

/ Sustainability Performance 2021



United Nations Global Compact Principles

Danish Financial Statements Act (DFSA) section 99a, 99b and 99d.

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Message from CEO Olivier Fontan

Olivier Fontan
Chief Executive
Officer



Navigating the Covid Pandemic

In another year that has seen us live through the COVID pandemic, with new variants sweeping across the world, posing complex challenges, and becoming a big concern for governments, people and companies, we continue to focus on the safety, environment and well-being of our employees, the very foundation of our business, while supporting our customers worldwide in their mission to make clean energy competitive, affordable, and accessible for all.

Industry, renewables, energy transition

Wind power is a key link in the shift towards renewable energy sources that play a significant role in stemming climate change and accelerating the transition to a decarbonized future. The latest Global Wind Energy Council (GWEC) report states that in 2021 worldwide offshore and onshore installations of around 95 gigawatt (GW) were recorded, which brought the cumulative capacity installed at the end of 2021 to 850 GW.

However, this is not enough. The report highlights that at current rate of installation, we will have less than two-thirds of the wind energy capacity required by 2030 to reach the goals set in the Paris Agreement. Along with demand challenges, we are

seeing inflation affecting profitability and competitiveness of original equipment manufacturers (OEMs).

Sustainability and diversity at the forefront

As blade technology pioneers for over four decades, our continued efforts to build some of the most advanced, reliable, and high-quality products have enabled customers to deliver cost-effective, and sustainable energy to communities worldwide. We have framed our business objectives around sustainability that includes the four key pillars: Safety remains the number one priority, and multiple continuous improvement events or Kaizens were carried out throughout the year to identify processes that need further enhancement. We believe that Environment, Health and Safety (EHS) is a collective responsibility, that extends beyond our own employees and company to the entire wind industry value chain.

Over 1000 new employees joined us across various locations globally in 2021, further strengthening our people-powered commitment to work in unison and address the climate change challenge. We believe an engaged workforce drives business outcomes and keeps the momentum going especially during times of uncertainty. At the plant level, we continue to run

various training, and development programs, activities promoting diversity, inclusion, and equality as well as employee engagement exercises.

We also joined forces with our peers in the industry, GE Renewable Energy, Ørsted, Owens Corning, Siemens Gamesa Renewable Energy, and spearheaded the Windclusion Alliance announced in Copenhagen in November 2021, to ensure that the rapidly expanding wind industry is seen as an attractive sector for job seekers, to nurture a diverse and inclusive talent pipeline for the industry to achieve its urgent climate goals.

As a carbon neutral business, we continue to focus on optimizing use of natural resources and improve existing blade designs to facilitate more recycled materials. Through lean and continuous improvement projects, we have aimed at reducing material consumption, while at the same time the portion of recycled waste from our plants have risen to 41% in 2021 compared with 27% in 2020. These outcomes have enabled us to further green our operations and in turn deliver more value for our customers.

A significant step was taken in 2021 to further boost our sustainability efforts when we committed to producing Zero Waste Blades by 2030, to address an important challenge the industry is facing - to reduce the carbon footprint of its products. It means we aim to send no excess manufacturing materials and packaging to landfill and incineration without energy recovery by 2030. As a manufacturing company it is important to realize that producing waste for us is inevitable. But we can reuse, repurpose, or recycle all the waste from our blades thus setting up a circular economy and create a framework for recovering the value from waste.

Accelerating towards a circular wind industry

Achieving carbon neutrality was an important milestone for our company. However, it was just the first step towards thinking and acting sustainably in everything we do. Recently, we readied the first prototype of a recyclable wind turbine blade under the ZEBRA (Zero wasteE Blade ReseArch) project along with our industry partners. The 62m blade is built using a unique thermoplastic resin that has valuable recycling properties and we are now looking forward to testing the technology further.

We also committed to support a blade-recycling project in Spain launched by utility Endesa and partners PreZero España, Recic-lalia Composite, by supplying surplus glass fiber generated during blade manufacturing at our Ponferrada and Castellón facilities.

To summarize, carbon neutrality was our first step and now we are moving towards reducing carbon footprint in the upstream through initiatives like Zero Waste Blades by 2030 and in the downstream through blade recycling projects.

These achievements underscore how we are actively contributing to the development of a circular wind industry and collaborating with partners to make 100% recyclable wind turbines in future, addressing the issue of waste generation and inefficient use of raw materials. Backed by exceptional advances in technology, our efforts to make a fully sustainable product and turning waste into a resource will deliver exceptional value for our stakeholders and further strengthen our commitment to power a cleaner planet and future for us all.

/ Sustainability Performance 2021 summary



0.73

Illness and injury rate per 200,000 working hours in 2021, compared to 0.56 in the previous year*



0.53

Days Away from Work rate per 200,000 working hours in 2021, compared to 0.32 in the previous year*



0

Net carbon footprint (tCO₂e) for Scope 1 and Scope 2 emissions in 2021, compared to 0 in the previous year



100%

Renewable electricity consumption (including instruments like EACs) in 2021, compared to 100% in the previous year



41%

Total waste for recycling in 2021, compared to 27% in the previous year



4.0%

Revenue invested in R&D in 2021, compared to 4.0 % in the previous year**



10

New blade designs launched in 2021, compared to 12 in the previous year



100%

Employees acknowledged GE's The Spirit & the Letter 2021, which addresses anti-corruption and bribery***

* In our Safety metrics, we consider LM employees & LM Coordinated Contractors

** R&D investment figures are based on numbers from the annual report.

*** At GE, trainings on anti-corruption and bribery are issued every two years. As 2021 was an intervening year, employees were asked to confirm that they have read and understood GE's The Spirit & the Letter and agree to comply with its obligations, which cover anti-corruption and bribery. We will continue with the employee trainings to maintain awareness and empower them to play a role in maintaining compliance.

Our performance metrics

If not otherwise indicated, the cut-off date for the performance metrics reported is 31 December 2021. Where relevant, the percentage change compared to the previous year is included. When applicable, we assess our performance against our global targets in place.

	2021 Target	2021 (change)	2020 (change)	2019 (change)	2018 (change)
Blade production					
Number of blades produced*	N/A	● 13,203 (-3%)	● 13,567 (-1%)	● 13,752 (+25%)	● 10,979 (-7%)

* In 2021 while the number of blades produced remained flat, the average capacity (in MW) of the blades sold by LM Wind Power increased. This trend is expected to continue as nominal average capacity of wind turbines increases.

Safety

	2021 Benchmark	2021 (change)	2020 (change)	2019 (change)	2018 (change)
Accident frequency and severity*					
Illness & Injury rate (per 200,000 working hours)	0.47	● 0.73 (+30%)	● 0.56 (-33%)	● 0.84 (-5%)	● 0.88 (-35%)
Days Away from Work rate (per 200,000 working hours)	0.27	● 0.53 (+66%)	● 0.32 (-18%)	● 0.39 (+11%)	● 0.35 (+2%)

* In our Safety metrics, we consider LM employees & LM Coordinated Contractors

Environment

	2021 Target	2021 (change)	2020 (change)	2019 (change)	2018 (change)
Emissions *					
Total carbon footprint (tons CO₂e)**	N/A	● 139,098 (-16%)	● 164,865 (-21%)	● 207,492 (+14%)	● 182,653 (-24%)
Scope 1 greenhouse gas emissions (tons CO ₂ e)	N/A	● 25,082 (-1%)	● 25,347 (-10%)	● 28,085 (-2%)	● 28,516 (+21%)
Scope 2 greenhouse gas emissions (Location-based approach, tons CO ₂ e)	N/A	● 0	● 0	● 81 (+254%)	● 23 (-100%)
Scope 3 greenhouse gas emissions (tons CO ₂ e)	N/A	● 114,017 (-18%)	● 139,518 (-22%)	● 179,325 (+16%)	● 154,113 (+8%)

* In line with the Greenhouse Gas Protocol, we show our carbon footprint without offsets we acquired to achieve a net zero carbon footprint. The carbon emissions data is calculated through our GHG accounting process, and includes all our operational emissions from our manufacturing sites, light industrials, warehouses and offices.

** LM Wind Power takes a different approach to calculating its carbon emissions than GE, for example on the emission factors applied or the scope of emissions reported on. Therefore, the final numbers disclosed in this report vary from GE's aggregated environmental reporting.

Environment (continued)

	2021 Target	2021 (change)	2020 (change)	2019 (change)	2018 (change)
Waste*					
Total production waste (tons)	N/A	● 55,490 (-4%)	● 57,612 (-0.4%)	● 57,392 (+29%)	● 45,520 (+6%)
Total waste for landfill (tons)	N/A	● 12,476 (-9%)	● 13,697 (-14%)	● 15,861 (+5%)	● 15,178 (+2%)
Hazardous waste for landfill (tons)	N/A	7	6	7	27
Non-hazardous waste for landfill (tons)	N/A	12,469	13,691	15,855	15,151
Total waste for incineration (tons)	N/A	● 20,139 (-28%)	● 27,896 (+2%)	● 27,247 (+42%)	● 19,166 (+13%)
Hazardous waste for incineration (tons)	N/A	4,133	11,804	11,845	6,164
Non-hazardous waste for incineration (tons)	N/A	16,006	16,020	15,403	13,003
Total waste for recycling (tons)	N/A	● 22,875 (+43%)	● 16,020 (+12%)	● 14,282 (+28%)	● 11,175 (+5%)
Hazardous waste for recycling (kg)	N/A	2,829	115	219	143
Non-hazardous waste for recycling (kg)	N/A	20,046	15,905	14,063	11,033
Total waste for recycling (% of total production waste)	N/A	● 41 (+46%)	● 28 (+12%)	● 25 (+0%)	● 25 (-2%)

* Waste data is tracked in our internal sustainability reporting system.

