

# Policy Statement on Human Rights Strategy of Vestas Germany

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# 1 Scope & Purpose

This is the policy statement of Vestas Deutschland GmbH in accordance with section 6(2) of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains of 16 July 2021 (*Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten, Lieferketten-sorgfaltspflichtengesetz – “LkSG”*).

With this policy statement, we as Vestas recognize the responsibility to respect and uphold human rights and related environmental standards. It applies to Vestas Deutschland GmbH which falls within its scope of application.

Sustainability in  
Everything We Do



## 2 About Vestas

Vestas designs, manufactures, installs, and services wind turbines worldwide.

Vestas Wind Systems A/S is headquartered in Denmark and is the ultimate parent company of the national Vestas subsidiaries (hereinafter “Vestas”). Vestas has offices globally with more than 30,000 employees. Vestas operates across five commercial regions, namely: Mediterranean, Latin America, North America, Northern & Central Europe, and Asia Pacific. Vestas has about sixty manufacturing, assembly, and research and development facilities in ten countries and has installed wind turbines on- and offshore in over 87 countries. In the year 2023, Vestas’ revenue amounted to EUR 15.4bn. In Germany, Vestas has manufacturing and repair facilities for wind turbines in Lübeck and Travemünde, and four sales business units in Berlin, Hamburg, Husum and Rheine.

Vestas is structured into six functional areas, namely: Finance, Sales, Service, Technology & Operations, People & Culture and Digital Solutions & Development.

For further information see [www.vestas.com](http://www.vestas.com).

Vestas Germany GmbH is headquartered in Hamburg.

## 3 Our Commitment to Respect Human Rights and the Environment



As the reach and scale of renewable energy increases, integrating sustainability into everything we do is as essential as ever.

In support of this, Vestas has committed to respecting human rights, in particular, as set out in the United Nations (UN) Guiding Principles on Business and Human Rights (“UNGP”), the Organisation for Economic Co-operation and Development’s (“OECD”) Guiding Principles for Multinational Enterprises, the International Bill of Human Rights, and the International Labour Organization (ILO) Fundamental Labour Conventions. Vestas has been a UN Global Compact (“UNGC”) member since 2009 and is committed to implementing the ten UNGC principles into its business and supply chain.

In accordance with the UNGPs, Vestas’ Human Rights Policy publicly conveys Vestas’ commitment to respect human rights, to avoid infringing human rights, and to address any adverse human rights impacts with which Vestas may be involved. The Human Rights Policy specifically states our commitment to avoid using or contributing to forced or compulsory labour.

Our Human Rights Policy is signed by Vestas’ Chairman.

The Human Rights Policy also states that Vestas will take measures to promote that its suppliers and other business partners respect human rights. It is distributed group-wide and communicated publicly at [www.vestas.com](http://www.vestas.com).

### Environmental Risk Management

Vestas is also committed to protecting the environment as part of our vision of becoming the global leader in sustainable energy solutions. We deliver products that are powerful driv-

ers of environmental sustainability, benefitting current and future generations. Vestas supports a precautionary approach to environmental challenges. We evaluate the environmental performance of our activities and strive to continuously improve our performance and promote greater environmental responsibility.

Our environmental risk management aligns with the European Sustainability Reporting Standards (ESRS) requirements and standards like Task Force on Climate-related Financial Disclosures (TCFD). For both our own operations and our supply chain key risks include greenhouse gas emissions, addressed through decarbonization plans, and waste. Circularity principles are embedded in our operations. For example, Vestas has launched a circularity plan and recycled 188 wind turbine blades, demonstrating a concrete effort to reduce waste and promote the reuse of materials.

For our own operations, Vestas has obtained ISO 14001 certification on group level. We adhere to all applicable European and local legislation. We manage pollution prevention and control in line with the Vestas Prohibited and Restricted Substance Management (“VPRS”) document (available on our corporate website), which covers all business levels and units at Vestas. The VPRS follows European legislation on persistent organic pollutants, mercury, ozone depleting substances, substances in electrical and electronic equipment, and certain dangerous substances. We adhere to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989. Additionally, Vestas has introduced low-emission steel in our wind turbine towers, contributing to reducing CO<sub>2</sub> emissions from the production of wind turbines.

