

Sustainability Performance 2020



United Nations Global Compact Principles

Danish Financial Statements Act

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/ Message from CEO Olivier Fontan

Olivier Fontan
Chief Executive
Officer



The challenges ahead

As we move past a year that has witnessed the viral pandemic upend lives and devastate economies, we are aware of a rebound in global emissions to pre-pandemic levels with markets reopening and the challenges that it brings towards accelerating clean energy transitions worldwide. This rapid resurgence in global carbon emissions, if not addressed immediately with discernible action, would eventually risk the pledges taken by nations and companies to collectively achieve net-zero emissions by mid-century.

The wind industry is at the forefront of the global energy transition. As leaders in blade technology our continued efforts to build some of the most advanced, reliable, and high-quality wind turbine blades has enabled customers across various geographies to take a step closer to their green energy ambitions.

A significant development in the timeline is return of the U.S. to the Paris Agreement- seen by many as critical in effectively fighting the ongoing climate crisis. Renewed actions to check greenhouse gas emissions by many of the top emitters will go a long way in stepping up their commitment towards a sustainable future.

Spotlight on renewables

For the green energy industry, the most welcoming news last year was the increased penetration of renewables, whose share of global generation clocked its biggest annual gain ever. According to the Global Wind Energy Council, 2020 was the best year in history for the global wind industry recording a year-over-year (YoY) growth of 53% and installing more than 93 GW of wind power.

Based on present policies and pipelines, expectations are that over 469 GW of new onshore and offshore wind capacity will be added in the next five years - nearly 94 GW of new installations annually until 2025. As pioneers in the wind turbine blade manufacturing industry, it is imperative for us to consider how swiftly we can introduce advanced blade technology and deliver the ramp up in product size, manufacturing footprint, equipment, and logistics in a safe, cost-effective, and sustainable way.

Our sustainability advances

We at LM Wind Power have sustainability at the core of our strategy that focuses on four key pillars: Safety, Environment, Technology and People. We made solid advances in our safety performance in the past year when our illness & injury rate went down from 0.84 per 200,000 working hours in 2019 to 0.56 in 2020 - well below the target of 0.7. We strive to provide and promote a safe and healthy working environment and strongly believe that Environment, Health and Safety (EHS) is a shared responsibility and also a way to improve our business.

Employees are the nucleus of our organization and their health and well-being is a top priority. Globally, over 1,300 new employees joined LM Wind Power in 2020 and we continue to work towards a more diverse employee mix in all levels of the company. We also have a robust program to promote diversity at the plant level. To have a sustainable company and society, I believe we need to ensure our workforce is highly engaged and motivated.

Our efforts to improve operations and maintain a carbon neutral business have also enabled us to focus on optimizing the use of natural resources and to work with our partners to introduce more recycled materials into blade designs. In 2020, we achieved a saving of USD 8.4 million from direct material reduction, well above the target of USD 6.4 million. We also recycled around 28% of our waste in 2020 compared to 25% in 2019.

How can we make sustainable blades for the future? This is the technological challenge that the wind industry needs to address to accelerate its much sought-after transition to a circular economy. Our commitment to sustainability led us to partner with industry leaders on the ZEBRA (Zero waste Blade

ReseArch) project, where we seek to design and manufacture the first 100% recyclable wind turbine blade. The consortium represents the full value chain: from development of materials, to blade manufacturing, wind turbine operation, and eventually recycling of the decommissioned blade material.

The future ahead

As a company that achieved “carbon neutral” status in 2018, and as valued member of the GE Renewable Energy family which recently fulfilled its pledge of a net-zero footprint*, we have anchored our business projects within the sustainability mindset. At the same time, we actively encourage our peers and supply chain partners to take the sustainable pathway. It's time to stop viewing sustainability projects as distinct from business objectives of curbing cost and enhancing efficiency. It goes hand in hand.

With growing appetite for renewable energy, the wind industry will evolve tremendously. And even though the industry has lower carbon footprint compared to many non-renewable power generation technologies, we need to seek effective avenues to further reduce our emissions. These continuous improvements are both a driver and the result of embracing a lean culture and mindset.

We stand firm in our commitment to the United Nations Global Compact and the Sustainable Development Goals. In keeping with our target of continued improvement, we aim to advance our technological innovations, which when combined with joint industry efforts, will be pivotal in developing a sustainable and circular product portfolio. We are determined to overcome the challenges and help build a sustainable world that works for generations to come.

- Olivier Fontan, Chief Executive Officer, LM Wind Power

* Based on the CarbonNeutral Protocol, including offsets and instruments like EACs.

/ Sustainability

Performance summary



0.56

Illness and injury rate per 200,000 working hours, compared to 0.84 in 2019



0.32

Days Away from Work rate per 200,000 working hours, compared to 0.39 in 2019



0

Net carbon footprint (tCO₂e) for operations (according to the CarbonNeutral Protocol methodology, including offsets), compared to 0 in 2019



100%

Renewable electricity consumption (including instruments like EACs), compared to 100% in 2019



28%

Total waste for recycling, compared to 25% in 2019



\$8.4 million

Waste reduction savings, compared to \$12 million in 2019



12

New blade designs launched, compared to 7 in 2019



4.0%

Revenue invested in R&D, compared to 3.9% in 2019



95%

Employees trained in anti-corruption and bribery, compared to 90% in 2019

Our performance metrics

If not otherwise indicated, the cut-off date for the performance metrics reported is 31 December 2020. Where relevant, the percentage change compared to the previous year is included. When applicable, we assess our performance against our global targets in place. A green triangle ▲ suggests that the reported indicator improved in the reporting year. A red triangle ▼ shows that the indicator deteriorated in the reporting year.

| | 2020 Target | | 2020 (change) | | 2019 (change) | | 2018 (change) | | 2017 (change) |
|---------------------------|----------------|---|------------------|---|------------------|---|------------------|---|------------------|
| Blade production | | | | | | | | | |
| Number of blades produced | N/A | ▼ | 13,567 (-1%) | ▲ | 13,752 (+25%) | ▼ | 10,979 (-7%) | ▲ | 11,781 (+12%) |

Safety

| | 2020 Target | | 2020** (change) | | 2019 (change) | | 2018 (change) | | 2017 (change) |
|---|----------------|---|--------------------|---|------------------|---|------------------|---|------------------|
| Accident frequency and severity* | | | | | | | | | |
| Illness & Injury rate (per 200,000 working hours) | ● 0.7 | ▲ | 0.56 (-33%) | ▲ | 0.84 (-5%) | ▲ | 0.88 (-35%) | ▲ | 1.35 (-4%) |
| Days Away from Work rate (per 200,000 working hours) | ● 0.32 | ▲ | 0.32 (-18%) | ▼ | 0.39 (+11%) | ▼ | 0.35 (+2%) | ▼ | 0.30 (+12%) |