Energy*					
Total energy consumption (GJ)	N/A	● 1,032,357 (+2%)	● 1,013,296 (-10%)	● 1,121,434 (+19%)	● 944,584 (+14%)
Fuel not used for transport (GJ)	N/A	● 334,681 (+15%)	● 291,164 (-23%)	● 377,252 (0%)	● 377,441 (+22%)
Electricity consumption (GJ)	N/A	● 697,676 (-3%)	● 722,131 (-3%)	● 744,181 (+31%)	● 567,143 (+10%)

* The energy data is tracked in our internal sustainability reporting system. Fuel consumption from mobile sources is excluded from our total energy consumption.

Technology

	2021 Target	2021 (change)	2020 (change)	2019 (change)	2018 (change)
Blade designs					
Number of new blade designs launched	N/A	10	12	7	10
Product quality					
Non-conformity rate*	● 0.69%	0.39%	N/A	N/A	N/A
R&D investment					
R&D investment (% of revenue)*	N/A	● 4.0% (0%)	● 4.0% (+3%)	● 3.7% (-30%)	● 5.3% (-5%)

* R&D investment figures are based on numbers from the annual report.

People

	2021 Target		2021 (change)		2020 (change)		2019 (change)		2018 (change)
Employees*									
Headcount	N/A	●	11,492 (-13%)	●	13,233 (-7%)	●	14,238 (+22%)	●	11,613 (+19%)

* Trainees / Interns /Externals are not a part of this headcount.

2021				
Employees*				
Number of employees by region		China: 2,088 Europe:4,118 India: 3,015 Americas: 2,271		
Number of employees by employment type, by gender	Full-time	Female:1,995 Male: 9,446		
	Part-time	Female:24 Male: 37		

* Trainees / Interns /Externals are not a part of this employee count.

2021		
Diversity		
Diversity of employees, excluding governance bodies	Gender (%)	Female : 18 Male: 82

	2021 Target		2021 (change)		2020 (change)		2019 (change)		2018 (change)
Performance and development review *									
Performance Development eligible employees (% of employees)	N/A	●	15.4 (+12%)	●	14 (+0%)	●	14 (-22%)	●	18 (+0%)

* This percentage reflects that all our White Collar employees are eligible for our Performance Development. We ensure our Blue Collar employees' development through our local performance systems and Global Skills Matrix.

Anti-bribery and corruption						
White Collar employees acknowledged anti-bribery and corruption policies and procedures (%)*	●	100	●	100	95	90

* At GE, trainings on anti-corruption and bribery are issued every two years. As 2021 was a intervening year, employees were asked to confirm that they have read and understood GE's the Spirit & the Letter and agree to comply with its obligations, which cover anti-corruption and bribery. We will continue with the employee trainings to maintain awareness and empower them to play a role in maintaining compliance.

/ About the report



The report

As a signatory to the UN Global Compact, we believe that the Sustainability report is the right platform to communicate progress against our Sustainability targets to our wide range of stakeholders and to guide the future engagement.

The report follows the Ten Principles of the United Nations Global Compact. It meets the requirements of the Danish Financial Statements Act and we map our performance against the Sustainability Development Goals as applicable. The first part of the report gives an overview of our business and introduces our approach to sustainability reporting. In the latter part, we elaborate on how we manage our material Sustainability topics and demonstrate our progress on Key Performance Indicators in the areas of Safety, Environment, Technology and People. The report has been developed by LM Group Holding A/S and covers global operations.

Reporting scope

Unless otherwise indicated, the data and information provided in this report cover our global operations from 1 January to 31 December 2021.

External Assurance

This report has not been fully scrutinized by external auditors, but our core Sustainability data used in greenhouse gas accounting (e.g. fuel consumption, electricity consumption and waste) have been reviewed by external experts.

The environmental data reported through our Sustainability reporting platform is well-maintained by our EHS team and is also regularly checked by both our EHS and Sustainability team. Other data points also come from functions within the company, which each have their own data quality reviews.

Internally, the report content has been reviewed by functional leads and the respective Management Team members – Senior Director, Global Communications, Vice President Human Resources, Vice President Quality and Environment, Health and Safety, Vice President Engineering and the CEO.

Contact details

We very much appreciate input and feedback from our stakeholders on the reporting. In case of questions regarding the report, or our Sustainability policies or performance – please reach out to:

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/ About LM Wind Power

Business model

LM Wind Power is a leading designer and manufacturer of wind turbine blades. Our footprint spans nine countries on four continents. Having blade factories in all major wind energy markets, we supply rotor solutions to around 20 global and national turbine manufacturers, whose focuses vary from regional to global and from both onshore to offshore. For our financial performance, please refer to our Annual report 2021.

With more than 4 decades of experience, we have worked to be the preferred suppliers of many turbine manufacturers. Almost one-fifth of the turbines worldwide are installed with blades from LM Wind Power. Since 1978, LM Wind Power has produced more than 254,200 blades corresponding to a capacity of approximately 133 gigawatt (GW) – each year contributing to save more than 282 million tons of CO₂.*

LM Wind Power is a GE Renewable Energy business since 2017. Having been a long-time supplier to GE, we have achieved many innovations and commercial successes in our partnership. The acquisition enabled us to offer higher performance, power more productive wind turbines while increasing the efficiency of our operation and improving returns on our customers' investments. At the same time, we are equally committed to maintaining and growing our business with all customers.

LM Wind Power's competitive advantage

LM Wind Power is one of the pioneers of the modern wind industry, starting rotor blade production in 1978. The company's value proposition is based on advanced in-house design, testing and manufacturing technology.

Leading technology and know-how

Our specialist knowledge ranges from materials and process technology, aerodynamics, calculation and simulation to advanced production and testing of rotor blades. Our engineers constantly push the boundaries of blade size and airfoil shape, strengthening the technological foundation for blades beyond 100 meters length - giants that will power turbines of 10+ megawatt. Our specialist competencies have already repeatedly put us in front of the size race, with several launches of innovative blades of record-breaking lengths. In November 2020, our 107-meter turbine blade received its Component Certificate and at the end of 2021, we have three 107-meter blade production lines in operation in our footprint to meet the growing offshore wind industry demand. The 107-meter blade is the

world's first blade over 100 meters in length and is one of the biggest single-components ever built.

Global capacity and supply chain

With production, sales and service facilities in countries including Brazil, Canada, China, Denmark, India, The Netherlands, Poland, Spain, Turkey, United Kingdom and United States, LM Wind Power is the only blade supplier that operates on a global basis. This global reach ensures close contact to international customers and markets and enables the company to optimize transport and logistics costs, shorten delivery time and reduce working capital requirements.

Economies of scale

As the world's largest blades supplier, we reap the benefits of economies of scale within R&D, procurement and global production. LM Wind Power's business model is based on a green and reliable product and our unique ability to create value in efficient partnerships, with suppliers and customers as well as internally. Together, we secure clean energy for the world many years into the future.

Values

Aligned with GE, our values are reflected in the GE Leadership Behaviors - Act with Humility, Lead with Transparency, and Deliver with Focus. Living the GE Leadership Behaviors is an essential part of our lean culture transformation, reflecting how we each aim to act to drive the progress we need.

Act with humility

We embrace a culture of respect which values inclusive teams and perspectives, we actively listen to internal and external sources, and we learn from our shortcomings as much as we celebrate our wins.

Lead with transparency

We embrace candor, saying what we think, not what people want to hear; we share information so we can solve problems; and we contribute to each other's development in a constructive way.

Deliver with focus

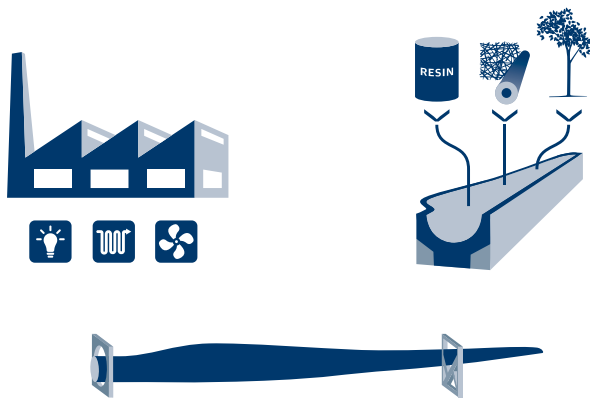
We put safety first; we prioritize our work, maximizing our impact; we measure performance through the lens of our customers; and we are committed to continuous improvement, always in search of a better way.