## 4 Our Approach to implementing Human Rights and Environmental Due Diligence

### 4.1 Risk Management & Responsibilities

To ensure respect for human rights, we have established human rights due diligence processes as an integral part of our organisation and in our relationships with our business partners, which includes our suppliers.

The Head of Global Compliance & CSR has been appointed as the Human Rights Officer in accordance with the LkSG.

Vestas’ [Board of Directors](#), approves policies, procedures, and controls in key areas. This includes our Human Rights Policy, Employee and Supplier Codes of Conduct, and the Diversity, Equity, Inclusion, & Belonging (DEIB) Policy. The Board annually reviews these documents to confirm we have the right governance processes in place. Furthermore, the Audit Committee of the Board of Directors is responsible for due diligence processes in connection with sustainability in Vestas and in the supply chain. More information can be found in the [Charter of the Audit Committee](#).

The Sustainability Committee prioritises, oversees, and coordinates cross-functional sustainability initiatives across the entire organisation. They are also responsible for overseeing that our company conforms with and lives up to its international responsibilities as a member of the UNGC. The Sustainability Committee reports to the Executive Management.

Vestas’ Ethics Committees also provide oversight of ongoing human rights-related matters as part of their mandate to review Vestas’ whistleblower platform (EthicsLine) cases (see

below under Remedial Measures) and determine appropriate decisions and actions including remediation. The Group Ethics Committee is composed of the Global Senior Vice President of Legal Risk & Compliance who is also the Chairman of the Group Ethics Committee, the Head of Group Finance and the Executive Vice President of People & Culture. Each region has a similar setup for their Regional Ethics Committee. For Germany, which is part of the Northern & Central Europe region, the Regional Ethics Committee consists of the Head of the Regional Legal Risk & Compliance who is the Chairman of the Regional Ethics Committee, the Head of Regional Finance, and the Head of Regional People & Culture.

#### **Day-to-Day Responsibility**

The Global Compliance & Corporate Social Responsibility (CSR) department works to embed human rights management across the organisation. This includes the day-to-day responsibility of developing and updating the Human Rights Policy, human rights due diligence, and monitoring legal trends and expectations in the human rights landscape to embed them into our business.

The implementation of Vestas' policies and procedures, but also the integration of responses to salient human rights, is done in collaboration with different levels of stakeholders across the company. For example, with the Sustainability department at a strategic level, with regional legal teams for the execution of regional compliance programs, with Sales and Construction teams at the wind farm project level, or with Sustainable Procurement for upstream management of salient human rights.

## **4.2 Risk Analysis**

Vestas conducts corporate-wide Human Rights Assessment ("HRA") on a regular and on an ad-hoc basis.

The HRA is a mix of an abstract and concrete risk analysis approach, as it maps out relevant actual and potential human rights risks looking at how Vestas might impact rightsholders across our own activities and value chain. The assessments consist of desktop research, an analysis of internal management processes, and interviews. Since 2018, the assessment has evolved to include interviews with external stakeholders representing relevant rightsholder groups such as indigenous peoples and workers, besides Vestas' senior management and internal subject matter experts. The 2022 assessment also included the two new areas of our business, namely Offshore and Development activities in addition to Supply Chain and Manufacturing, Construction, and Service.

The outcome of the HRA is the starting point for initiatives covering mitigating actions related to the most severe salient human rights risk in the supply chain. In addition to the 3-year assessment cycle, Vestas evaluates the outcome of the related mitigating initiatives on an annual basis and will adjust the mitigating actions if needed. Such approach is focusing on a concrete risk analysis based upon the applicable supply chain. For the environmental risk related to our supply chain, we use advanced data analytics and geographical risk evaluations, in order to proactively identify high-risk areas requiring focused attention. In 2024, the methodology behind the risk analysis of Vestas environmental risks considered all global suppliers with an annual spend exceeding EUR 1m. As part of our concrete risk analysis each supplier was analyzed at a tier 1, country-average level. The analysis was conducted at a global level and subsequently assessed to validate its relevance and alignment with the German context in compliance with LkSG reporting. The conclusion revealed that the risks identified globally and in Germany overlapped, making the findings applicable to both. The finding of the risk assessment showed that 80.9 % of all Vestas suppliers fall into the high-risk category, while 19% were classified as medium-risk, and only 0.1 % were categorized as low-risk. Given the large proportion of high-risk suppliers, the preventive and remedial measures as detailed below have been adapted appropriately.