* In our Safety metrics, we do not include subcontractors

** Retrieved and validated on 17 May 2021

Environment

| | 2020 Target | | 2020 (change) | | 2019 (change) | | 2018 (change) | | 2017 (change) |
|---|----------------|---|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|
| Emissions * | | | | | | | | | |
| Total carbon footprint (tons CO₂e)** | N/A | ▲ | 164,865 (-21%) | ▼ | 207,492 (+14%) | ▲ | 182,653 (-24%) | ▼ | 239,470 (+13%) |
| Scope 1 greenhouse gas emissions (tons CO ₂ e) | N/A | ▲ | 25,347 (-10%) | ▲ | 28,085 (-2%) | ▼ | 28,516 (+21%) | ▼ | 23,574 (+9%) |
| Scope 2 greenhouse gas emissions (Location-based approach, tons CO ₂ e) | N/A | ▲ | 0 | ▼ | 81 (+254%) | ▲ | 23 (-100%) | ▼ | 73,255 (+10%) |
| Scope 3 greenhouse gas emissions (tons CO ₂ e) | N/A | ▲ | 139,518 (-22%) | ▼ | 179,325 (+16%) | ▼ | 154,113 (+8%) | ▼ | 142,641 (+16%) |

* 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)

| | 2020 Target | 2020 (change) | 2019 (change) | 2018 (change) | 2017 (change) |
|--|----------------|---------------------|--------------------|--------------------|--------------------|
| Waste | | | | | |
| Total production waste (tons) | N/A | ▲ 57,612 (-0.4%) | ▼ 57,392 (+29%) | ▼ 45,520 (+6%) | ▼ 42,530 (+12%) |
| Total waste for landfill (tons) | N/A | ▲ 13,697 (-14%) | ▼ 15,861 (+5%) | ▼ 15,178 (+2%) | ▼ 14,924 (+11%) |
| Hazardous waste for landfill (tons) | N/A | 6 | 7 | 27 | 119 |
| Non-hazardous waste for landfill (tons) | N/A | 13,691 | 15,855 | 15,151 | 14,805 |
| Total waste for incineration (tons) | N/A | ▼ 27,896 (+2%) | ▼ 27,247 (+42%) | ▼ 19,166 (+13%) | ▼ 16,989 (+26%) |
| Hazardous waste for incineration (tons) | N/A | 11,804 | 11,845 | 6,164 | 6,409 |
| Non-hazardous waste for incineration (tons) | N/A | 16,092 | 15,403 | 13,003 | 10,581 |
| Total waste for recycling (tons) | N/A | ▲ 16,020 (+12%) | ▲ 14,282 (+28%) | ▲ 11,175 (+5%) | ▼ 10,616 (-1%) |
| Hazardous waste for recycling (kg) | N/A | 115 | 219 | 143 | 187 |
| Non-hazardous waste for recycling (kg) | N/A | 15,905 | 14,063 | 11,033 | 10,430 |
| Total waste for recycling (% of total production waste) | N/A | ▲ 28 (+12%) | ■ 25 (+0%) | ▼ 25 (-2%) | ▼ 25 (-12%) |

| | | | | | |
|------------------------------|-----------|---------------------|---------------------|----------------------|--------------------|
| Waste reduction | | | | | |
| Waste reduction savings (\$) | ● 6.4 mln | ▼ 8.4 mln (-30%) | ▼ 12.0mln (-32%) | ▲ 17.8mln (+482%) | ▼ 3.0mln (-45%) |

| | | | | | |
|--|-----|-----------------------|-----------------------|---------------------|---------------------|
| Energy | | | | | |
| Total energy consumption (GJ) * | N/A | ▲ 1,013,296 (-10%) | ▼ 1,121,434 (+19%) | ▼ 944,584 (+14%) | ▼ 834,146 (+9%) |
| Fuel not used for transport (GJ) | N/A | ▲ 291,164 (-23%) | ■ 377,252 (0%) | ▼ 377,441 (+22%) | ▼ 316,626 (+7%) |
| Electricity consumption (GJ) | N/A | ▲ 722,131 (-3%) | ▼ 744,181 (+31%) | ▼ 567,143 (+10%) | ▼ 517,520 (+10%) |

* Fuel consumption from mobile sources is excluded from our total energy consumption

Technology

| | 2020 Target | 2020 (change) | 2019 (change) | 2018 (change) | 2017 (change) |
|---|----------------|------------------|------------------|------------------|------------------|
| Blade designs | | | | | |
| Number of new blade designs launched | N/A | 12 | 7 | 10 | 6 |
| Supplier product quality | | | | | |
| Non-conformity rate (parts per million)* | ● 1,500 | 987 | ▲ 138 (-10%) | ▲ 154 (-56%) | ▼ 347 (+2%) |
| * In 2020, we have expanded the scope of non-conformity tracking to include both material qualified and in qualification. | | | | | |
| R&D investment | | | | | |
| R&D investment (% of revenue) | N/A | ▼ 4.0% (+3%) | ▼ 3.9 (-26%) | ▼ 5.3 (-5%) | ▲ 4.6 (+107%) |

People

| | 2020 Target | | 2020 (change) | | 2019 (change) | | 2018 (change) | | 2017 (change) |
|------------------|----------------|---|------------------|---|------------------|---|------------------|---|------------------|
| Employees | | | | | | | | | |
| Headcount | N/A | ▼ | 13,233 (-7%) | ▲ | 14,238 (+22%) | ▲ | 11,613 (+19%) | ▲ | 9,755 (+19%) |

| 2020 | | |
|---|---|----------------------------|
| Employees | | |
| Number of employees by region | China: 3,628 Europe: 3,124 India: 3,086 Americas: 3,395 | |
| Number of employees by employment type, by gender | Full-time | Male: 11,115 Female: 2,021 |
| | Part-time | Male: 9 Female: 8 |

| 2020 | | |
|---|------------|---------------------|
| Diversity | | |
| Diversity of employees, excluding governance bodies | Gender (%) | Male: 84 Female: 16 |

| | 2020 Target | | 2020 (change) | | 2019 (change) | | 2018 (change) | | 2017 (change) |
|---|----------------|---|------------------|---|------------------|---|------------------|---|------------------|
| Performance and development review * | | | | | | | | | |
| Performance Development eligible employees (% of employees) | N/A | ■ | 14 (+0%) | ▼ | 14 (-22%) | ■ | 18 (+0%) | ■ | 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 trained in anti-bribery and corruption policies and procedures (%) | ● | 100 | 95 | 90 | 85 |



About the report

The report

As a signatory to the UN Global Compact, we have reported on our Sustainability performance for more than a decade. We see it as the right platform for communicating progress against our Sustainability targets to our wide range of stakeholders, to guide their future engagement.