* United States Environmental Protection Agency, [Greenhouse Gas Equivalencies Calculator](#).

/ LM Wind Power Product Life Cycle

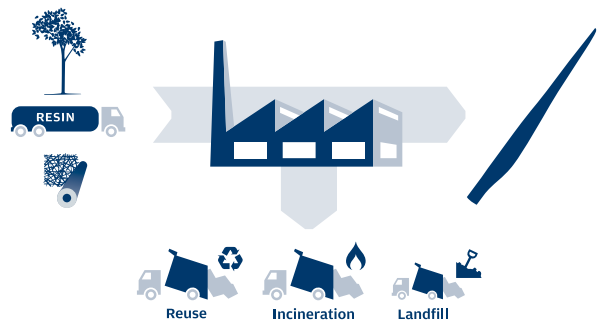
1.

The life cycle of a blade starts with the extraction of material that comes to our manufacturing facilities and is turned into high quality wind turbine blades.



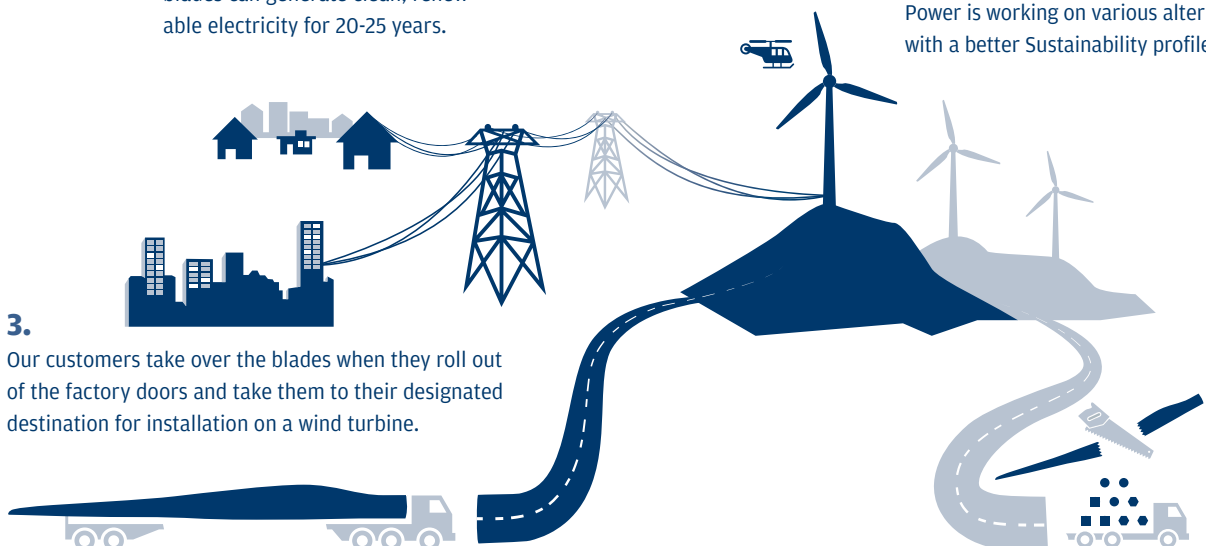
2.

In the process of making blades, our plants consume energy and generate waste which is managed carefully according to the highest environmental standards.



4.

Once installed in the field, the blades can generate clean, renewable electricity for 20-25 years.



3.

Our customers take over the blades when they roll out of the factory doors and take them to their designated destination for installation on a wind turbine.

5.

At the end of the blade's lifetime, the most common disposal method is either incineration or landfill, but LM Wind Power is working on various alternatives with a better Sustainability profile.

LM Wind Power blades are designed to last for 20-25 years

/ The Spirit & The Letter



The Spirit & The Letter is a code of conduct and set of policies that cover our integrity commitments on critical subjects and risk areas. It governs the way in which we work and must be followed by everyone who works for, or represents GE, and covers compliance risk areas such as improper payments, supplier relationships, anti-money laundering, fair employment practices and environment, health and safety. The Spirit & The Letter ensures that employees know what is expected of them and how they can make the right choices in difficult situations.

Our Code of Conduct states:

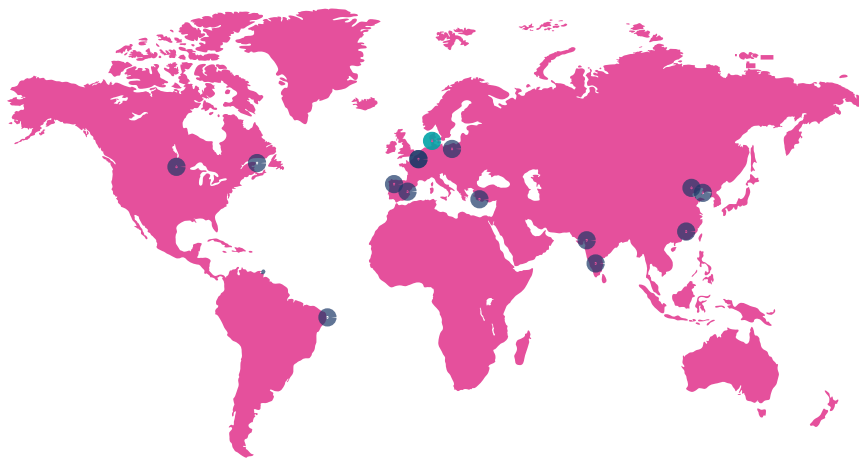
- Be honest, fair and trustworthy in all your GE activities and relationships.
- Obey applicable laws and regulations governing our business worldwide.
- Fulfill your obligation to be the Voice of Integrity and promptly report any concerns you have about compliance with law, GE policy or this Code.
- Simple compliance is more effective compliance. Effective compliance is a competitive advantage. Work to run the company in as competitive a way as possible – with speed, accountability and compliance.

Organizational Structure

The LM Group is led by the CEO and CFO. They are supported by the wider Management Team, which consisted of 16 members in 2021 (including the CEO and CFO) who represent the various functions within the organization. GE Renewable Energy HQ in Paris has financial oversight of the LM Group, in accordance with our strict rules on confidentiality, especially with regard to external customers.

Each legal entity in the LM Group is set up in accordance with local legislation. In Denmark, our organizational structure in our Danish Topco, LM Group Holding A/S, consists of a two-tier management system with a Board of Directors and an Executive Board. The Board of Directors in LM Group Holding A/S consists of five members.

/ Company highlights



Headquarters
Kolding, Denmark



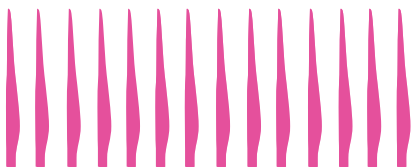
Global locations
Brazil, Canada, China,
Denmark, France, India,
the Netherlands, Poland,
Spain, Turkey, the UK
and the US



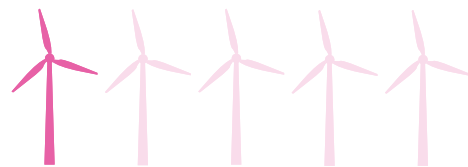
11,492 employees
worldwide



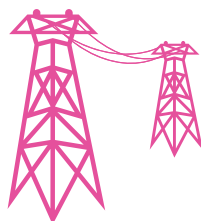
13 blade
factories



13,203 blades produced
in 2021



1/5 Around 1/5 of the world's turbines
have LM Wind Power blades



133 GW capacity
installed



282 million metric tons
of CO₂ mitigated*

* United States Environmental Protection Agency, *Greenhouse Gas Equivalencies Calculator*.

/ Our approach to Sustainability



Our approach

Our approach to Sustainability is to ensure that we create long-term value for all our stakeholders. As a company in the wind industry, we already play an active role in the transition to a more sustainable world. Yet, we understand the limitation of working alone as a single company. Many solutions need industry-level joint effort or even cross-sector partnership by involving both civil societies and the government. It is why – besides greening our own business – we decided to share what we learned from going carbon neutral to help others get a head start, thus supporting an accelerated transition to a decarbonized future. The next step in our mission of powering a cleaner world is to manufacture zero waste blades by 2030, together with our industry partners. In practice, it means we will send no packaging and materials from blade manufacturing to landfill or incineration and develop a circular economy for all excess materials from manufacturing.

Our contribution to the Sustainable Development Goals

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs) – a blueprint to a sustainable world for all. The SDGs are the result of an inclusive process that involved government, civil society and the private sector. The process reflects the importance of the participation of businesses and the cross-sector partnerships in finally achieving these goals. As a business, we believe we should join forces as a whole to work towards the shared goals. Since 2018, we have mapped how our Sustainability performance contributes to achieving the SDGs.

