

# MODERN SLAVERY STATEMENT

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*This Modern Slavery Statement has been jointly prepared by Nordex Oceania Pty Ltd (ACN 128 202 102) ("Nordex Oceania") and Nordex Energy SE & Co. KG (VAT ID: DE159112930) ("Nordex Energy") pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for the reporting year 1 January - 31 December 2021. Nordex Oceania and Nordex Energy belong to the global Nordex Group of companies (hereinafter also referred to as "Nordex"). The holding company, Nordex SE, is listed on the Frankfurt Stock Exchange (ISIN: DE000A0D6554).*

## INTRODUCTION

As a manufacturer of innovative onshore wind turbines, the Nordex Group works with its customers to continually increase the share of renewable energies in the global energy mix. Sustainability is the core of Nordex's business model, it is essential not only to its commercial future, but also for preserving our environment for future generations.

For this reason, the Nordex Group pursues a holistic approach above and beyond its business model, which is reflected in its sustainability strategy titled 'Together for change - Wind for a sustainable future'. This strategy is the foundation of Nordex's actions and encompasses the central themes of sustainability for the period 2022-2025 and beyond.

The Nordex Group is committed with the fact that green energy businesses should also be accountable for their impact on people, such as the workers in our supply chains and the communities where we operate. This Modern Slavery Statement provides an overview of the progress Nordex is making in addressing modern slavery risks, as well as the planned actions for the year ahead.

## OUR BUSINESS AND SUPPLY CHAINS

The Nordex Group develops, manufactures, delivers, installs and services wind turbines in the onshore sector. It has more than 8,400 employees globally operating in more than 40 countries where we are driving forward the global energy revolution by providing affordable, green energy.

The company currently has Sales and Service offices in around 30 countries, mainly in Europe, North and South America, as well as in other selected markets such as India, Pakistan, South Africa and Australia, with colleagues also working across our production and installation sites, which can be found on the table below:

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

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

<sup>2</sup> Additional top-box factory supplying the existing nacelle plant

<sup>3</sup> As of July 2021, the operational control of this site was handed over to a tier-1 supplier. Reported key performance indicators (KPIs) thus refer to data for the first half of production year.

The company currently has partial oversight of its extended supply chains beyond manufacturing sites and can trace the supply of some components and materials. Where we have this information, the countries of origin are provided in the following table on page two.

Supplier countries of origin in % <sup>1</sup>			
	2021	2020	2019
Germany	30.6	29.5	26.7
Europe (excluding Germany and Spain)	19.4	16.4	14.7
Turkey	11.0	8.7	6.8
America (excluding Brazil)	10.5	7.7	8.8
Spain	8.1	7.9	14.7
China	7.8	8.6	11.4
Asia (excluding China)	5.2	5.1	6.3
Brazil	4.8	7.3	7.6
Africa	2.2	8.9	2.9
Australia	0.4	0.0	0.1

<sup>1</sup> Differences to totals may arise owing to rounding.

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

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

## RISKS IDENTIFIED IN OPERATIONS AND SUPPLY CHAINS

In 2020, the Nordex Group started a process to develop a human rights risk management system that includes, amongst others, modern slavery. This process began with a human rights risk and gap assessment.

The risk assessment found a high likelihood of modern slavery existing in three areas of our business activities and supply chains, these are:

### Indirect Spend

We procure goods and services for our business operations which are not part of the wind turbine. These include IT equipment, car leasing, facilities management, special tooling and equipment and other services for training, recruitment, and professional services. Cleaners and other functions covered by facilities management are often a hidden workforce and may also often be subcontracted, making them more vulnerable to negative human rights impacts, particularly related to wages and/or long hours. There are risks of exploitative labour practices and modern slavery in various roles in this category and the working conditions can often be a concern.

### Sourcing of materials for the turbines

Many of the materials in turbines are mined. Mining companies providing many of the materials such as iron ore, copper, aluminium, lead etc. can have a severe impact on workers, communities near mines, and the environment from their operations. The sites where mining takes place for the minerals used in the production of wind turbines are geographically widespread. Highly industrialised countries, such as Australia and Canada, represent the main producers of certain minerals, such as aluminium, iron and nickel. However, a large proportion of global production of the minerals used in wind turbines is mined in low and middle-income countries where there is a greater risk of exploitation.