The report adheres to the Ten Principles of the United Nations Global Compact. It also meets the requirements of the Danish Financial Statements Act article 99a and 99b and we map our performance against the Sustainability Development Goals as applicable. The first part of the report sets the context by introducing our business and 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 our global operations.

This year, we have decided to make a change in the way in which we report and be even more concise and to the point. Based upon stakeholder conversations, we decided to focus more on what really matters. We understand that some prefer in-depth information on specific issues, but many will be interested in our overall sustainability performance and highlights. As such, we believe this change in reporting reflects our current context better and our stakeholder needs too. Should you not find all the information in our report, please contact us.

Reporting scope

Unless otherwise indicated, the data and information provided in this report cover our global operations from 1 January to 31 December 2020.

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

Profile

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 segments, we supply rotor solutions to around 20 global and national turbine manufacturers, with various emphasis from regional to global, and from onshore and offshore. For our financial performance, please refer to our Annual report 2020.

With more than four decades of experience, we have worked to be the preferred supplier of many turbine manufacturers. Almost one-fifth of the turbines worldwide are installed with blades from LM Wind Power. Since 1978, LM has produced more than 241,000 blades corresponding to a capacity of approximately 121 gigawatt (GW) – each year contributing to save more than 251 million tons of CO₂, generated through burning non-renewable fuel sources.*

LM Wind Power has been a GE Renewable Energy business since April, 2017, leveraging an already long and successful working relation. The further integration that followed the GE acquisition enables the company to offer higher performance, power more productive wind turbines, while increasing the efficiency of our operations, improving returns on our customers' investments. At the same time, we remain 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.

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 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 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

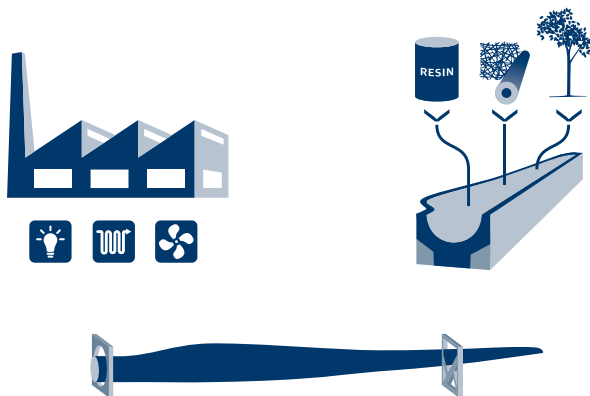
We put safety first; we prioritize our work, maximizing our impact; we measure performance through the lens of our customers; and we are committed to continuous improvement, always in search of a better way.

* United States Environmental Protection Agency 2020, [Greenhouse Gas Equivalencies Calculator](#). Saving

/ LM Wind Power business model

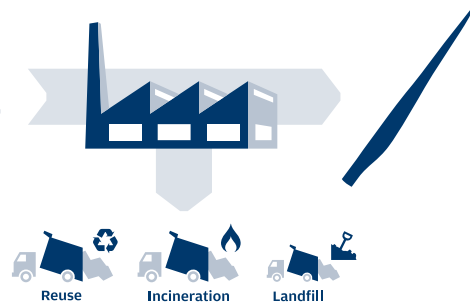
1.

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.



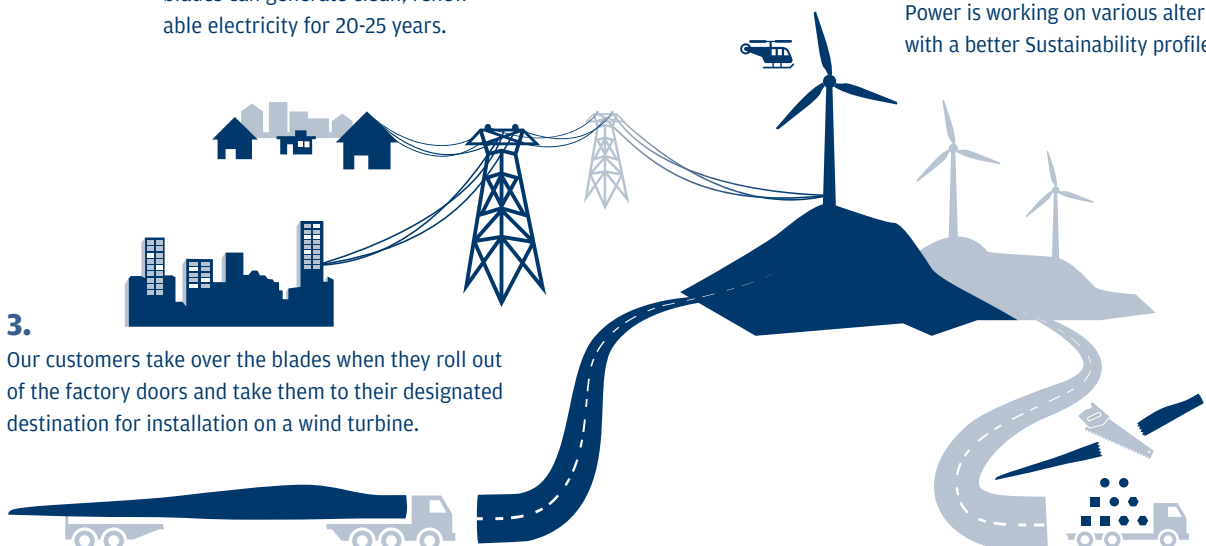
2.

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



GE's The Spirit and The Letter

The Spirit & The Letter is GE's 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.