Our products enable our customers to generate clean and affordable energy for all – thereby directly contributing to SDG 7: Affordable and clean energy. Through our dedicated Sustainability efforts, we also work towards achieving seven more SDGs:

SDG 3 – Good Health and Well-being

SDG 5 – Gender equality

SDG 8 – Decent Work and Economic growth

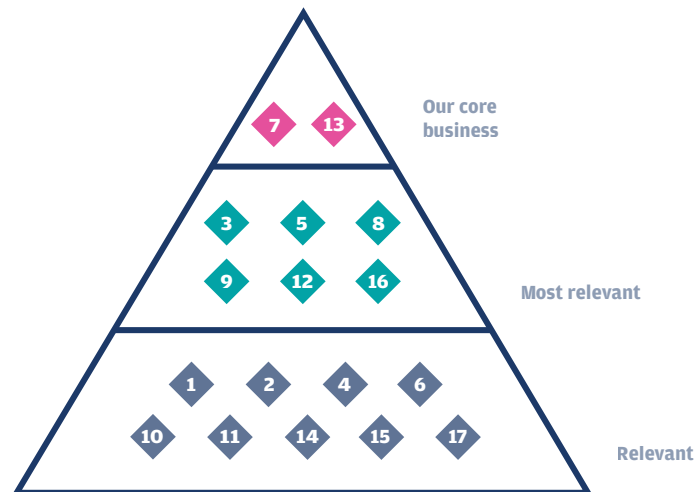
SDG 9 – Industry, Innovation and Infrastructure

SDG 12 – Responsible Consumption and Production

SDG 13 – Climate action

SDG 16: Peace, Justice and Strong Institutions

/ Our contribution to the SDGs



Our core business

SDG 7 - Affordable and clean energy

Relevant metrics:

- Number of blades produced

Most relevant

SDG 3 - Good Health and Well-being

Relevant metrics:

- Days Away from Work rate
- Illness & Injury rate
- ISO 45001 certification

SDG 5 - Gender equality

Relevant metrics:

- Diversity of employees, excluding governance bodies
- Diversity of governance bodies

SDG 8 - Decent work and Economic growth

Relevant metrics:

- Headcount
- People Performance
- Growth eligible employees

SDG 9 - Industry, Innovation and Infrastructure

Relevant metrics:

- ISO 9001 certification
- Number of new blade designs launched
- Non-conformity rate
- R&D investments

SDG 12 - Responsible Consumption and Production

Relevant metrics:

- Total production waste
- Total waste for landfill
- Total waste for incineration
- Total waste for recycling

SDG 13 - Climate action

Relevant metrics:

- Total carbon footprint
- Scope 1 greenhouse gas emissions
- Scope 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions
- Total energy consumption
- Fuel not used for transport
- Electricity consumption
- ISO 14001 certification

SDG 16 - Peace, Justice and Strong Institutions

Relevant metrics:

- Employees trained in anti-bribery and corruption policies and procedures

/ Safety



VISIONSAFE
One team. One goal. One standard.

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:
Business should make sure that they are not complicit in human rights abuses.



0.73

Illness and injury rate per 200,000 working hours in 2021, compared to 0.56 in the previous year*

* In our Safety metrics, we consider LM employees & LM Coordinated Contractors.

At LM Wind Power, safety is our number one priority. Ensuring safety at work is not merely a corporate compliance requirement, but a responsibility that we have towards our over 11,000 employees, to all the suppliers we work together with and to our communities globally. We want to grow our business responsibly and cultivate a safety mindset not only in our own operations but also in the value chain to build and promote a true safety culture.

Our EHS policy and Vision Safe program

GE Renewable Energy's Global Environment, Health and Safety (EHS) Policy guides our safety initiatives and drive the energy transition through clever solution in the entire REN portfolio. We strive to provide and promote a safe and healthy working environment, use natural resources and energy in a sustainable way and avoid adverse impact to employees and contractors, our customers, the environment, and the communities in which we do business. While developing new and safe manufacturing processes, we follow the EHS strategic Vision Safe program to ensure that we:

- Operationalize EHS with front line managers through Plant Do Review (PDR) program
- Increase EHS competences in critical roles to lead and sustain the EHS Culture transformation
- Include Safety by design through incorporating human factors, implement Poke yoke solution to de-risk human and machine interfaces using the top 3 hierarchy of control to eliminate and substitute hazards, implement Engineering control measure.
- Focus on Heat Map and Strengths of Defenses to recognize, evaluate and control EHS hazards and mitigate risks on energized work, working at height, crane/hoisting, powered equipment tools and manual handling operations
- Focus on injuries linked to High-Risk Operations (HRO)
- Create a safe and healthy working environment for all employees, as well as partners and contractors, consistent with all applicable regulatory requirements, GE standards, and requirements and highest EHS practices
- Make safe and environmentally friendly products from the design and throughout the lifecycle
- Promote & reward positive behaviors and ideas that support our EHS culture
- Continue "Stop the work" mindset in case of any risky situations



0.53

Days Away from Work rate per 200,000 working hours in 2021, compared to 0.32 in the previous year*

- Organize CEO Safety Kaizen across all plants with a focus on risk elimination
- Include EHS performance as an essential part of the overall company success
- Conduct continuous evaluation and update of the EHS programs to ensure continued improvement and sustainable effectiveness

EHS is a shared responsibility where everyone is held accountable and owns EHS. Our EHS programs combine clear leadership commitment and accountability together with the empowerment of all employees- Employees and leaders up to the CEO are in charge of and accountable for implementing the policy.

Our safety process and culture

As a manufacturing business, we encounter most of our safety risks at production sites where employees can be in contact with chemicals, use various equipment and working in High-Risk activities. There are robust systems, processes, and programs in place to ensure safe operations and the continuous development of a culture of safety and competence.

Working safely starts with adequate safety education. During onboarding, all our new employees attend trainings to understand LM Wind Power's Global EHS policy fundamentals and become aware of employees' responsibility for EHS. At plants, employees receive local EHS trainings on topics such as:

- Chemical handling
- Confined space
- Correct use of protective equipment
- Stop Work, EHS Concern & Incident reporting
- Ergonomics
- Waste management

To make sure that safety measures are executed properly, various programs and EHS Audits are in place at the plant level. The "Stop Work" procedure empowers our employees to stop work or decline to perform a task when they feel unsafe. In 2021, nearly 3,000 Stop works & 25,000 EHS concerns were reported by employees. EHS alerts containing injuries, event descriptions, and analysis of the root cause are shared with plants globally to pinpoint risks and call for extra precautions or initiate the implementation of "Preventive Actions" for all operations.



Our commitment to providing and promoting safe and healthy work environments drove our efforts in 2021 to eliminate the use of acetone at all LM Wind Power manufacturing facilities, test facilities, laboratories and service departments worldwide. While this chemical has excellent cleaning performance and is used during various stages of the blade production process, its low flash point and effects to the nervous system was a concern from an EHS standpoint. After careful research and evaluation with favorable outcomes, dibasic ester (DBE), a non-flammable, readily biodegradable, and non-corrosive chemical has been selected as a replacement and a full-scale roll-out followed

across all our facilities. Now, acetone is fully substituted and the environment in our facilities has improved significantly.

To ensure our safety management systems are on par with international best practice, we aim to certify all production sites according to OHSAS18001. All of our production sites passed such certification in 2021.

Tracking our performance

To track our performance, we score our plants according to the EHS Framework 3.0, an EHS Management system based on site risk profiles. We track two types of indicators to measure our safety performance, the Leading and Lagging indicators - both reported in Gensuite® an EHS Web tool. Leading indicators provide early warning signs of potential failures, leading to proactive, preventive, and predictive measures before major safety incidents actually take place. On the other hand, lagging indicators, such as injury and illness rate, EHS related events are records of failure as safety barrier, leading to corrective actions after incidents have already taken place. These EHS Performances indicators are consolidated and reported at CEO level during the monthly EHS KPI's Review.

As all businesses may have encountered in 2021, our safety performances were impacted by Covid-19 in terms of work-related infection cases. Our Injuries & Illness rate went up in 2021 to 0.73 per 200,000 working hours from 0.56 in 2020*. Likewise, we also had an increase in Days Away from Work rate from 0.32 in 2020 to 0.53 in 2021. We need to improve in managing EHS risks particularly in new process introduction and new design implementation. Though we had two years of good records in I&I rate before 2021, nothing should be taken for granted in terms of safety. Constant efforts are necessary to maintain the level of safety said Stephane Binder, our Global EHS Culture & Performance Manager, we need to continue working on applying the cultural and behavioral approaches in Safety as a one team in order to move on the next maturity level.

* In our Safety metrics, we consider LM employees & LM Coordinated Contractors.