### Transportation and Logistics

Nordex uses suppliers for the transport of materials and components to both manufacturing and installation sites. This can be by road, air, or sea. Local shipping companies may be linked to Human Trafficking (HT), where there is movement of goods and passengers often taking place along the same road, sea, and air networks as HT rings. Transport and logistics also rely on large, low-skilled workforces and often use recruitment companies to find employees - these labour agencies/providers might not be properly vetted, and workers could face issues such as having their passports confiscated or wages withheld.

Our risk assessment also highlighted several countries where we operate, or where we source from, where the risk of modern slavery is particularly high. To our knowledge, these countries are currently: China, Democratic Republic of Congo, India, Indonesia, Pakistan, Russia, Brazil, Gabon, Ghana, Kazakhstan, Malaysia, The Philippines, Turkey, Ukraine, and Zimbabwe.

## ADDRESSING MODERN SLAVERY RISKS

As a manufacturer of wind turbines, the Nordex Group sources products and services from numerous suppliers based throughout a wide range of countries, and generates a significant share of value in our upstream production stages. Nordex' Global Sourcing Department ensures that the required products and services are sourced in the right quality, at the right time, and at the right cost. As a core principle of our commitment to sustainability, Nordex sees it as vital in ensuring that our own environmental and social standards are also maintained throughout our supply chain.

In addition, to undertaking the human rights risk and gap assessment referred to in Part 3 above, we have implemented several policies and practical measures to address the relevant risks in its operations and supply chain.

### Human Rights Policy

The Nordex Group has recently developed a [human rights policy](#) and is in the process of communicating this to all suppliers, employees, and relevant business relationships. Nordex is also updating other relevant policies that may be connected to the topic of human rights issues and our respective commitments, or which have regulatory intersections. These policies aim to inform all relevant stakeholders on the expectations of the Group and how it wants to operate as a responsible business. The human rights policy outlines Nordex' global commitment to undertaking due diligence and subsequent activities to identify, address, prevent and mitigate any risk of modern slavery.

### Code of Conduct for Employees

As a common yardstick for responsible and good conduct, the Nordex Group established a [Code of Conduct for employees](#) which describes our principles for legally compliant and responsible behavior. It is applied as a basis of the corporate guidelines and is binding for all employees of the Nordex Group.

As stated in the Code of Conduct, the ethical guidelines of the UN Global Compact and the Organization for Economic Cooperation and Development (OECD) as well as the UN Universal Declaration of Human Rights that stipulates zero tolerance for child labor, forced labor, discrimination, and retaliatory measures, provide fundamental guidance for all our business activities. All our business decisions and activities are based on our strict compliance with laws and regulations, as well as our strong company values.

### Code of Conduct for Contractors and Suppliers

In addition to the Code of Conduct for Employees, Nordex established a special Code of Conduct for Contractors and Suppliers in which we expect them to adhere to the principles of integrity and ethical, lawful conduct throughout the entire duration of their business relationship with us. Our Code of Conduct for Contractors and Suppliers explains our labour and human rights requirements and explicitly requires full compliance with them.

Our suppliers and contractors are required to commit to it in writing. In agreeing to it, suppliers and contractors commit to prohibit and refrain from using any kind of child labour, as well as not to use compulsory, forced or prison labour.

The Code of Conduct for Contractors and Suppliers also requires that suppliers and contractors ensure compliance with these principles in their own supply chains.

### Whistleblower System

The Nordex Group introduced the whistleblower system “notify!” at the end of 2018. Nordex' employees, as well as our business partners' employees, can use it to submit and discuss any indications of misconduct, irregularities, or maladministration in connection with the Group's business activities, including human rights violations.

The Nordex Group does not tolerate or condone the abuse of human rights in any part of our business or supply chains. All allegations of abuse are taken seriously, and we work to effectively remedy any incidence of human rights abuse using our internal grievance mechanisms. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicions of modern slavery.

The whistleblower system includes three reporting channels: getting in touch personally with staff of Corporate Compliance, using an internet-based reporting platform, or using a central hotline/e-mail address/mailling address. Where this is not restricted by country-specific regulations, reports can be submitted anonymously. The Corporate Compliance department validates all new reports. The matter is then discussed and evaluated by the Business Ethics Committee, which also steers any necessary investigations and consequences. The Management Board is informed on a regular basis about any reports received, as well as their status and resolution.