We are committed to respecting all internationally recognised human rights and focus our human rights due diligence processes on the following human rights issues, which we have identified as material to our business through our risk analysis. These are the areas where we see the greatest risk of adverse impacts on people directly or indirectly related to our operations at our sites and in our global supply and value chains:

- Child labour and juvenile Work
- Forced labour and modern slavery
- Occupational health and safety
- Working hours, wages and benefits
- Freedom of association and collective bargaining
- Discrimination, harassment and equal opportunities
- High-risk and conflict-affected areas
- Environmental footprint
- Communities' safety, livelihood and heritage
- Land rights
- Community engagement
- Access to remedy
- Security practices
- Workers Accommodation
- Human rights defenders



The HRA reassessed the salient human rights issues in our business. Each salient issue was prioritised according to two sets of criteria: the salience of risk (scale, scope, remediability, likelihood) and relevance for business action (attribution, leverage, risk history, current management). Depending on the salience of risk and the relevance for business action each salient human rights issue was assigned a priority level. You can find more information on [vestas.com](https://vestas.com).

#### **Conflict Minerals Policy**

In 2022, we introduced the Vestas Conflict Minerals Policy to identify, reduce, and eliminate the use of conflict minerals within our supply chain, mitigating risks, and ensuring ethical sourcing. Aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Vestas Conflict Minerals Policy sets supplier expectations and enhances transparency. It indirectly safeguards human rights in the value chain by promoting responsible mineral sourcing and adherence to international standards. The Vestas Conflict Minerals Policy, signed by the Head of Global Procurement, is communicated at [www.vestas.com](https://www.vestas.com).

### **4.3 Preventive Measures**

#### **4.3.1 Own Operations**

We actively and systematically involve rights holders (such as employees and workers of suppliers or local communities) and human rights experts, regularly exchange information with other companies, e.g. as part of industry initiatives, and cooperate with stakeholders to promote the realisation of human rights. The concerns expressed by rights holders, or their legitimate representatives, local stakeholders, experts and civil society are taken into account.

To ensure adherence to our policies, procedures, and processes, we have implemented a comprehensive Training & Capacity Building program. This program is designed to equip

both our employees involved in the recruitment process and our recruitment partners with the necessary knowledge and skills.

The training begins at the onboarding stage. New employees and partners are introduced to our Global Recruitment Process, which outlines the standards and procedures for recruitment at Vestas. They are also familiarized with our Recruitment Framework, the Employee Code of Conduct and the Supplier Code of Conduct, which emphasize ethical practices and compliance with labour laws. Both the Employee Code of Conduct and the Supplier Code of Conduct can be found at [www.vestas.com](http://www.vestas.com). We expect our employees to comply with the Employee Code of Conduct.

Our training program is not a one-time event, but a continuous process. We provide regular training sessions, workshops, and seminars to keep our employees and partners updated on the latest trends in recruitment, changes in labour laws, and updates to our internal policies and procedures. These training sessions are conducted by experienced professionals and industry experts, ensuring that the training is relevant and effective.

Vestas has established an Audit Committee which is responsible for monitoring the integrated reporting process, including quality control, risk management, key accounting policies and assurance.

The above preventive measures also apply to our German operations.

#### **4.3.2 Supply Chain**

Vestas' supplier strategy focuses on building strong partnerships with suppliers, offering access to online training and workshops to support sustainable practices, including occupational health and safety standards, human rights, and environmental protection. The initial training is mainly conducted via third party service providers as to ensure an objective assessment and alignment with all relevant ISO standards.

To identify, assess, monitor, and mitigate potential risk to supply chain workers, our supplier due diligence framework includes several steps for the onboarding of new suppliers and the ongoing monitoring of existing suppliers. The Supplier Code of Conduct is the foundation of our framework. It outlines our expectations for our suppliers towards their employees and subcontractors.

The onboarding process of new suppliers is designed to ensure that suppliers are aware of our expectations while being committed to our Supplier Code of Conduct. This involves a multi-step approach, starting with screening for sanctions and business ethics risks. Subsequently, suppliers undergo a supplier business assessment (SBA). This is a self-assessment questionnaire that is specifically tailored to their scope of supply. Verification of the SBA outcomes is then carried out through thorough onsite or desktop assessments.

