VESTAS WIND SYSTEMS A/S
SLAVERY AND HUMAN TRAFFICKING
STATEMENT FOR THE FINANCIAL YEAR
1 JANUARY – 31 DECEMBER 2019
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 sales business units in Northern and Central Europe, the Americas, Mediterranean, China, and Asia Pacific. The global headquarters is in Aarhus, Denmark and in 2019 Vestas had an average of 24,964 employees globally. Vestas has 22 manufacturing, assembly, and research & development facilities in ten countries. Our supply chain is accordingly global.

Vestas is present in all regions of the world; in 2019 alone, Vestas’ order intake was 7.9 GW from 35 countries. In 2019 Vestas’ revenue was EUR 12,147 m.
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 Organization, 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.

**Human Rights Policy**

The Vestas Human Rights Policy, signed by Vestas Chairman Bert Nordberg in October 2019, 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**

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. In addition, our recruitment partners are categorised as Vestas external contractors and therefore also have to adhere to our Vestas Employee Code of Conduct and are familiar with our whistle-blower reporting line, EthicsLine, and how to raise reports should they witness wrongdoing.

In Vestas we are continuously working on decreasing the number of suppliers used within the recruitment area to further reduce and mitigate the possibility for risk. In 2019 work began on the creation of a global list of preferred suppliers.

**Access to Remedy: EthicsLine**

Vestas employees and business partners are encouraged to use our whistle-blower hotline "EthicsLine" to report observed or suspected malpractice. EthicsLine is available 24 hours a day, seven days a week, and is accessible in 16 languages. Reports can be made anonymously and all reports (subject to applicable laws) will be investigated. Vestas encourages a speak up culture and has zero tolerance for retaliation against anyone who file a report in good faith, regardless of whether the claim can be substantiated or not. Vestas raises awareness of EthicsLine on an ongoing basis, which is also supported by the Code of Conduct trainings.

3. Risks of slavery and human trafficking

All Vestas employees are processed and documented via our Recruitment Process. We believe that the checks and balances in place are adequate for mitigating risks of slavery and human trafficking within our operations, and thus our main focus is on our supply chain.

At Vestas we manufacture wind turbine 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.

In 2018 Vestas, together with external experts, updated its corporate-wide human rights impact assessment (HRIA), covering the value chains of Vestas business and activities. The most salient human rights risks across the Vestas value chain were mapped and prioritised. The HRIA report was finalised in December 2018, and during 2019 actions on all primary priorities in Procurement were initiated.
4. Due diligence in our supply chain

Vestas expects its suppliers to uphold the principles in our Business Partner Code of Conduct. To support and validate this expectation, we have a due diligence process:

1. **Pre-screening**: Ethics and sanctions screening
2. **Self-Assessment**: Supplier must complete Vestas Code of Conduct assessment
3. **Supplier Creation**: Upon successful completion of previous steps, supplier is created in system
4. **On-site Assessment**: Cross-functional on-site assessment for high risk suppliers
5. **Manage Supplier Performance**: Supplier performance and relationship management.

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.

Vestas' Business Partner Code of Conduct sets the minimum requirements that all Vestas suppliers must comply to. Vestas is furthermore committed to deliver continuous improvement in these areas. The requirements set forth in our Business Partner Code of Conduct ensure that all labour must be voluntary. Specifically, the supplier must:

- Not participate in, or benefit from, the use of forced or compulsory labour or human trafficking in any form. All labour must be voluntary.
- Ensure that employees have freedom of movement during the course of their employment and are free to terminate their contracts at all times, provided they give reasonable notice.
- Not withhold wages, identity cards, travel documents or other important documents that could prohibit an employee from ending his or her employment.
- Not charge recruitment fees or require "deposits" from workers.
- Ensure that no employment fees or costs are charged, in whole or in part, to an employee.

An increased commitment towards partnerships and an extended use of suppliers makes it all the more important that a selection procedure and regular evaluation is in place to ensure that suppliers comply with Vestas’ Business Partner Code of Conduct. Vestas performs screening of suppliers on compliance with the Code of Conduct through the standards in our supplier assessment tool.

5. 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. According to the risk assessment, we have not identified specific modern slavery training as necessary for our employees.

In accordance to the HRI results, Vestas continues to focus on training and awareness raising for suppliers and subcontractors in our Health, Safety and Environment (HSE) minimum standards. Activities include mandatory training requirements for subcontractors to access installations and rolling out our minimum HSE requirements to a broader supplier network.

6. 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. We will continue to work towards identifying where the risks lie in our business and supply chain and will prioritise addressing the areas of highest risk. Vestas acknowledges that this work is an evolving process and will be reporting on our progress in the next Statement.

This Statement was approved by the Board of Directors of Vestas Wind Systems A/S on

Date: **MAY 4 2020**

Bert Nordberg
Chairman, Vestas Wind Systems A/S