The Spirit and The Letter states:

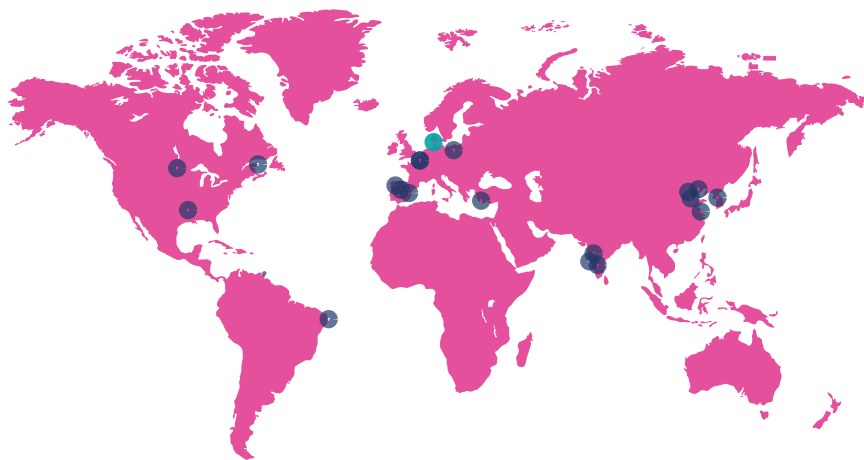
- Be honest, fair and trustworthy in all your GE activities and relationships.
- Obey applicable laws and regulations governing our business worldwide.
- Fulfill your obligation to be the Voice of Integrity and promptly report any concerns you have about compliance with law, GE policy or this Code.
- 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 15 members in 2020 (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



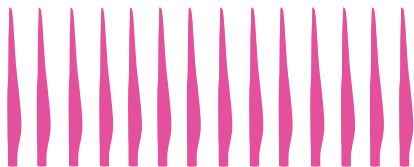
Global locations
Brazil, Canada, China,
Denmark, France, India,
the Netherlands, Poland,
Spain, Turkey, the UK
and the US



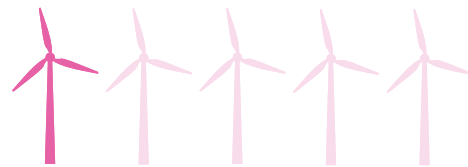
13,233 employees
worldwide



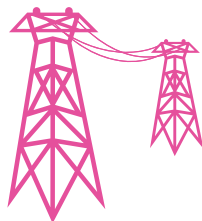
13 blade
factories



13,567 blades produced
in 2020



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



121 GW capacity
installed



251 million metric tons
of CO₂ mitigated*

* United States Environmental Protection Agency 2020, *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 first main outlet is our *'10 Steps to Becoming a Carbon Neutral Business'* – a unique guide that explains how organizations can become carbon neutral by following 10 steps. We have also designed an interactive board game to challenge the participants to take an organization carbon neutral in 30 minutes. Through the gaming experience, the mechanism of setting up a carbon neutrality program could be effectively conveyed, and the experience also serves as a good discussion initiator to boost the momentum.

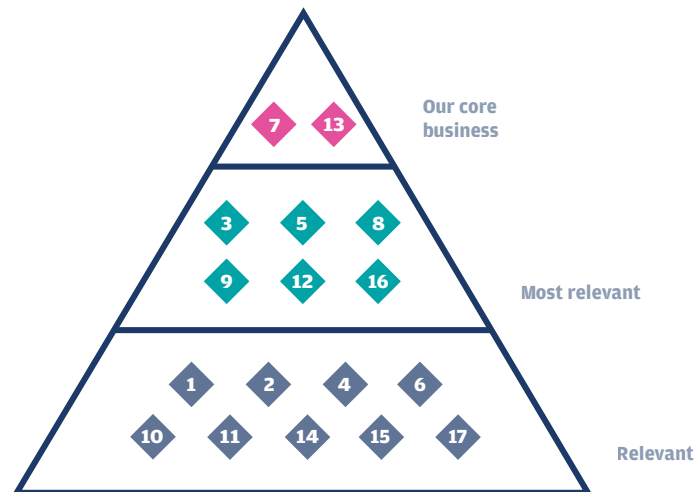
Our contribution to the Sustainable Development Goals

We recognize the global challenges as framed by the United Nations Sustainable Development Goals (SDGs) and the role of businesses to help meeting them. Teaming up across sectors, industries, governments and civil society will be instrumental for driving and achieving the necessary progress. We find it natural to map our Sustainability performance against its contribution to the SDGs, with a special emphasis on SDG 7 'Affordable and Clean Energy' which we achieve with our customers, and SDG 13 'Climate Action', which we've spearheaded with our carbon neutral operations since 2018 as the first company in the wind industry.

Our Sustainability efforts all support:

- 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
- Performance Management Plan eligible employees
- Development Plan eligible employees
- Turnover rate

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
- Waste reduction savings

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



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.



0.56

Illness and injury rate per 200,000 working hours, compared to 0.84 in 2019

At LM Wind Power, safety matters. We strongly believe that ensuring safety at work is not merely a corporate compliance issue, but an essential foundation of our business. It is our goal to have everyone doing work on our behalf return home safely every day. We not only cultivate a safety mindset in our own operations but advance safety during interactions in the value chain so that everyone is aware of and empowered to take responsibility.

Our EHS policy

GE Renewable Energy's Global Environment, Health and Safety (EHS) Policy guides our safety initiatives. We strive to provide and promote a safe and healthy working environment, use natural resources and energy in a sustainable way and to avoid adverse impact to employees and contractors, our customers, the environment, and the communities in which we do business. Together with developing new manufacturing processes which are safer, we follow the EHS policy to achieve the goals above and ensure:

- Clear EHS expectations with a focus on high-risk operation prevention measures,
- 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 to which the organization subscribes,
- Safe and environmentally friendly products from the design and throughout the lifecycle,
- Heat Map and Strengths of Defenses to recognize, evaluate and control EHS hazards and mitigate risks,
- Continuous EHS competences development through appropriate levels of EHS training for all managers and employees,
- Continuous evaluation and update of the EHS programs to ensure continued improvement and sustainable effectiveness.

EHS is a shared responsibility, meaning that everyone is held accountable and owns EHS. Our EHS programs combine clear leadership commitment and accountability, where all leaders up to the CEO, are in charge and accountable for implementing the policy but also deep and total empowerment of all employees to:

- Ensure adequate resources (e.g., budget, time or training) will be allocated,



0.32

Days Away from Work rate per 200,000 working hours, compared to 0.39 in 2019

- Communicate responsibly and partner with our stakeholders to create value,
- Prepare and ensure a safe way of work,
- Stop the work in case of any risky situations,
- Look for assistance and promptly report any events and deviations about EHS,
- Promote & reward positive behaviors and ideas that support our EHS culture,
- Hold teams accountable for EHS performance,
- Include EHS performance as an essential part of the overall company success.

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 sometimes operate at height. There are robust systems, processes, and programs in place to ensure safe operations and continuously develop a culture of safety and competence.

