

MODERN SLAVERY STATEMENT 2022

Introduction

Our business and supply chains

Risks identified in operations and supply chains

Addressing Modern Slavery Risks

Effective action taken to address modern slavery
and plans for the future

Consultation

This Modern Slavery Statement has been prepared by Nordex Oceania Pty Ltd (ACN 128 202 102) (“Nordex Oceania”) and pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for the reporting year 1 January - 31 December 2022. Nordex Oceania belongs 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, Nordex works with its customers to continually increase the share of renewable energies in the global energy mix. Sustainability is at the core of Nordex’s business model, being essential not only to Nordex’s commercial future, but also for preserving our environment for future generations.

For this reason, Nordex Group is continuing to pursue the holistic approach 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 to the idea that green energy businesses should also be accountable for their impact on people, including the workers in our supply chains and the communities in which 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 9,100 employees globally (April 2023 figures) operating in more than 40 countries where we are driving forward the global energy revolution by providing affordable, green energy.

Nordex 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 in the table below:

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

1 Rotor Blade Technology Center

2 Additional drive train factory. The top-box factory has transitioned to a cabinet factory.

3 Blade Engineering and Technology Center

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

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

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

With reference to our previous Modern Slavery Statement for the 2021 reporting year, our highest risks regarding human rights remain as follows:

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 wind turbines

Many of the materials in wind turbines are mined. Mining companies providing many of the materials such as iron ore, copper, aluminium and lead 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, where there is movement of goods and passengers often taking place along the same road, sea, and air networks as human trafficking 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, Türkiye, Ukraine, and Zimbabwe.

To supplement the results of the risk assessment described above, we will be conducting further analysis in preparation for upcoming supply chain due diligence regulation (as described further below). We expect this to provide further insights into the risks in our supply chain and to enable us to take appropriate mitigation measures where necessary.

ADDRESSING MODERN SLAVERY RISKS

As a global manufacturer of wind turbines, Nordex 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's 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 to ensure that our own environmental and social standards are also maintained throughout our supply chain.

In the 2022 reporting year, Nordex continued the implementation of policies and practical measures to address the relevant risks in its operations and supply chain. Our progress with these actions is described below.

Current human rights initiatives

In the process of preparing for upcoming supply chain legislation in Germany (where the Nordex Group is headquartered), we will incorporate additional initiatives related to human rights risk management both internally within Nordex as well as within the supply chain. These initiatives will then be communicated both to our employees as well as suppliers and relevant business relationships, and we will update our [Human Rights Policy](#) accordingly.

Code of Conduct for Employees

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

As a shared yardstick for responsible conduct, our Code of Conduct is our guide. It represents the principles, standards, and ethical expectations of the Nordex Group and addresses the Company’s main compliance risks, such as in the field of business relationships. It is the core document that sets out our top-level binding corporate rules. The Code of Conduct is binding for all employees, managers, executives and directors of the Nordex Group.

The Nordex Group’s robust corporate governance provides a clear framework that defines our role and empowers us in our responsibility to uphold our standards every day and in every situation – to support each other, to protect ourselves and the Nordex Group, to create ethical relationships, and to be committed to society and nature. Under this last domain, we have included a specific section for Human Rights in our [Human Rights Policy](#). We uphold Human Rights globally in all our relationships.

In order to make it as accessible as possible, we worded the revised Code of Conduct in an easy-to-read and understandable way, as well as included for every section a practical example as illustration. The following example applies to the Human Rights section:

II. INTEGRITY REALLY MATTERS
HUMAN RIGHTS

⏪ ⏩ ⏴ ⏵
26

4.2. HUMAN RIGHTS

WE UPHOLD HUMAN RIGHTS GLOBALLY IN ALL OUR RELATIONSHIPS

In line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we are committed to the United Nations Universal Declaration of Human Rights, the International Labor Organisation’s (ILO) core labor standards, and the ILO’s Declaration on the Fundamental Principles and Rights at Work.