Vestas subcategorises its tier 1 suppliers in two groups, namely: "direct suppliers" who provide materials, goods, or services that are directly incorporated into our final product or service offering. These suppliers deliver essential components or raw materials that are integral to Vestas' manufacturing process. Vestas' "non-direct suppliers" provide goods or services that support our operations but are not directly involved in the production process. These can include service providers such as IT support, office supplies, maintenance services and utilities.

In the selection of non-direct suppliers for onsite assessment, we employ a matrix combining onboarding questionnaire results with specific high-risk criteria. Direct suppliers undergo onsite assessments as a standard procedure. Assessments at suppliers are conducted by Vestas' own teams, and for some non-direct suppliers we also make use of third-party assessors



who conduct employee interviews, enhancing the depth of our evaluation. If non-conformities emerge during assessments, a corrective action plan is developed.

Quarterly safety & sustainability surveys as part of performance dialogues are meant to monitor existing suppliers on an ongoing basis. Additionally, ad hoc assessments are conducted based on substantiated knowledge, media coverage, and other pertinent information.

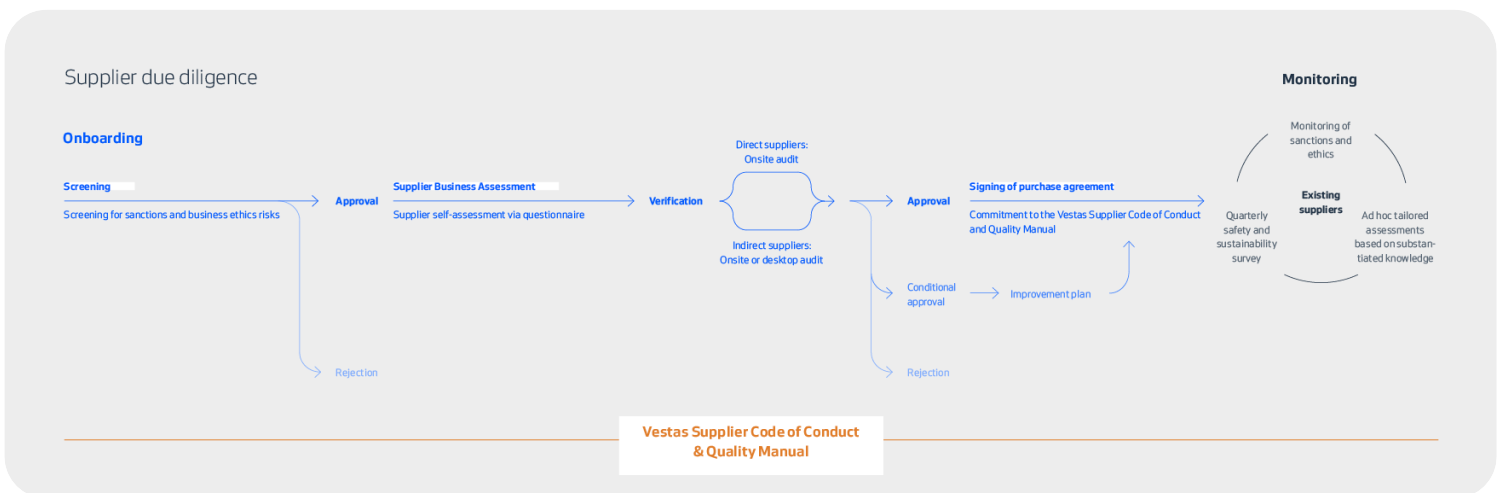
Our collaboration with suppliers extends beyond monitoring; we work together to ensure that corrective actions are taken. However, in the few cases where corrective actions are not implemented, we are prepared to discontinue partnerships. The overarching principles of our supplier due diligence framework are rooted in transparency, accountability, and a commitment to continuous improvement.