/ Environment

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ON PROGRESS

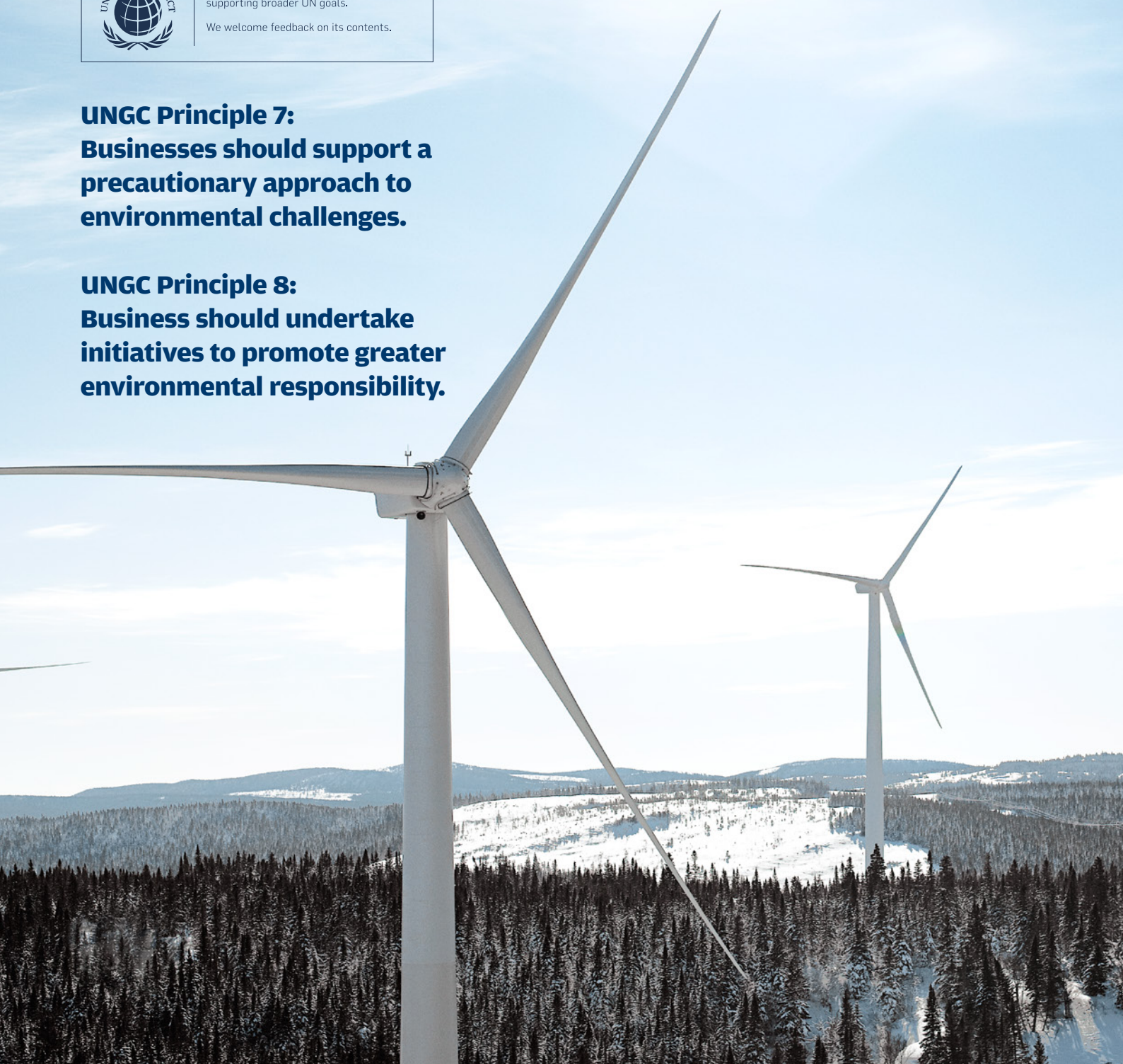


This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

UNGC Principle 7:
Businesses should support a precautionary approach to environmental challenges.

UNGC Principle 8:
Business should undertake initiatives to promote greater environmental responsibility.





0 Net carbon footprint (tCO₂e) for Scope 1 and Scope 2 emissions in 2021, compared to 0 in the previous year



100% Renewable electricity consumption (including instruments like EACs) in 2021, compared to 100% in the previous year



41% Total waste for recycling in 2021, compared to 27% in the previous year

In 2015, world leaders developed the Paris Agreement – an unprecedented step to curb greenhouse gas emissions. LM Wind Power is committed to concrete and ambitious actions to fight climate change. With our products powering wind turbines across the world, we work together with our stakeholders in the wind industry to lead the energy transition to make the Paris Agreement a reality. Yet our environmental commitment goes beyond the green electrons our products generate. We keep account and take responsibility of our own operational emissions such as improving energy efficiency and waste disposal practices.

Global EHS policy

Our environmental practices are guided by the Global EHS Policy, which states that we should use natural resources and energy in a sustainable way and avoid adverse impact on the environment. To ensure that we operate the company in line with international standards and continuously minimize our potential negative environmental impacts, all our production sites currently in operation are certified according to ISO 14001. When introducing new materials or processes, we always undertake an EHS risk assessment to identify potential risks for any people involved and for the environment. The change in materials cannot be implemented before plans to address or control risks associated with the change are developed. The new material or process must as a minimum be at the same level of risk, and preferably better to ever reach implementation.

Addressing our operational emissions

Since 2018, LM Wind Power has been a carbon neutral business – the first in the industry. Maintaining carbon neutral status requires us to achieve a net-zero carbon footprint by balancing emissions with an equal amount of reductions and offsets

every year. Four workstreams form the backbone of our carbon neutral program:

1. Measuring and disclosing our greenhouse gas (GHG) emissions
2. Optimizing the way in which we use energy and reducing emissions from energy use, waste generation and other operational activities
3. Procuring 100% renewable electricity, particularly from wind
4. Offsetting the remaining unavoidable emissions through verified carbon credits

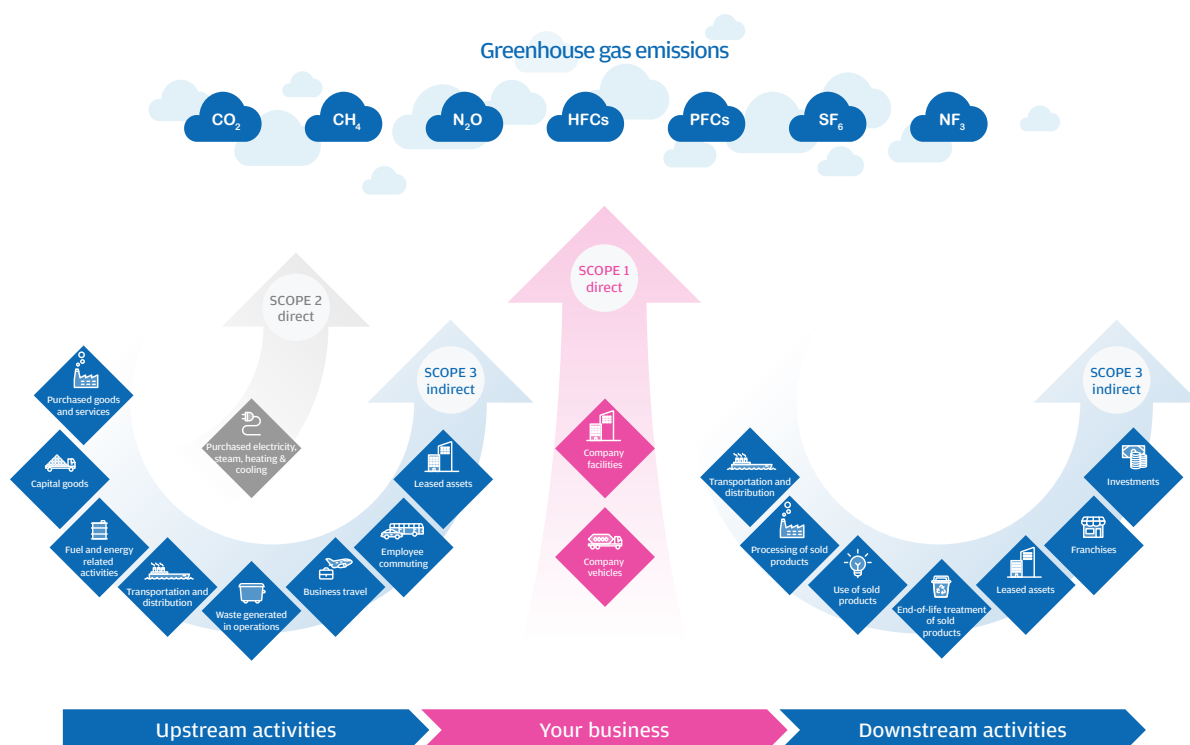
Greenhouse Gas Accounting

Every year, we measure our carbon footprint through the greenhouse gas accounting exercise. In 2021 we accounted for scope 1 and scope 2 emissions within our carbon neutral program. In our scope, we include:

- Stationary combustion
- Mobile combustion
- Refrigerants
- Purchased electricity
- Purchased heating/cooling

In addition to the above mentioned emission sources included in our carbon neutral scope, we track carbon emissions from:

- Waste generated in operations
- Business travel
- Employee commuting
- Fuel- and energy-related emissions
- Delivery of materials from suppliers to our factories which we directly pay for



Carbon emissions reporting

Depending on the extent of control a company has on the emissions, carbon footprint is commonly reported in the form of scope 1, scope 2, or scope 3. Scope 1 emissions refer to the emissions that are a direct consequence of a company's own operations. For example, emissions generated by company-owned vehicles or facilities are considered scope 1 emissions. Scope 2 emissions cover indirect emissions from purchased electricity, heating, cooling or steam. The emissions are considered to be indirect emissions because the actual generation of the emissions physically occurs outside of the company-owned site and takes place at power plants. Scope 3 emissions

include other indirect emissions, such as business travel and waste disposal.