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

- Chemical handling
- Confined space
- Use of protective equipment
- First Aid
- Incident reporting
- Ergonomics
- Waste management
- Emergency Action Drills

To make sure that safety measures are executed properly, various programs are in place at the plant level. The "Stop Work" procedure empowers our employees to stop work or decline to perform a task, whenever potential danger is identified. In 2020, more than 2,000 Stop works were reported. Every month, an EHS alert - containing descriptions, example incidents and analysis of the root cause of one specific safety hazard - is shared with plants globally to pinpoint risks and call for extra precautions in operation.



Safety awareness is further strengthened by the introduction of a fictional colleague, Crash, a crash test dummy featuring in a series of short films to showcase potential safety risks. One of the campaign's goals was to remind employees that EHS is more than work instructions - it is a mindset. To ensure our safety management systems are on par with international best

practice, we certify all production sites according to ISO 45001. All of our production sites passed such certification in 2020.

Tracking our performance

To track our performance, we score our plants according to the EHS Framework 2.0- a holistic collection of procedures of different EHS aspects. We apply two types of indicators to manage safety at LM Wind Power - leading and lagging indicators. 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 rate of injury and illness, days away from work are records of failure in the safety barrier, leading to corrective actions after incidents have already taken place.

Despite disruptions from Covid-19, 2020 was another year with solid safety performance. Well below the target of 0.7, our Illness & Injury rate went down from 0.84 per 200,000 working hours in 2019 to 0.56 in 2020. Likewise, we also saw a reduction in Days Away From Work rate from 0.39 in 2019 to 0.32 in 2020, exactly meeting our target of 0.32. Looking into the future, Laurent Bastard, our Global EHS Director in 2020 commented that though we see a significant reduction of I&I rates and the Days Away From Work rate, we must remain vigilant. We need to be better at managing risks against the huge delivery targets for the years to come.

Addressing COVID-19 challenges for our employees and communities

Our number one priority is the health and safety of our employees. We are working closely with local governments, the World Health Organization (WHO), and U.S. Centers for Disease Control (CDC) to actively monitor the virus and take all necessary precautions. Across our businesses, we are in constant communication with employees, customers, suppliers, and governments to maintain business continuity to the best of our ability.

Throughout this time, many of our sites have remained open as we continue to deliver for our customers, keeping power flowing, hospitals operating, and planes flying. Below are some of the specific actions we have put in place to support safety, health, and wellness of our employees in response to the COVID-19 pandemic:

- GE established the COVID-19 Task Force to ensure we're doing everything in our ability to protect the health and safety of our employees globally and align with the various government directives and medical advisories in real time.
- In GE Renewable Energy, medical and EHS established a robust process, securing proper protection of our employees. We constantly utilize external and internal sources to keep our protective measures to the high standard.
- We undertake site-wise management based on data collected and shared experiences -
 - Safety stocks of personal protective equipment (PPE) and other critical supplies maintained.
 - Local crisis team in close contact with special appointed LM Wind Power Steering Committee.
 - Active follow up of positive cases, close contacts, and quarantine protocols.
 - Issued travel guidance to enforce the travel policy and restrictions.
 - Local statistics to monitor high impact areas (local COVID-19 statistics from where our workers are coming from).
 - Local medical support made available.
 - Communicate regularly about the back-to office policy and safety protocols.
- We place a continued focus on COVID-19 impact on mental health. GE's #NotAlone campaign was launched to reinforce for our employees that it's okay to seek help with emotional wellbeing and resilience.

/ Environment



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 operations
(according to the CarbonNeutral Protocol methodology, including offsets), compared to 0 in 2019



100%

Renewable electricity consumption (including instruments like EACs), compared to 100% in 2019



28%

Total waste for recycling, compared to 25% in 2019



\$8.4 million

Waste reduction savings, compared to \$12 million in 2019

In 2015, world leaders committed to 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 all over the world, we are part of making 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 disposal practices to minimize the environmental impact of our activities as much as possible.

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 the ongoing carbon neutral commitment:

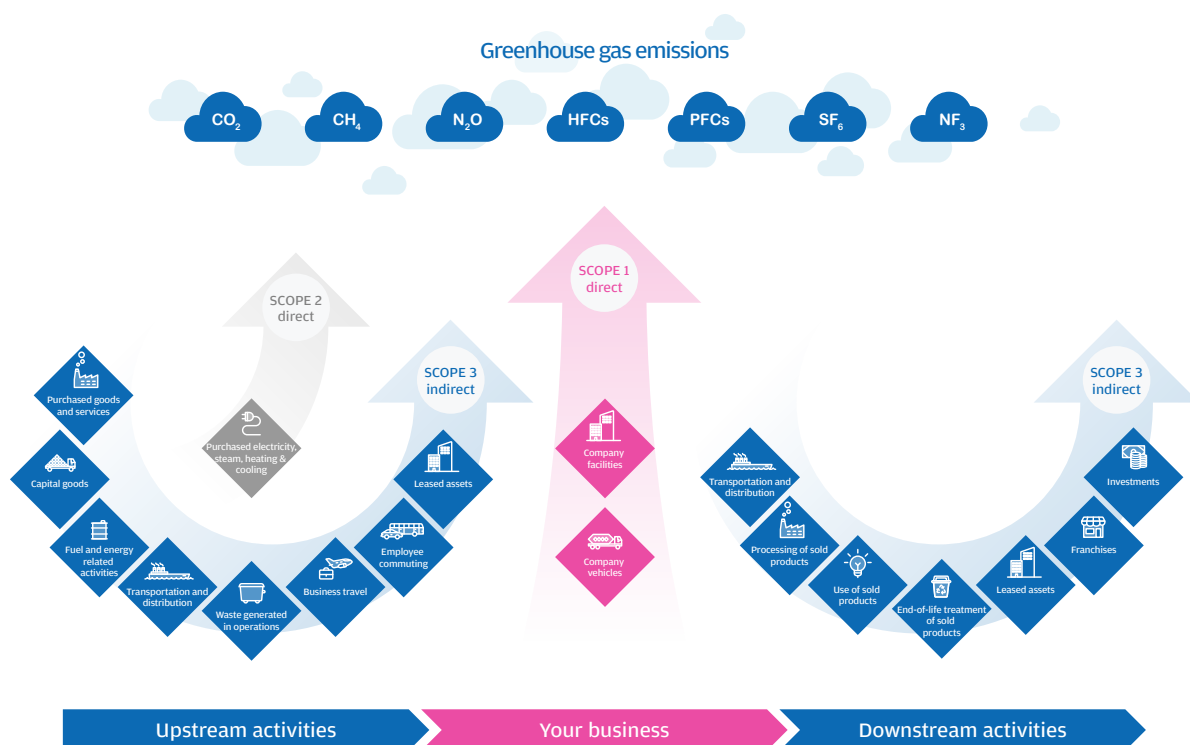
1. Measuring and disclosing our greenhouse gas (GHG) emissions
2. Optimizing the way in which we use energy and reducing emissions from energy use, waste generation and other operational activities
3. Procuring 100% renewable electricity, particularly from wind
4. Offsetting the remaining unavoidable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

