
MWh	Megawatt hour
NEW 4.0	North German Energy Transition 4.0
OECD	Organisation for Economic Co-operation and Development
PET	Polyethylene terephthalate
R&D	Research & Development
T	Tonne

EXTERNAL SOURCES

CO_2 EMISSONS FACTOR FOR THE ELECTRICITY MIX OF SELECTED COUNTRIES

Country	Source	Publication	Emissions factor (in g/kWh)	Calculation basis (year)	Link
Brazil	Climate Transparency	Brown to Green: G20 transition to a low carbon economy	160	2014	http://www.climate-transparency.org/wp-content/uploads/2017/07/B2G2017-Brazil.pdf
Denmark	European Environment Agency	Overview of electricity production and use in Europe: CO_2 emission intensity	166.6	2014	https://www.eea.europa.eu/data-and-maps/indicators/overview-of-the-electricity-production-2/assessment/#overview-of-electricity-production-and-use-in-europe
Germany	Umweltbundesamt	Entwicklung der spezifischen Kohlendioxid-Emissionen des deutschen Strommix in den Jahren 1990–2016	527	2015	https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2017-05-22_climate-change_15-2017_strommix.pdf. S. 8
France	European Environment Agency	Overview of electricity production and use in Europe: CO_2 emission intensity	34.8	2014	https://www.eea.europa.eu/data-and-maps/indicators/overview-of-the-electricity-production-2/assessment/#overview-of-electricity-production-and-use-in-europe
India	Institute for Global Environmental Strategies	IGES List of Grid Emission Factors	820	2014	https://pub.iges.or.jp/pub/iges-list-grid-emission-factors
Spain	European Environment Agency	Overview of electricity production and use in Europe: CO_2 emission intensity	304	2014	https://www.eea.europa.eu/data-and-maps/indicators/overview-of-the-electricity-production-2/assessment/#overview-of-electricity-production-and-use-in-europe
Turkey	Climate Transparency	Brown to Green: G20 transition to a low carbon economy	497	2014	http://www.climate-transparency.org/wp-content/uploads/2017/07/B2G2017-Turkey.pdf
UK	DEFRA	Conversion factors 2017: Condensed Set	351.56	2017	https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017
USA	Climate Transparency	Brown to Green: G20 transition to a low carbon economy	486	2014	http://www.climate-transparency.org/wp-content/uploads/2017/07/B2G2017-US.pdf

SHARE OF RENEWABLES IN THE ELECTRICITY MIX OF SELECTED COUNTRIES

Country	Source	Publication	Share of renewables	Calculation year	Link
Brazil	International Energy Agency	Brazil: Electricity and Heat for 2015	73.86%*	2015	https://www.iea.org/statistics/statisticssearch/report/?country=BRAZIL&product=electricityandheat&year=2015
Denmark	Eurostat	Share of electricity from renewable sources in gross electricity consumption 2004–2016	53.70%	2016	http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics
Germany	Eurostat	Share of electricity from renewable sources in gross electricity consumption 2004–2016	32.20%	2016	http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics
France	Eurostat	Share of electricity from renewable sources in gross electricity consumption 2004–2016	19.20%	2016	http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics
India	International Energy Agency	India: Electricity and Heat for 2015	15.40%	2016	https://www.iea.org/statistics/statisticssearch/report/?country=INDIA&product=electricityandheat&year=2015
Spain	Eurostat	Share of electricity from renewable sources in gross electricity consumption 2004–2016	36.60%	2016	http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics
Turkey	International Energy Agency	Turkey: Electricity and Heat for 2015	32.00%	2015	https://www.iea.org/statistics/statisticssearch/report/?country=TURKEY&product=electricityandheat&year=2015
UK	Eurostat	Share of electricity from renewable sources in gross electricity consumption 2004–2016	24.60%	2016	http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics
USA	International Energy Agency	USA: Electricity and Heat for 2015	13.80%	2015	https://www.iea.org/statistics/statisticssearch/report/?-year=2015&country=USA&product=ElectricityandHeat

Applies to sites for which no specific information on the share of renewables is available.

* Assumption: Share of renewables in terms of domestic electricity consumption is equivalent to the share of renewables in terms of electricity production.

GRI INDEX

GENERAL STANDARD DISCLOSURES

Indicator	Brief description	Page	Note
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ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	–	Nordex SE
G4-4	Primary brands, products and services	8	
G4-5	Location of the organization's headquarters	9	Hamburg
G4-6	Countries where the organization's operates	9	
G4-7	Nature of ownership and legal form	9	For further information on the nature of ownership, see the Nordex Group Annual Report 2017, pp. 12 et seq., 'Nordex stock'.
G4-8	Markets, industries and beneficiaries	9	
G4-9	Scale of the organization	11	
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G4-13	Significant changes to the organization	–	There have been no significant changes to the size, structure or ownership of the Nordex Group during the reporting period.
G4-14	Implementation of the precautionary approach	12	See DMA disclosures; for information on the precautionary approach, see the Nordex Group Annual Report 2017, pp. 54 et seq. 'Bases of the risk management system'.
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Indicator	Brief description	Page	Note
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G4-29	Date of most recent previous report	–	The last Sustainability Report was published in April 2017 and covered the financial year 2016.
G4-30	Reporting cycle	6	The Nordex Group Sustainability Report will henceforth be published annually.
G4-31	Contact point for report questions	Imprint	
G4-32	'In accordance' option	7	This Sustainability Report 2016 was produced largely in accordance with the Core option of the GRI-G4 Guidelines.
G4-33	External assurance of the report	–	External assurance of the disclosures in this report was not sought.
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Indicator	Brief description	Page	Note
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Aspect: Compliance			
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Aspect: Supplier Environmental Assessment			
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Indicator	Brief description	Page	Note
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Aspect: Child Labor			
G4-HR5	Operations identified as having a risk of incidents of child labor	–	Nordex was not notified of any incidents of child labor in the reporting period.
Aspect: Forced or Compulsory Labor			
G4-HR6	Operations and suppliers identified as having a risk of incidents of forced labor	–	Nordex was not notified of any incidents of forced labor in the reporting period.
Aspect: Supplier Human Rights Assessment			
G4-HR10	Suppliers screened using human rights criteria	53	
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Indicator	Brief description	Page	Note
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G4-SO4	Communication and training on anti-corruption policies and procedures	14 et seq.	
G4-SO5	Confirmed incidents of corruption and actions taken	16	
G4-SO6	Total value of political contributions	–	Nordex's Group-wide directive on donations precludes the possibility of donations to political parties.
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G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	15	
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G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	–	Nordex was not notified of any significant fines in the reporting period.

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