Slavery and Human Trafficking Statement of
Vestas-Celtic Wind Technology Ltd.
for the financial year 1– 31 December 2020

Vestas-Celtic Wind Technology Ltd. is a subsidiary of Vestas Northern Europe A/S which is a subsidiary of Vestas Wind Systems A/S and part of the Vestas group (“Vestas”).

The Board of Directors of Vestas-Celtic Wind Technology Ltd. have considered and adopted Vestas’ 2020 Slavery and Human Trafficking Statement, a copy of which is attached.

This statement was approved by the Board of Directors of Vestas-Celtic Wind Technology Ltd.

Date: 19th May 2021

Cornelis de Baar
Director, Vestas-Celtic Wind Technology Ltd.
Vestas Wind Systems A/S
slavery and human trafficking
statement for the financial year
1 January – 31 December 2020

Wind. It means the world to us.™
This Statement addresses the risk of slavery and human trafficking taking place in Vestas’ business and supply chains, pursuant to section 54 of the UK Modern Slavery Act ("the Act"). The Statement covers Vestas Wind Systems A/S and its subsidiaries covered under the provisions of the Act.

1. Our organisation
Vestas designs, manufactures, installs, and services wind turbines worldwide. In addition, Vestas provides global solutions and services related to other sustainable energy sources.

Vestas has offices across the world, including five Regional hubs in Northern and Central Europe, the Americas, Mediterranean, China, and Asia Pacific. The global headquarters is in Aarhus, Denmark and in 2020 Vestas had an average of 26,121 full time employees globally. Vestas’ production footprint is global – see the map below and our supply chain is accordingly global.

In October 2020 Vestas signed an agreement to acquire Mitsubishi Vestas Offshore Wind (MVOW) and took full control of MVOW on 14 December 2020. From this acquisition Vestas’ business model now includes offshore as well as onshore. We will be including the offshore division in our 2021 Statement.

Vestas is present in all regions of the world; we have installed wind turbines in 83 countries and have 117 GW of turbines with active service contracts. In 2020 Vestas’ revenue was EUR 14,819m.

Onshore Production:
2. Policies and governance mitigating slavery and human trafficking

Vestas has been a member of the United Nations Global Compact (UNGC) since 2009, and is committed to implementing the Ten Principles of the UNGC, including Principle 4 on the elimination of all forms of forced and compulsory labour, into our business and our supply chain. The policies and procedures listed below outline how we uphold this commitment.

Code of Conduct
Vestas operates according to its Codes of Conduct, which are a set of rules and principles that outline our behavioural expectations for our employees and business partners. Vestas has both an Employee Code of Conduct and Business Partner Code of Conduct. The Codes follow the UN Global Compact principles and are based on international standards, including the International Bill of Human Rights, the eight core conventions of the International Labour Organisation, and the UN Guiding Principles on Business and Human Rights. The Vestas Codes of Conduct can be accessed [here](#).

Both Codes specifically prohibit forced or compulsory labour or child labour in any of our direct or indirect operations. Additionally, fundamental labour conditions such as safety and working hours must also be respected.

In 2021, Vestas will be updating both its employee and supplier codes to ensure that we continue to meet international standards and expectations as a responsible business. We will be conducting trainings and micro-learnings linked to this update, which will be reported on in our 2021 Statement.

Human Rights Policy
The [Vestas Human Rights Policy](#) from 2010 and updated in 2019 is signed by Vestas Chairman Bert Nordberg. The Human Rights Policy publicly conveys Vestas’ commitment to respect human rights, to avoid infringing on human rights, and to address any adverse human rights impacts with which Vestas may be involved, which is in accordance with the UN Guiding Principles on Business and Human Rights. The Vestas Human Rights Policy specifically states our commitment to avoid using or contributing to forced or compulsory labour.

The Vestas Human Rights Policy also states that Vestas will take measures to promote that its business partners respect human rights. The Vestas Human Rights Policy is distributed group-wide and communicated publicly.

Recruitment policy and processes
Recruitment for both blue- and white-collar employees is handled by the Vestas Recruitment Team and is guided by our Global Recruitment Process. The Vestas Recruitment Team outsources most of the recruitment process to a global recruitment process partner. In each of our regions, we have Regional Talent Acquisition Managers overseeing that the Global Recruitment Process is being followed by our global recruitment partners. Our recruitment partners have signed the Vestas Business Partner Code of Conduct, committing to comply with our principles and requirements.

Access to Remedy: EthicsLine
Vestas employees, suppliers and customers are encouraged to use our whistle-blower hotline "EthicsLine" to report observed or suspected misconduct. EthicsLine is hosted on a secure external website where anyone can raise a concern without fear of retaliation. 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.

In 2020, we upgraded the EthicsLine platform to be more user-friendly, with simplified reporting and a new mobile application that was pushed to all Vestas phones. The platform is available in 33 languages and reporters can make their report in any language. We encourage everyone to speak up and to facilitate that we have made the EthicsLine platform as accessible and easy to use as possible. In parallel with the platform upgrade, we also developed and launched a new EthicsLine Policy. The policy sets out the platform’s rules, and explains which kind of issues are reportable, and the protection available to reporters and witnesses. As part of the platform upgrade, we launched an ambitious global communication campaign to raise awareness of the new tools. The launch included emails from senior leadership to set the tone from the top, Interactive webinars, an animated ‘how-to-report’ video, and several Intranet articles. These efforts led to an increase in EthicsLine cases in the latter half of 2020 and affirmed the need for continuous, ongoing communication around the platform to build long-lasting trust and visibility of the platform. In 2020, substantiated cases led to various disciplinary actions, including 26 warnings and 27 dismissals. To date there have been no cases on modern slavery.
3. Risks of slavery and human trafficking

Risk within Business
All Vestas employees are processed and documented via our Recruitment Process. We have one global recruitment partner for the recruitment of office workers and service technicians. This recruitment partner must comply with Vestas' Recruitment Framework and overall Vestas processes, including compliance with our Code of Conduct, and monitoring of compliance is managed globally according to established standards. The recruitment of factory workers is led by the respective factories' recruitment processes, which includes use of local recruitment suppliers. The use of recruitment suppliers at the factory level has been flagged as a potential risk, and steps to manage this risk is described below.