**Long-term Commitments**

Vestas collaborates with suppliers on long-term goals, such as carbon reduction and circular economy integration, embedding these objectives into agreements and regularly reviewing progress. Vestas expects its suppliers to commit to achieving 100 % electricity consumption from renewable energy sources in their own operations by 2030. Suppliers must calculate and report CO<sub>2</sub>e emissions for products delivered to Vestas without relying on carbon offsets and set reduction targets for their greenhouse gas protocol Scope 1 and 2 emissions in line with the 1.5°C scenario, aiming for a 50 % reduction by 2030 without the use of carbon offsets. Furthermore, Vestas encourages suppliers to align with science-based targets by setting a target in line with Vesta’s commitments. Suppliers are also required to calculate and report their Scope 3 emissions for products delivered to Vestas.

Vestas long-term commitments extend to waste management, where suppliers are expected to achieve a 50% reduction in waste from products delivered to Vestas by 2030. Suppliers are required to calculate and report production waste from their own operations related to products delivered to Vestas, set ambitious waste reduction targets for their own operations by 2030, and ultimately calculate and establish waste reduction targets for their tier 1 suppliers (Vestas tier 2 suppliers) by 2030.

**Figure: Supplier Due Diligence**



**4.3.3 Remedial Measures**

As soon as Vestas determines that a violation of a human rights or environmental obligation within the meaning of the LkSG has occurred or is imminent in our own operations or at a direct supplier, Vestas will, without undue delay, take appropriate remedial action to prevent, end or minimise the extent of this violation. If there are actual indications that suggest

that a violation of a human rights or environmental-related obligation at an indirect supplier may be possible and Vestas therefore has substantiated knowledge, it will take adequate actions in accordance with the LkSG. For such scenarios, Vestas will ensure that all relevant stakeholders are involved in the development and implementation of a plan to end or minimise this violation without undue delay.

To ensure more transparency on risk related matters beyond tier 1 suppliers, a human rights risk heatmap initiative was launched in 2024 aimed at leveraging our influence to mitigate potential adverse impacts on workers throughout our value chain. We have obtained certain data from our tier 1 suppliers covering their supply chain. And partnering with a third-party risk intelligence provider, this increased transparency of the value chain has enabled us to generate a heatmap highlighting potential human rights risks. The results will be shared with suppliers who will be requested to ensure proper due diligence and mitigation where those risks were identified.

An outcome of the annual concrete supply chain risk assessment has led to a new 2024 initiative. Based upon a cross functional mapping of specific Critical Raw Materials, this mapping will enable us to initiate a similar program as we have implemented for the Conflict Minerals with the aim of mitigating specific human rights risks including child- and forced labour in the upstream mining supply chain.

Finally, Vestas has established a new process for proactively managing contractor performance. The approach includes scoring for performance, aligning of HSE-approach to industry standard, and if expectations are not met, a corrective action plan must be completed. The approach is furthermore based upon a data evaluation of various metrics. We see this as continuous improvement and plan for it to be used as long as we work with contractors.

Vestas has further established module-specific targets and communicated supplier objectives within its supply chain. Overall, Vestas aims to achieve a 45% reduction in Scope 3 emissions intensity by 2030, along with a 50% reduction in waste.

#### **4.3.4 Effectiveness of Measures**

We review the effectiveness of our measures to prevent and mitigate adverse human rights impacts at least once a year and on an ad hoc basis and update them if necessary.

#### **4.3.5 Complaints Mechanism**

Vestas employees, suppliers, customers and other third-parties are encouraged to Vestas' whistle-blower hotline, [EthicsLine](#), to report observed or suspected misconduct, e.g., human rights and environment-related risks as well as violations of human rights or environment-related obligations that have arisen as a result of Vestas' economic activities or the economic activities of Vestas' direct or indirect suppliers. EthicsLine is hosted on a secure external website where anyone can raise a concern. The platform allows reporters to remain anonymous, except in instances when this would be specifically prohibited by law. Subject to applicable laws, all matters reported through EthicsLine are investigated thoroughly and everyone involved is treated fairly. We have zero-tolerance for any form of retaliation against employees making a report in good faith, whether the report is ultimately substantiated or not. The same applies to individuals who cooperate as part of an EthicsLine investigation, such as witnesses.

#### **4.3.6 Reporting**

In the 2023 Sustainability report Vestas communicates its sustainability strategy, progress, governance and selected data for 2023. The reports can be accessed [here](#). Besides, Vestas documents and reports in accordance with the LkSG in accordance with the instructions of the authorities.

#### 4.3.7 Update

We regularly update this policy statement in accordance with the requirements of the LkSG.

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