### Training and communications

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

## EFFECTIVE ACTION TAKEN TO ADDRESS MODERN SLAVERY AND PLANS FOR THE FUTURE

Whilst the Nordex Group has had no incidents of modern slavery reported or identified through our current risk management systems so far, we recognise the need to develop better processes to identify, prevent and mitigate any such risks. Therefore, and as a first step, we are in the process of developing a business-wide action plan, as well as tools and guidelines for employees and suppliers on how to support effective action.

The actions we are aiming to start and deliver on in the next 12 months include:

- Update and establish policies and procedures to communicate Nordex' goals and expectations more clearly
- Expand Nordex' audit programme to encompass more human rights issues and methods of identifying exploitative labour practices
- Development of toolkits and guidance documents for employees and suppliers to support effective action
- Review of Nordex' grievance mechanism and work to ensure it is accessible to a wider range of stakeholders and is trusted.
- Improve monitoring, tracking, and reporting on our efforts and the progress we make

- Update Nordex' Code of Conduct for employees and Code of Conduct for Contractors and Suppliers, which will include a specific section addressing Human Rights and the policy, and further strengthen its integration in relevant company processes
- Implement, improve, and refine Nordex' due diligence processes to mitigate human rights risks in our supply chain

The Nordex Group recognises human rights management is a complex task and to deliver impact for rightsholders will take time. Therefore, our action plans will look beyond the next 12 months and consider the investment we need to make as a business, year on year. Once we have established the foundations of a strong human rights risk management system and have built capacity within the business, the company will be better equipped to address areas where it currently does not have a strong ability to influence change, or where Nordex has little oversight. These areas often pose the highest risk to people, such as those in the raw material supply chain or transportation sector. Therefore, these are a priority for the business, and the Nordex Group is considering the best tools available, including deeper-dive research, such as Human Rights Impact Assessments, mapping the supply chains, and improving stakeholder engagement and consultation, as well as working in partnership with organisations who can help the company prevent risks and support identified victims of modern slavery.

The Nordex Group also recognises the importance of tackling the root causes of modern slavery, such as poverty and lack of education. As a business, Nordex invests in communities where it operates, providing much needed support to address these key challenges. Some examples of these programmes are highlighted below:

#### South Africa

In South Africa, the Nordex Group accompanied its market entry with its Nordex Education Trust. This foundation has a 20% stake in Nordex Energy South Africa (NESA) and supports disadvantaged population groups and projects in the fields of school education, sports, culture, and community work by providing scholarships and grants for study, research, and training. In this way, over the last few years we have been able to support numerous non-governmental organizations, schools, and universities, as well as sports and cultural associations, and thus to establish robust partnerships in all communities where Nordex operates. The foundation has also entered into strategic partnerships with Stellenbosch University and Nelson Mandela University.

#### Pakistan

As early as 2011, the Nordex Group collaborated with the wind farm developer Fauji Fertilizer Company Energy Limited (FFCEL) in setting up a wind farm in Jhimpir, Pakistan. During the project, FFCEL launched a comprehensive Corporate Citizenship program with the goal of providing sustainable support for the local community and its development. The program includes educational, health, environmental protection, and local infrastructure creation projects.

In cooperation with the project developer, Yunus Energy Limited (YEL), Nordex is supporting the implementation of a further local community development project located in the same area of Jhimpir. This included providing 120 houses with solar panels and other appliances and completing four tube wells for the local community in 2019.

## CONSULTATION

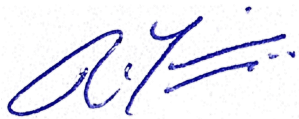
The Nordex Group operates globally as a matrix organisation with strong centralised corporate functions, global policies, and a high level of sharing of expertise, technology, and human and financial resources between companies within the Group. The contents of this Modern Slavery Statement, and the measures described in this document, have been prepared and developed by Nordex' global People & Culture department, which is responsible for coordinating the approach on modern slavery topics within the wider Nordex Group (including both Nordex Oceania and Nordex Energy).



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