We have a **zero-tolerance policy** for modern slavery, child labor, forced labor, discrimination, and retaliatory measures. Abuse of human rights within any part of our business or supply chain is not tolerated. We comply with all applicable laws and industry standards on fair wages, working hours and conditions, health and safety, and the right to freedom of association.

For further guidance: see the [Human Rights Policy](#).

WHAT DOES THIS MEAN FOR ME?

- Respect all my colleagues and people I interact with regardless of their background.
- Follow the commitments and principles stated in the Human Rights Policy.
- Apply the Nordex Group Code of Conduct for Employees in all my daily activities.
- Put into practice our core values of Integrity, Respect, Collegueship and Ownership.
- Report any concern or suspicion of Human Rights violations that I hear about, or discover, to the line manager or “notify!”.

NORDEX SE - CODE OF CONDUCT FOR EMPLOYEES

As stated in the Code of Conduct, and in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we are committed to the United Nations Universal Declaration of Human Rights, the International Labor Organisation’s (ILO) core labor standards, and the ILO’s Declaration on the Fundamental Principles and Rights at Work. 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, the Nordex Group 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

Every single person has a role to play in promoting ethical behavior and fighting against criminal offences, corruption, fraud, human rights or environmental violations, among others, at all levels of society.

Committing to a speak-up culture, we have established the Whistleblower System “notify!” based on principles of trust, good faith, impartiality, and protection, with the purpose of encouraging and facilitating the reporting.

Nordex Group employees, our business partners’ employees, and the general public can use the “notify!” whistleblower system to report any suspected misconduct or maladministration in connection with the Nordex Group’s business activities, 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/postal address. Reports can be submitted anonymously wherever this is not restricted by country-specific regulations. The company protects reporters from negative consequences.

We follow up every report confidentially, independently and competently. There is a dedicated human resource for conducting internal investigations. The Corporate Compliance department validates all new reports. The Business Ethics Committee then discusses and evaluates the matter, which also steers any necessary investigations and consequences. We inform the Management and Supervisory Board on a regular basis about the reports received, and their status and resolution.

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.

Due diligence processes

Due diligence processes for existing and new suppliers are in place and will be adapted to comply with upcoming regulations respecting human rights and other ethical standards. We continuously work to refine our due diligence process to identify risks, and the best preventive and remedial measures.

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 continuing need to develop better processes to identify, prevent and mitigate any such risks.

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

- Prepare for the introduction of new German supply chain laws.
- Update and establish policies and procedures to communicate Nordex's goals and expectations more clearly.
- Expand Nordex's 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 Contractors and Suppliers taking into account new legislation. It will include a specific section addressing Human Rights and the Human Rights Policy.
- Implement, improve, and refine Nordex's due diligence processes to mitigate human rights risks in our supply chain.

More broadly, in the year ahead we will look to shape and further improve our human rights initiatives (including in relation to the points mentioned above) to ensure compliance with the upcoming German supply chain laws as well as similar proposed laws coming to the European Union. This will include changes in various areas with regards to human rights that we will work on and update for the coming year.

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 continue to look beyond the next 12 months and consider the investment we need to make as a business, year on year.

Finally, 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 is continuing to invest in communities where it operates, providing much needed support to address these key challenges. In 2022, the Nordex Group made various financial and in-kind donations to local and regional aid organizations close to Nordex sites and wind farms, including the following:

- In South Africa, Nordex continued its activities with the Nordex Education Trust (providing higher education scholarships to candidates from disadvantaged social groups) and Socio-Economic Development Project (focussing on youth development, women's empowerment, early childhood education and support for disabled persons).
- Nordex continued supporting rural regions and women in Türkiye.
- In India, Nordex contributed to the construction of school buildings close to one of Nordex's nacelle factories in the state of Tamil Nadu.
- In Brazil, Nordex was involved in several projects with a focus on health, community gardening, and reusing fresh concrete.

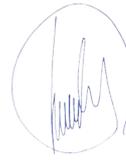
CONSULTATION

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's global People & Culture department, which is responsible for coordinating the approach on modern slavery topics within the wider Nordex Group.

This Statement was approved by the board of directors of Nordex Oceania on 23 June 2023.



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