Prior to 2020, LM Wind Power had its own dedicated carbon neutrality workstreams. This year to align with GE Renewable Energy's wider carbon neutrality pledge, the workstreams were carried out with a consistent approach across the Renewable Energy businesses, including LM Wind Power. While the overall footprint is comparable year-on-year, some methodologies for specific emission sources have changed which have impacted on our emissions numbers too.

Greenhouse Gas Accounting

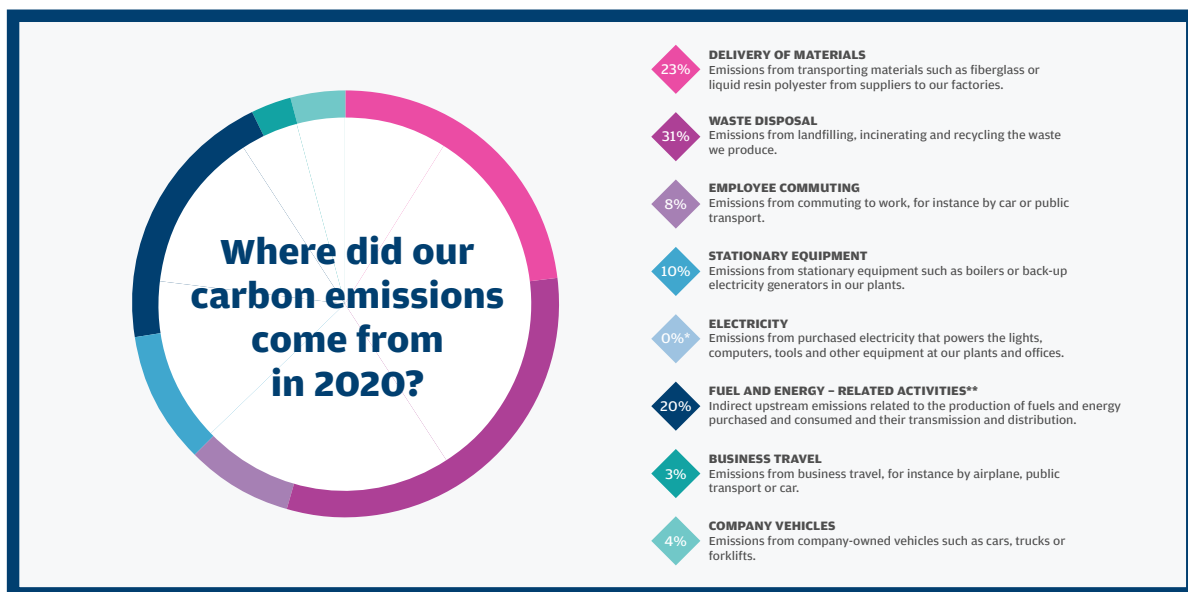
Every year, we measure our carbon footprint through the greenhouse gas accounting exercise. We cover a wide range of scope 3 emission sources in our operational carbon footprint, going beyond the minimum requirement of including scope 1 and scope 2 emissions in our carbon neutrality program. In our scope, we include:

- Stationary combustion
- Mobile combustion
- Refrigerants
- Purchased electricity
- Purchased heating/cooling
- Waste generated in operations
- Business travel
- Employee commuting
- Fuel- and energy-related emissions
- Delivery of materials from suppliers to our factories



Our carbon footprint in 2020 has been externally audited and certified according to the CarbonNeutral Protocol and guided by the Greenhouse Gas Protocol/ISO-14064. Based on the Greenhouse Gas Protocol - using the market-based approach and without accounting for offsets - our carbon footprint in 2020 came in at 164,865 tons of CO₂e and 21% lower than 2019. Covid-19 had a clear impact on business travel and employee commuting patterns and to a lesser extent on some of our production-related emissions. While the pandemic presented challenges, our factories produced a similar number of blades to 2019. Our energy efficiency program recorded a reduction of 5.9% energy consumption per square meter of factory space globally. In 2020, we continued to source 100% renewable electricity at all our sites around the world. In doing so, we reduced approximately 103,000 tons of carbon emissions from electricity consumption.

Waste disposal represents the second largest operational emission source for LM Wind Power in 2020. Despite our efforts in waste reduction and disposing more waste to recycling, the emissions from waste disposal stayed at a similar level compared with 2019. At 23% of the total emissions, logistics remained as one of our major emission sources. To analyze logistics flows across GE Renewable energy businesses using a consistent approach across the GE Renewable Energy businesses, data collection and the corresponding modelling assumptions were carried out differently than the 2019 calculation within LM Wind Power. As a result, our logistics emissions went down 38% in 2020. Improving logistics data availability and reliability is a key priority in GE Renewable Energy's Carbon Neutral program to bridge the gap between different calculation approaches.



* Based on the CarbonNeutral Protocol, including instruments like EACs.

** In 2020, according to the GHG protocol, we reported upstream indirect emissions related to fuels and energy separately from the consumptions.

Optimizing the resource consumption

As a manufacturing business, our main emissions come from resources and energy used in our operations. Reducing consumption not only makes us a greener business, but also leaner and more profitable.

The largest share of our emissions comes from electricity consumption. Already in 2018, we installed Energy Management Systems at all plants to drive transparency and identify opportunities for improvement. In 2020, our energy efficiency team continued to assist the plants in finding efficiency gains. Our relative energy consumption per square meter factory space decreased by 5.9% in 2020. With Covid-19 affecting operations at different plants during the year, we were able to determine that approximately 2% of this reduction can be attributed to Covid-19 restrictions. At the same time and to ensure operations continued safely, the sites also increased indoor ventilation. Hence, at least 3.9% relative reduction was achieved by efficiency optimization efforts across the plants, a huge leap forward compared to the 2% reduction in 2019.