Risk within Supply Chain
At Vestas we manufacture wind turbines and construct and service wind farm sites. Our suppliers include manufacturers of wind turbine components and suppliers performing services to wind farm construction and service sites. Building on the corporate-wide Human Rights Impact Assessment (HRIA) conducted in 2018, forced labour remains as not one of our most salient human rights risks. We have, however, identified a potential risk of forced labour several tiers down the supply chain connected with conflict minerals and have set up a specific system to monitor this. We continue to monitor the risk landscape and adjust our supply chain due diligence processes to reflect this. How we manage the risk is described below.

4. Due diligence in our supply chain
Vestas' Business Partner Code of Conduct and Guidelines set the minimum requirements that all Vestas' suppliers must comply with. They outline our key principles related to human rights, including forced labour and aim to ensure that all labour is voluntary.

We expect our suppliers to uphold the principles in our Business Partner Code of Conduct. To support and validate this expectation, we have a due diligence process, outlined below:

1. Pre-screening: Sanction & Business Ethics screening of all suppliers
2. Self-Assessment: All suppliers must complete Vestas’ self-assessment questionnaire, including a module of the topics in Vestas' Business Partner Code of Conduct. A satisfactory assessment score allows the supplier to move on to the next step in the onboarding process.
3. Supplier Creation: Upon successful completion of previous steps, supplier is created in system
4. On-site Assessment: A cross-functional on-site assessment is initiated for suppliers based on a risk evaluation.
5. Manage Supplier Performance: Supplier performance and relationship management. Due diligence activities after onboarding of suppliers are conducted based on a risk evaluation. Such activities include, but are not limited to, supplier scorecards, performance review meetings, and third-party Code of Conduct Audits.

We recognise that respecting human rights is a responsibility that requires continuous vigilance, and therefore we are revising our supplier due diligence process on a regular basis. In 2020 we moved to a digital procurement system, consolidating all supplier contact in one platform. In the new digital system, onboarding of suppliers has become more streamlined: all steps are clearly defined together with roles & responsibilities of the Vestas employees involved in the onboarding process. As part of this process, the supplier self-assessment, including the Code of Conduct module, was also reviewed, and updated.

In 2020 Vestas also invested in an external system to track conflict minerals within our supply chain, as the first step to managing this risk. We are working with the results of this process and will be reporting on this in our 2021 Statement.

5. Effectiveness
In 2020 the Danish Institute of Human Rights (DIHR) conducted a study of the largest 20 companies in Denmark document their work with human rights, "Documenting Business Respect for Human Rights". Vestas came at first place. Although there is still room for improvement, we are on the right track and will continue to work with improving our policies and procedures and ensuring that this is documented.

Recruitment practices
To manage the potential risk associated with the use of recruitment suppliers for the hiring of temporary and permanent factory workers, we created an overview in 2020 of all recruitment providers at individual factory level globally. This mapping has enabled us to start reducing the number of suppliers used and ensuring alignment with global procurement practices, including contracting and Code of Conduct requirements. For 2021 we will be focusing on creating an aligned global standard on how to select and manage recruitment suppliers for factory workers.

Supply Chain
Code of Conduct Audits: Throughout 2020, a total of 40 audits were carried
out by an external auditor, on suppliers falling within our high risk category. All Code of Conduct audits contain a forced labour module, with questions specifically referring to employees' freedom of movement during the course of their employment, and their ability to terminate the employment contract at all times. The audits make use of employee interviews as validation.

A total of 80 non-conformities were detected in 2020, where a few of these related to employee working conditions, specifically the issue of working hours, wages and benefits. Vestas is currently working together with the auditors and suppliers on closing these non-conformities according to our responsible procurement process. To date, there have been no findings of forced labour.

**Digital Procurement:**
The transition to a consolidated digital platform for supply chain management (see section 4) has further improved adherence to our internal processes. The supplier registration process is now streamlined within the digital system, ensuring that suppliers must progress through the qualification and selection process, and monitoring supplier compliance is more efficient within the one system.

**6. Training & capacity building**
As part of Vestas' mandatory orientation programme, all new employees are required to complete the Vestas Employee Code of Conduct e-learning. Our hourly paid employees working in our manufacturing sites are introduced to our Code of Conduct via their orientation programme.

In connection to updating the supplier assessment questionnaires, Vestas employees responsible for evaluating supplier self-assessments were trained in the Code of Conduct module, with specific emphasis on explaining what documentation and processes were required to validate the suppliers' answers.

**7. Continuous actions to support our responsibility**
Vestas has a responsibility to respect human rights, which includes ensuring our activities do not cause or contribute to the use of modern slavery and human trafficking and avoiding being directly linked to such harm. We will continue to work with understanding where the risks lie in our business and supply chains, mitigating this risk through our policies, procedures and stakeholder engagement. Vestas acknowledges that this work is an evolving process and will be reporting on our progress in the next Statement.

This Statements was approved by the Board of Directors of Vestas Wind Systems A/S on
Date: 4 May 2021

Bert Nordberg
Chairman, Vestas Wind Systems A/S