We calculate our carbon footprint in line with the Greenhouse Gas Protocol, which undergoes external validation. We continued to use 100% renewable electricity in 2021, which saved more than 95,000 tCO₂e compared to sourcing electricity from the grid. Also in 2021, the highest contribution to our carbon footprint was the indirect emissions from energy consumption in our facilities. While we procure renewable electricity, this is a critical area of focus for us as our consumption is significant and the indirect emissions remain.



* Market-based, including instruments like EACs.

** In 2021, according to the GHG protocol, we reported upstream indirect emissions related to fuels and energy separately from the consumptions.

*** Emission categories and descriptions are simplified

Optimizing resource consumption

As a manufacturing business, our main emissions come from resources and energy used in our operations. Reducing consumption, reduces emissions and cost.

Already in 2018 we installed Energy Management Systems at all plants to drive transparency and identify opportunities for improvement. In 2021, our energy efficiency team continued to assist plants in finding efficiency gains. We implemented energy efficiency projects in various plants to achieve an 8.6% reduction in energy consumption in kWh/ Cubic meter of operations.

Some of the key projects included replacement of conventional blower fans with belt drive in Air Handling Units to DC motor EC Fans resulting in 25% reduction and replacement of conventional induction lamps by LED which achieved a ~30% reduction in consumption.

We also introduced automatic ventilation control system in Ponferrada and an adiabatic cooling system for air cooled chillers in Vadodara. We are now planning to expand these features to other locations as well.

As a manufacturer of turbine blades, waste from the production process is a significant source of emissions for us that we work hard to address. In addition to direct material reduction initiatives, waste is prevented through engineering projects that optimize blade designs and the materials required. Visit the Technology section of this report to learn more about our projects to prevent and recycle manufacturing waste as part of the Zero Waste Blades program we launched in November 2021.

In 2021, we recycled 41% of our waste, compared to 27% in 2020. While doing everything we can to prevent waste from

being generated in the first place, waste segregation is critically important to ensure recyclable materials are sent to the appropriate recycling facilities. Our local EHS teams set up procedures to have the inevitable waste pre-separated into groups such as glass fiber, carton and other industrial waste for it to be disposed of in the most environmentally friendly and economical way. Sufficient amounts of color-coded waste bins are placed at each working section of the production area.

Renewable energy

In 2021, 20% of our global electricity consumption was covered by green tariffs - contracted renewable electricity from our local utility providers. The remaining 80% was covered by EACs (Environmental Attribute Certificates). Our manufacturing sites in India source electricity from wind and solar through long term Power Purchase Agreements (PPAs), which is a strategy we are pursuing wherever feasible, helping to bring new renewable electricity capacity online through the project financing we help secure through our long term offtake commitment. Our electricity consumption is significant, but the load is spread across different geographies and each country or region where we operate has its own regulations and conditions that influence the availability of viable options. We expect we'll need to continue to purchase EACs for a proportion of our renewable electricity needs in the foreseeable future to maintain our carbon neutral commitment, while at the same time pursuing PPAs and onsite installation of renewable generation at our sites wherever it makes sense.

Carbon offsets

Though we are constantly aiming to reduce emissions internally, we cannot reduce all our emissions in the short term. However, we can act responsibly towards the emissions that we cannot reduce. After reducing our emissions as much as possible, we will balance the remaining scope 1 and scope 2 emissions by investing in carbon reduction projects elsewhere in the world.

Technology

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Principle 9:
Business should encourage the development and diffusion of environmentally friendly technologies.



10

New blade designs launched in 2021, compared to 12 in the previous year



4.0%

Revenue invested in R&D in 2021, compared to 4.0 % in the previous year**

** R&D investment figures are based on numbers from the annual report.

Research and development (R&D) and industry-leading technological advances enables us to meet our customers' needs, address sustainability challenges and is pivotal to advance competitiveness of wind energy. Our R&D efforts are very much focused on developing and maturing the next generation of wind technology innovations. We also engage with industry peers to manage the sustainability of turbine blades by integrating life cycle thinking into blade designing, building and end of life processes.

Research and development

R&D forms the core of our business and is a crucial part of our strategy. In 2021, we have continued to invest 4.0% of our revenue in R&D - maintaining the same level of investment, compared to 2020 and launched 10 new blade designs.

We remain committed to maximizing the quality and performance of our blades in pursuit of sustainability. Blade design is optimized through innovations in carbon technology, facilitating longer lighter blades. Manufacturing waste is reduced through further optimization of our manufacturing systems. Advances in Lightning Protection Systems, Ice Mitigation Systems and Leading-Edge Protection extends the operating life of our blades in field. Finally, the Zero waste Blade ReseArch (ZEBRA) project sees us advance towards the end goal of fully recyclable blades.

Quality and supplier management

Quality management systems are implemented at all our sites. All production sites in operation are certified with ISO 9001.

GE's Supplier Responsibility Guidelines (SRG) are fully embedded and are a part of the LM Wind Power supplier qualification process, ensuring that new suppliers are assessed before any business or product qualification commence. Suppliers are required to follow all applicable laws in their respective countries as well as GE standards. We also strongly advise that suppliers use an environmental management system to manage their impacts. Other expectations of suppliers include:

- Compliance with laws and regulations protecting the environment; improving resource efficiency

- Providing workers a safe and healthy workplace
- Employing workers above the applicable minimum age requirement or the age of 16, whichever is higher
- No forced, prison or indentured labour, or workers subject to any form of compulsion, coercion or human trafficking
- Compliance with minimum wage, hours of service and over-time wage laws
- Freedom of association
- No discrimination
- No harassment
- Adherence to ethical business practices
- Respect intellectual property
- Avoiding sourcing 3-TG (tin, tantalum, tungsten and gold) from conflict mines
- Maintaining an international standard of security measures
- Expect their suppliers to conform to similar standards

In 2021, we have continued to engage the suppliers to improve their quality performance and adhere to our supplier requirements. A key supplier quality indicator is the non-conformity rate, on which we kept at 0.39% and well below our target threshold of 0.69%. Suppliers are prioritized for detailed, on-site assessments depending upon the country in which they are located, their past performance and whether they are producing parts or components that will be incorporated into our products. All of LM Wind Power's direct materials suppliers on our mandatory countries list require an onsite Supplier Responsibility Guidelines (SRG) audit. All suppliers are required to receive at least one SRG audit every two years and suppliers with previously recorded concerns will be audited every year. In 2021, we completed 14 audits in total during which no major areas of non-compliance were found. Going forward, we will continue with the supplier audits to make sure the suppliers meet requirements.

Data ethics policy

At LM Wind Power, all data are business critical, and we will not consider sharing, selling or otherwise use the data for anything but the purpose of their existence. As such, we do not currently see a need to author and maintain a policy, but we will reevaluate on an annual basis.