One of the focus areas to achieve energy reductions this year has been the switches for our Heating, Ventilation and Air Conditioning (HVAC) system, a major source of electricity consumption. Installing different control systems allows the sites to turn the HVAC system to a lower speed when the machine does not need to run at full capacity. As such, we implemented a smart system that adjusts ventilation needs in line with the needs during a typical production cycle. Going forward, the team will continue to roll out this proven initiative across more plants while continuing to identify and implement further actions to improve energy efficiency.

As a manufacturer of turbine blades, production waste is another major source of emissions and therefore area to focus our reduction efforts on. To improve our environmental performance

on waste, we approach the topic from two workstreams simultaneously - namely Direct Material (DM) reduction and Waste separation. Direct material reduction focuses on preventing waste generation in the first place. Our Material Performance Optimization team makes comparisons across plants and identifies the best in class Bill of Material (BOM) for various blade types - essentially the BOM with the least waste. They then work with plants to implement savings based on consumption studies, enabling the plants to implement changes to bridge the gap between their local BOM and best in class BOM. Apart from operational changes, waste is prevented through Engineering projects that optimize blade designs and the materials required. In 2020, we achieved a saving of USD 8.4 million in direct material reduction, well above the target of USD 6.4 million.

After preventing as much waste as possible to be generated in the first place, it is important to segregate waste so the recyclable materials are actually sent to a recycling facility. 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, in order for it to be disposed of in the most environmentally friendly and economical way. Color-coded waste bins are placed at each section of the production area, helping our operators segregate waste streams at generation. With such system, we managed to recycle 28% of our waste in 2020, compared to 25% in 2019.

Renewable energy

In 2020, approximately 96% of our electricity consumption was covered by EACs (Energy Attribute Certificates), which will continue to play a role in our renewable electricity commitment. Our site in Canada is powered by green electricity and our factory in Jiangyin, China receives more than a third of its electricity directly from a wind turbine. We aim to phase out the use of EACs as more direct and commercially attractive renewable electricity options become available in the geographies where

we operate. This is a dynamic and ongoing challenge with our consumption being dispersed over many different countries and regions, each with their own regulations and conditions on the ground. Our strategy therefore remains to continue exploring opportunities in PPAs and onsite installations while purchasing quality EACs to maintain carbon neutrality. In 2020, we have started negotiations on various PPAs and continued to identify opportunities to replace EACs in the coming years.

Carbon offsets

We act responsibly towards the emissions that we cannot reduce by sourcing offsets from carbon reduction projects elsewhere in the world. Our carbon credit portfolio is geared towards setting up renewable energy projects to increase the proportion of low-carbon energy throughout the world. Being in the wind industry, we deliberately chose a carbon credit portfolio that demonstrates the clear link between carbon reductions and our business. All our projects are verified either

by the Verified Carbon Standard or Clean Development Mechanism. Our portfolio creates benefits beyond access to renewable energy access, for instance to support education, health or local community job creation.

This year, our remaining emissions were bundled with the ones of other GE Renewable Energy businesses and were balanced through the purchase of carbon credits. The majority of the credits are sourced from wind projects. The remaining consists of carbon reduction projects in solar power, reforestation and clean cookstoves. LM Wind Power and GE Renewable Energy's 2020 Carbon Neutral Operations status will be certified against the CarbonNeutral Protocol*. The carbon accounting standards which are eligible under The CarbonNeutral Protocol require each project to undergo tests for additionality, which is then checked by an independent third-party auditor during the validation process. By balancing our remaining emissions, we met our carbon neutrality commitment for the third year since 2018.

* https://carbonneutral.com/pdfs/The_CarbonNeutral_Protocol_Jan_2021.pdf

Technology



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



12

New blade designs launched,
compared to 7 in 2019

Research and development (R&D) and technological innovation not only further improves the competitiveness of wind against other forms of energy and meet other customer needs, it is increasingly part of our approach to tackle sustainability challenges. More than ever, we steer our R&D efforts towards sustainable innovation and join forces with industry peers to manage the sustainability of turbine blades throughout their entire life cycle - from design to end of life.

Research and development

R&D forms the backbone of our products. In 2020, we have continued to invest 4.0% of our revenue in R&D - a slight increase compared to 3.9% in 2019. Among other innovations related to material optimization and manufacturing processes, we launched 12 new blade designs in 2020 - almost twice the number in 2019. In November 2020 - after passing a full-scale test including static test, fatigue test and post-fatigue test - LM's record breaking 107 meter blade received its Component Certificate for GE Renewable Energy's Haliade-X platform, bringing GE one step forward to actually installing and operating the largest wind turbine in the world.

Quality and supplier management

Quality management systems are implemented at all our sites. All our blade manufacturing sites in operation are certified against 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:

