

ENERCON Response to Business & Human Rights Resource Centre (invitation to respond from 23 January 2020) regarding the report "Human Rights in Wind Turbine Supply Chains Update 2019" by The Centre for Research on Multinational Corporations (SOMO) from November 2019

This response is a short statement to give an overview of our due diligence process. Furthermore, the information in this statement applies to the entire ENERCON group, including one of our innovative development units Lagerwey, since it was completely integrated into ENERCON by the end of 2019.

ENERCON is not sustainability report obligated, which is why reports are not publicly available. ENERCON has a policy in place, which refers to our company's vision "ENERGY FOR THE WORLD". We strive to develop sustainable, pioneering and future-proof concepts of renewable energy generation and supply for the growing global renewable energy demand and thus make a valuable contribution to climate protection.

The resulting company principles and performance demands are the roots of ENERCON's success and at the same time guiding principles for decisions within the company. One of our company principles is "responsibility" and this includes the responsibility within our supply chain. We integrate the requirements of our customers, partners and other interest groups as well as relevant regulations, laws, standards and internal guidelines effectively into our company processes, which we continuously improve. We promote a learning culture and work out preventive and corrective measures against non-compliances and incidents for all company processes in collaboration with our employees, customers and partners. Our policy is publicly available.

Our understanding of sustainability is also reflected in our Supplier Code of Conduct, which addresses legal and ethical principles such as: Compliance with applicable laws in general and more specifically with regards to gifts and benefits, fair competition, conflicts of interest, money laundering, embargo and trade control regulations, ENERCON property and confidentiality, occupational health and safety and environmental protection, tolerance and equal opportunities (including gender equality), forced labor, child labor.

The supplier has comply with the requirements of the Supplier Code of Conduct, which is part of the business relationship between the supplier and ENERCON. It is mandatory to our entire onboarding suppliers to contractually commit to respecting the Supplier Code of Conduct. The supplier is obligated to require and monitor all sub-suppliers and sub-contractors to comply as well with this Supplier Code of Conduct. The supplier will comply and monitor compliance with any and all applicable laws, rules and regulations. Additionally it is defined in the Supplier Code of Conduct that third parties can refer information about suspected violations of the Supplier Code of Conduct to the compliance department at ENERCON or to an external ombudsman.

To identify risks we have a certified risk management in place, which includes a specific risk cockpit. This is also implemented in the global procurement organization. We are identifying risks on the supplier`s side by evaluating requests for information through our pre-qualification process where the following parts are considered (extract):

- HSE Methods - safety and environmental systems, CSR involvement
- Credit methods - Compliance (sanction lists, terrorism, money laundering, prosecution) and regional insight
- Supplier field - Geographical risk (Country Risk cockpit)
- Certification field - ISO 9001, ISO 14001 and ISO 45001

Furthermore, our pre-assessment defines onsite evaluation for suppliers to make them on-board.

Currently we do not specifically refer to concrete minerals sourcing in our risk identification. Nevertheless, we have implemented a more detailed risk assessment and supplier audits for special minerals and products. These audits will take place for more than tier 1 suppliers.

ENERCON as one of the world`s technology leaders in the wind energy sector is committed to a sustainable energy transition and thus makes a significant contribution to climate protection. Without wind energy, climate change impacts cannot be mitigated, so businesses, governments and NGOs have to work together to solve the global challenges. ENERCON takes its responsibility to incorporate its sustainability principles in every field of activity very seriously. Therefore, we make specific efforts to implement a comprehensive due diligence process that undergoes continuous development and improvement.

The results of the “Human Rights in Wind Turbine Supply Chains Update 2019” report do not reflect the actual circumstances regarding the due diligence process at ENERCON correctly. The active participation in various initiatives to improve due diligence processes, in addition to our own efforts described above, clearly demonstrates this. At European level, ENERCON actively engages in the drafting of principles for supply chain sustainability in the context of an industry-wide initiative.

Moreover, ENERCON is also involved in advancing the RBC Agreement for the Wind Energy Sector (facilitated by the Dutch Social and Economic Council (SER)) to improve the due diligence in the company and sector further.

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