Blade life cycle & industry joint effort

Innovation to drive the sustainable energy transition

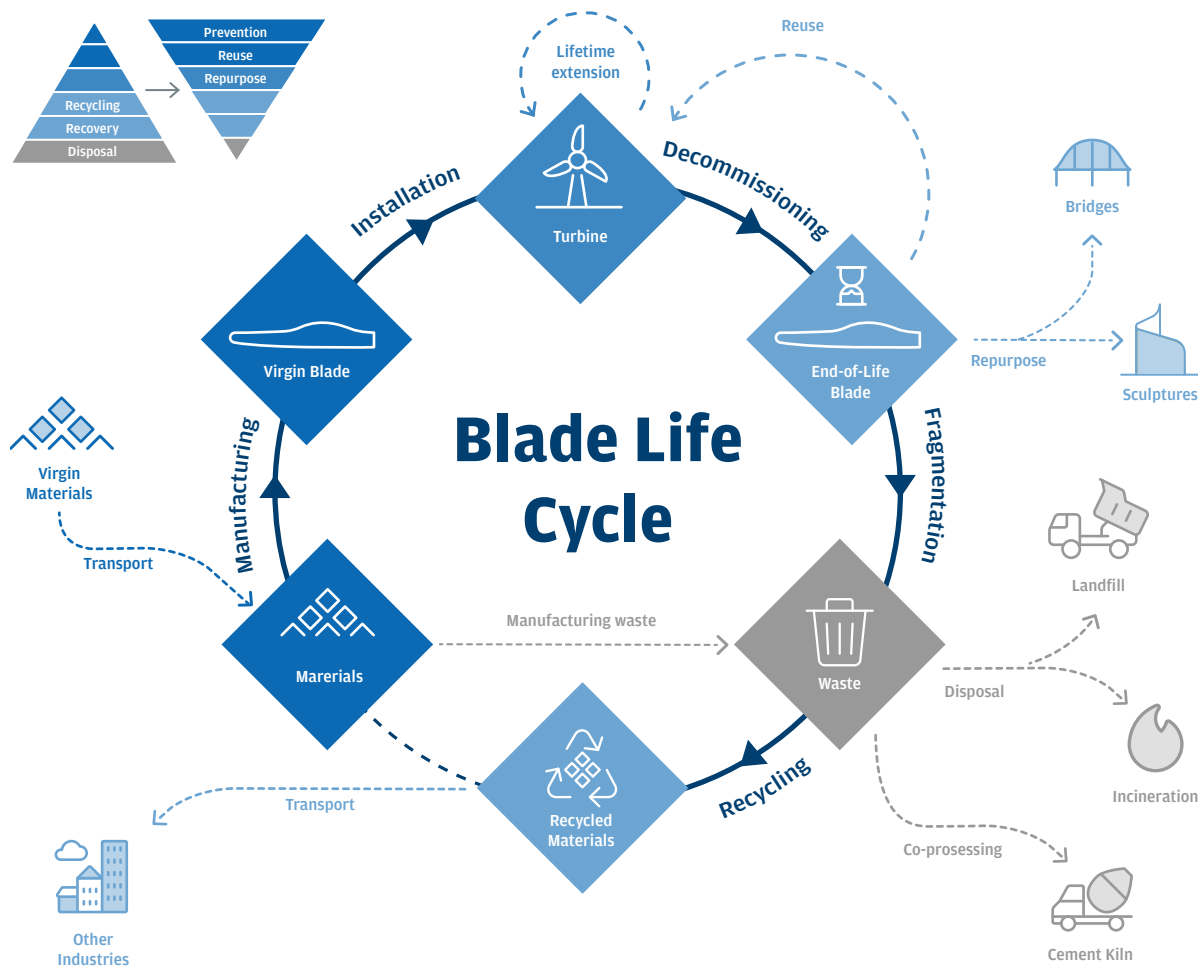
LM Wind Power is in an industry that provides some of the technological solutions to tackle the most pressing challenge of our times: climate change. We are not afraid of setting ambitious targets for ourselves; however, we can only succeed if we join forces with our partners- to build a sustainable future. We want to work with our customers and suppliers so that we can be the example of how an industry sustainably modifies its value chain to power the green energy transition.

Together, with other leading companies, we strive to optimize the use of natural resources throughout the lifetime of a blade, aiming to give these resources a new life within a circular economy. As a blade manufacturer, our position in the value chain enables us to influence the emissions that occur upstream, before a blade is installed on a wind turbine. It is a fact that more than 70% of emissions from the life cycle of a blade occur during resource extraction. Therefore, to improve the overall sustainability of our products, we need to effectively engage with our supply chain partners.

LM Wind Power is committed to limiting to the minimum the use of balsa wood, and whenever it is not possible to eliminate it, source it from responsible sources. The balsa we still need to source comes from global suppliers who have provided strong evidences for sustainable sourcing policy or FSC certifications. In 2014 we introduced PET as an alternative to balsa, and since then we have progressively transitioned from balsa wood to PET. Currently, around 95% of our blades use PET. We also aim to have a substantial volume of the PET from a recycled source, keeping in mind the overall carbon footprint optimization that includes both material extraction and transportation.

Engagement with our supply chain on waste prevention will increase over the coming years; in partnerships we are exploring how we can ultimately deliver waste back to suppliers, for recycling into new materials that will be supplied to the wind industry or other sectors.

We influence the sustainability of our products by integrating life cycle thinking into our blade design processes. However, cross-sector partnerships are also essential to establish recycling infrastructure and a viable market for recycled blade material. Going forward, we will continue to actively participate in industry conversations and research to improve sustainability throughout the blade life cycle.



Zero Waste Blades by 2030

We believe the true value of wind comes from what it produces, and from what it doesn't produce. Every day our blades capture the wind to produce clean energy, and through innovation and partnerships, we aim to produce this clean energy without producing waste. We are taking steps to address issues of waste generation and management even before the product is "born" to limit impacts throughout the product life cycle and even afterwards.

Producing manufacturing waste is inevitable. In the wind industry, around 20-25% of the materials purchased by wind turbine blade manufacturers do not go into the final product. Research indicates that blade manufacturing waste volumes are expected to be larger than decommissioned blade volumes in the coming decade. But what if we did not waste our waste? What if we took waste that is normally viewed as trash or rubbish and turned it into something valuable to help power a cleaner planet and future for us all?

In 2021, we committed to manufacture zero waste blades by 2030, a significant step in our mission of powering a cleaner world, together with our industry partners. In practice, this commitment means we will send no packaging and materials from blade manufacturing to landfill or incineration. As a responsible company we are looking forward to either reusing, repurposing, recovering, or recycling all the waste from our blades.

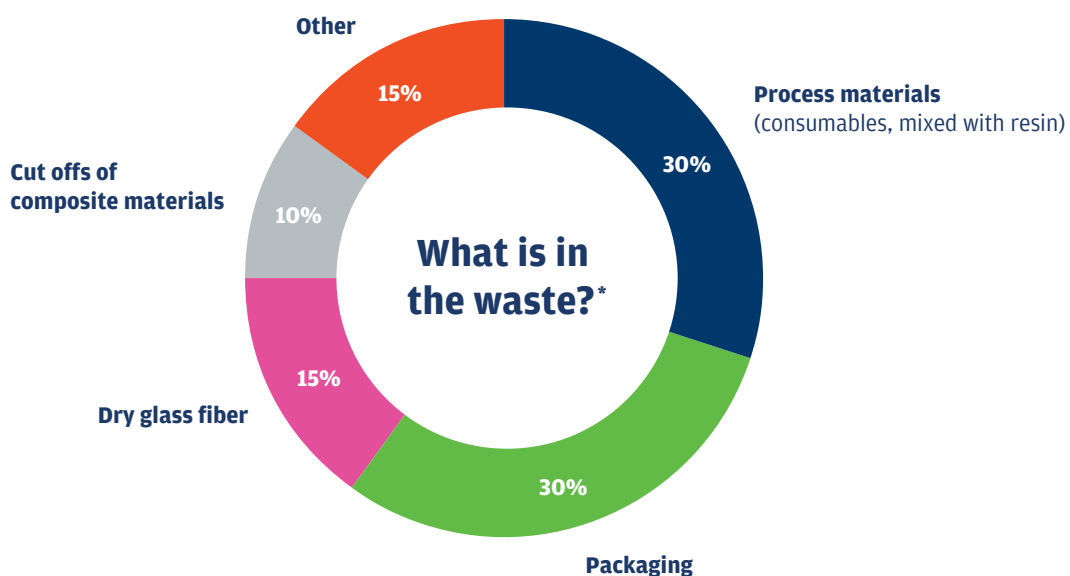
Reaching the vital goal of zero waste blades is not going to be easy which is why it's important that we talk about it openly. Putting the spotlight on waste will bring focus to our teams and partners to work together in this joint vision. We collaborate with our suppliers by responsibly sourcing materials to lower potential waste, so that we can provide our customers with greener products, blades without waste. We also work to optimize resource use by reducing the waste in our own production.

Partnerships to advance circularity and blade recycling solutions

In addition to our waste reduction initiatives on the shopfloor, we are committed to the ZEBRA (Zero waste Blade Research) project, where LM Wind Power will design and manufacture fully sustainable wind turbine blades. Achieving zero waste blades relies on the full value chain, which is represented in the ZEBRA consortium - from development of materials, to blade manufacturing, wind turbine operation, and eventually recycling of the decommissioned blade material as well as the waste from blade manufacturing sites.

While ZEBRA aims at designing the blades of the future with sustainability in mind, it's also important to establish large-scale, sustainable solutions for recycling the blades that are currently in service, when they reach their end of life. Currently, there are already technologies that can recycle wind turbine blades - the most mature are mechanical grinding, cement co-processing and pyrolysis. The challenge is to establish a viable value chain from cradle to cradle scalable to handle the coming volumes of end-of-life blade waste along with composite waste from other sectors.

LM Wind Power is also part of the DecomBlades consortium in Denmark, which brings together leading players in the wind industry, recycling companies and universities to form the basis to commercialize viable blade recycling solutions. In this three-year project, partially funded by the Innovation Fund Denmark, LM Wind Power is leading the consortium's work to establish product disposal specifications for wind turbine blades, utilizing our expertise on blade construction and material composition.



* Just a representation. Percentages vary depending on blade types and plants. Read more about our manufacturing waste on page 22.

People



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 6:
Business should uphold the elimination of discrimination in respect of employment and occupation.

Principle 10:
Businesses should work against all forms of corruption, including extortion and bribery.



100%

Employees acknowledged GE's The Spirit & the Letter 2021, which addresses anti-corruption and bribery***

At LM Wind Power, people are at the very core of the business. They are involved with securing the right materials from suppliers, designing, and building blades for our customers. We regard employee engagement, motivation, and development as key to the success of our business, enabling us to deliver high quality blades globally. A diverse and engaged workforce is one of our strengths and we continue to invest in and promote the values of diversity and inclusion. We are also deeply committed to respecting the highest social and human right standard with whoever we interact with.