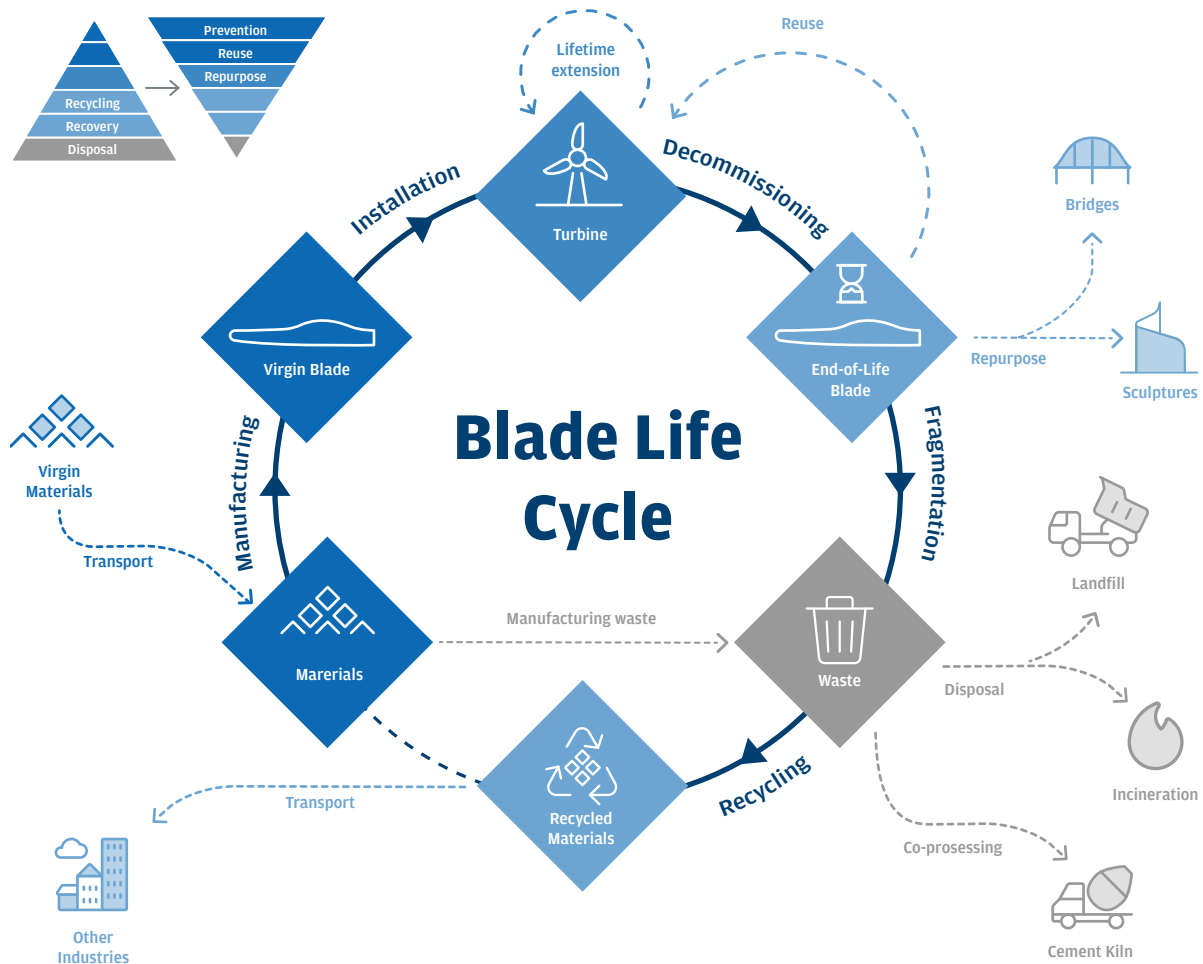


4.0%

Revenue invested in R&D,
compared to 3.9% in 2019

- 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 overtime 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 2020, 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 achieved 987 parts per million and outperformed our target of 1500. 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 on-site audit. All suppliers are required to receive at least one audit every two years and suppliers with previously recorded concerns will be audited every year. In 2020, we completed 26 audits in total during which no major areas of non-compliance were found.



Blade life cycle and industry effort

As we continue to improve our operations and maintain a carbon neutral business, we believe technological innovations combined with joint industry efforts are necessary to enable a truly sustainable and circular product. 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. More than 70% of emissions from the life cycle of a blade occur during resource extraction, thus improving the overall sustainability of our products starts by engaging with our supply chain. LM Wind Power actively works to introduce more recycled materials into blade designs, for instance by increasing the use of recycled PET (rPET) as a core material in blades rather than balsa. In 2020, nearly 50% of the core material we used was rPET, compared to 1.5% in 2018.

We also work to optimize resource use by reducing the waste in our own production. The effort is further reported on p.24. 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. 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. In 2020, LM Wind Power joined the Decom-Blades consortium and in January 2021 announced the start of a three-year project - funded by the Innovation Fund Denmark - that brings together leading players in the wind industry, recycling companies and universities to form the basis to commercialize viable blade recycling solutions.

As a blade designer and manufacturer, we can influence the sustainability of our products by integrating life cycle thinking into our design processes. However, cross-sector partnerships are also needed to establish recycling infrastructure and a 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.

/ People



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.



95%

Employees trained in anti-corruption and bribery, compared to 90% in 2019

At the very core of our business is people, who engaged our suppliers on buying the right materials, designed our blades and of course turned raw materials into end products for our customers. Therefore, we strongly believe that a highly engaged and motivated workforce is essential to business success. With our global footprint, we have seen firsthand the value of diversity and inclusion and therefore strive to promote these values. We also commit 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 2020, White Collar (WC) employees have continued to use GE's Performance Development (PD) 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. Touchpoints, held between employee and manager in various forms, ensure close alignment throughout the year. At the end of the year, a Summary Touchpoint 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. Going forward, PD system will be replaced by PPG (People, Performance & Growth) a simpler and clearer process to manage performance while facilitating the growth of our people and Company.

In 2020, over 1,300 new employees joined LM Wind Power. Among them, over 1,200 were Blue Collar (BC) employees who went through a five-block onboarding program before they began working on the shop floor. The onboarding program consists of company knowledge, overall manufacturing knowledge, and theoretical and practical trainings for approximately five weeks in the Center of Excellence. After new employees have come to understand basic knowledge in key areas such as 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. 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.

Communities

LM Wind Power has a strong track record of recruiting people for high-quality and skilled jobs from local communities across the world. Company-wide, this year we hired more than 1,200 BC employees in China, India, North America and Europe. We maintain good relations with local unions and operate in compliance with the relevant local employment laws and regulations. Due to the different requirement and regulations in the countries in which we operate, the employees covered by collective bargaining agreements vary from none in our plants in the United States, China, Poland, Vadodara in India to over 26% at Dabaspur, India, 85% in Gaspe, Canada and 100% in Suape, Brazil.

Integrity and compliance

At the core of our Integrity and Compliance programs is GE's The Spirit & The Letter, which is reinforced by policies, processes and training regarding integrity and compliance. Currently, approximately 100% of our WC employees and the majority 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 2020, more than 123 open reporting policy concerns were raised by employees in LM Wind Power. Approximately 37% 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.

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.

Diversity and inclusivity

In line with GE's The Spirit & The Letter we will base our employment decisions on job qualifications and merits which include education, experience, skills, ability, performance and GE leadership 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 2020, we continued our strong scrutiny of recruitment, succession planning and retention initiatives to be able to adjust where necessary and ensure a diverse employee mix at all levels of the company. This means, among other things, that diverse representation, e.g. gender, should be considered as an important component of organizational planning. Diversity considerations should be built into structured career reviews of all salaried employees to make sure less represented gender talents receive their fair share of attention and opportunities. Another initiative we took to improve diversity is to ensure there is always a female representative in the recruitment committees and that we aim to have at least one female candidate in the selection pool for recruitment for roles 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 2020, the two entities are comprised of three company representatives and two employee representatives respectively. With a female Chief Financial Officer present as one of the three company representatives, both Boards have reached equal representation. By the end of 2020, the Management Team of LM Wind Power consisted of 12 males and three females. The diversity in the Management team remains similar compared to three females out of 14 in total in 2019.

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 a global strategy to improve diversity. To respect diversity is to understand that there is no one single best approach for all sites and it 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 16% in 2020. 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.

We recognize that we still have much opportunity to improve, and we continue our efforts to promote diversity and inclusion at all levels of the organization.