Employee engagement and development

Our Human Resource management follows GE's HR Business Partner structure. HR Business Partners work together with functional leaders globally to deliver and develop a broad range of HR services to the company that mirror the company's overall strategy. Through GE's Career Navigation framework, we help employees to explore their career possibilities.

In 2021, White Collar (WC) employees have used GE's the People Performance & Growth (PPG) process for performance management. At the beginning of the year, WC employees are asked to set priorities for the year. Throughout the year, the priorities will be revisited and adjusted as needed to reflect changes in what is important to the business and customers. Checkpoints, held between employee and manager in various forms, ensure close alignment throughout the year. At the end of the year, an Annual Summary will be organized between employee and manager to discuss on how they delivered against their priorities, the impact that it made on business outcomes and their demonstration of the GE Leadership Behaviors.

In 2021, over 1,000 new employees joined LM Wind Power. Among them, over 950 were Blue Collar (BC) employees who went through a five-block onboarding program before they were allowed onto the work floor. The onboarding program consists of company knowledge, overall manufacturing knowledge and theoretical and practical trainings of approximately five weeks in the Center of Excellence.

After new employees have come to understand basic knowledge in key areas like safety, quality and their assigned skills, the employee begins working on the shop floor alongside an experienced mentor to apply previous learning in real life blade production.

Towards the end of the onboarding (around 3 months), the employee is given their first Practical Evaluation, which is a standard method of assessing the workers ability to complete a group of related tasks according to a performance standard.

*** At GE, trainings on anti-corruption and bribery are issued every two years. As 2021 was a intervening year, employees were asked to confirm that they have read and understood GE's the Spirit & the Letter and agree to comply with its obligations, which cover anti-corruption and bribery. We will continue with the employee trainings to maintain awareness and empower them to play a role in maintaining compliance.

Once the employee demonstrates adequate competency in their assigned skills, they will be qualified and may perform work without a mentor.

We further facilitate BC employees' development of skills and knowledge through local Performance Systems and our Global Skills Management software.

Integrity and compliance

At the core of our Integrity & Compliance programs lies The Spirit & The Letter, which is reinforced by policies, processes and training regarding integrity and compliance. We adopted The Spirit & The Letter from GE as a crucial piece of the integration. Currently, approximately 100% of our WC employees and a big portion of our BC workers acknowledged The Spirit and The Letter in written form. Our new WC workers will receive 16 training courses, covering a series of crucial topics covered in The Spirit & The Letter, such as Supplier Relationships, Conflict of Interests and Improper Payments.

In our "open reporting environment", employees are encouraged to raise integrity concerns and be confident that they can do so without having to worry about retaliation. Our employees remain the company's first and best line of defense in the early detection of potential compliance issues. Our Open Reporting allows employees and third parties to report concerns about violations of policy or law. Concerns can be reported anonymously or reported directly through several channels, including the employee's HR manager, our legal department, or our compliance officer, any business ombudsperson, or by calling the GE integrity hotline. In 2021, more than 99 open reporting policy concerns were raised by employees in LM Wind Power. Approximately 39% of the concerns logged in this year identified either policy or process non-compliance, which led to process improvements or disciplinary actions.

We remain committed to respecting not only the human rights of our own employees but also those of our partners' employees and the members of the communities where we operate. Such respect is a foundational requirement of both GE, and our Supplier Integrity programs, and we seek to drive compliance through continued improvement in audit techniques, workers' voice programs and employee training. We also believe collaboration and best-practice sharing, through organizations such as the Global Business Initiative for Human Rights - of which GE is a founding member - help companies work together toward the common goal of upholding the principles first laid out by the United Nations in 1948, with its historic issuance of the UN Declaration on Human Rights. While we recognize, our most material risk is safety at production sites, we continue to focus

on ensuring world class health & safety standards and nurturing a company-wide safety culture.

As part of the compliance program at GE, we believe that operating with a strong anti-corruption program is a critical component in how we do business. Our approach to compliance in the critical area of improper payments is multifaceted. Among its key features are:

- Corporate policies and procedures that reflect our approach by prohibiting improper payments in every transaction, whether with a government or with a private party.
- Extensive controls, including thorough due diligence, careful screening and training on our policies, over third-party intermediaries such as distributors, service providers, and commercial agents and representatives.
- Heightened attention to key risk areas such as gifts and entertainment, travel and living expenses, donations, and facilitating payments.
- Prompt investigation and remediation of any concerns.
- Extensive training of our employees on improper payments.
- Robust internal controls and accounting processes designed to detect and prevent violations of our policy relating to improper payment risks and to ensure accurate books and records relating to transactions.
- Increased emphasis and enhanced due diligence concerning improper risk associated with mergers, acquisitions and joint ventures.
- Strategic use of Corporate Audit Staff to identify and assess potential improper payments

New employees are assigned a Spirit & Letter Basic online training which raises awareness of the key risks addressed by our code of ethics, the Spirit & the Letter, and which includes a module on how to recognise and avoid improper payments. A version of this training is re-assigned to employees every two years. In the intervening year, they are asked to confirm that they have read and understood GE's the Spirit & the Letter and have agreed to comply with its obligations. 100% of assigned employees acknowledged GE's The Spirit & the Letter in 2021. This is supplemented by additional training aimed at key high risk functions such as live improper payments training offered to the sales teams and online training for the finance functions in understanding key elements of laws such as the Foreign Corrupt Practices Act and how to recognise high risk transactions.

Diversity and inclusivity

In line with our The Spirit & The Letter, we will base our employment decisions on job qualifications and merits which include education, experience, skills, ability, performance and growth values. Employment decisions shall be made without considering a person's race, color, religion, national or ethnic origin, sex (including pregnancy), sexual orientation, gender identity or expression, age, disability, veteran status or other characteristics protected by law.

In 2021, recruitment, succession planning and retention initiatives remain the major focus, which we closely scrutinize and adjust where necessary to ensure a diverse employee mix at all

levels of the company. This means that when designing or redesigning the organizational setup, diverse representation - such as gender - should be given adequate importance. Elements of diversity should be built into structured career reviews of all salaried employees to make sure less represented gender talents receive fair share of attention and opportunities. Changes we have further made to increase diversity is that there will be female representation in all recruitment committees and that there must be at least one female candidate in the selection pool for recruitment at management level.

Both LM Group Holding A/S and LM Wind Power A/S strive to achieve gender balance in their highest management level, the Board of Directors. In 2021, the two entities have the same Board members and are comprised of three company representatives and two employee representatives. With a female Chief Financial Officer present as one of the three company representatives, both Boards have reached equal representation.

While we continue our effort to address the imbalance at the top of the organization, we also have a robust program to promote diversity at the plant level. Guided by the vision- 'Together, we create a desirable place to work with equal opportunities for all', the program does not impose local plants with global targets. To respect diversity is to understand that there is no one single best target for all sites and fits well with our approach to local empowerment in other business areas. Each plant gets to create their own roadmap, fitting in their own culture and addressing their specific diversity roadblocks.

Across LM Wind Power, the proportion of women remained at around 18% in 2021. Every plant has an Inclusion and Diversity (I&D) leader, who works together with the local team to set an annual plant-specific I&D strategy with targets and initiatives. Initiated by the plants, targets - such as having certain number of female front-line leaders in the plant - link diversity aspirations closely to business operations. At LM Wind Power, diversity goes beyond gender balance only. Plants are encouraged to identify and resolve other roadblocks to a more diverse and inclusive workforce. In Suape, for example, the plant included strong I&D statement in job posts and adjusted its hiring process by adding sign language interpreters via video to assist candidates with hearing loss.

In 2021, along with leading companies in the wind sector, LM Wind Power launched Windclusion, a global alliance to promote inclusion, diversity, and a universal mindset in the wind industry. Sustainable energy is for all and as leading names in the wind industry, the partners have come together to encourage people from diverse backgrounds to be a part of the industry that is seen expanding rapidly. To meet these growth expectations and appear attractive to employment seekers, the industry stakeholders need to work together to nurture diverse and inclusive talent pipelines. Through Windclusion, we aim to share best practices across the globe, learn from each other, assess challenges ahead and suggest viable solutions. Most importantly, we aim to inspire each other to embrace diversity, respect and appreciate every individual's unique skill set.



Diversity is a given at LM Wind Power, since we operate in 4 continents and over 56 nationalities make up our workforce.

To celebrate our people, we put together a global campaign called cultures and cuisines, in which colleagues from all corners of the world shared curated recipes of cuisines specific to their region, often associated with local festivals.

A second campaign, LM Game Changers, put the spotlight on diverse teams. From a mother-son duo working in the same plant in Castellón,

Spain, to a differentially abled production operator in Brazil and a blade designer based in southern India - these inspiring colleagues and their stories show that we are building some of the best teams with unique perspectives, essential to solve the climate change problem. Most importantly, these campaigns revolve around a central fact- together we are strengthening our employees and creating a desirable place to work with equal opportunities for all.

We will continue our efforts in promoting diversity and addressing the issue at all levels of the organization.