

Vestas – Australian Wind Technology Pty Ltd

Modern Slavery Statement

Reporting Year: 1 January – 31 December 2021

This statement reports on the risks relating to modern slavery and human trafficking within Vestas - Australian Wind Technology Pty Ltd, and actions taken to address those risks, pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (the "Act"). This Statement is provided by Vestas - Australian Wind Technology Pty Ltd ACN 089 653 878 ("Vestas Australia"), a 'reporting entity', in accordance with s 5 (1) (a) (i) of the Act.

1. The Organisation

Structure & Operations

Vestas Australia is an Australian limited company. It was first registered on 22 September 1999 and its registered office address is at Level 4, 312 St Kilda Road, Melbourne VIC 3004. Vestas Australia is comprised of approximately 634 employees.

Vestas Australia is a wholly-owned subsidiary of Vestas Wind Systems A/S ("Vestas" or "the Group") and is a part of the Asia Pacific group of Vestas companies.

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

Vestas is headquartered in Denmark and has offices globally with more than 29,000 employees. Vestas operates across five commercial regions, namely: Mediterranean, Latin America, North America, Northern and Central Europe, and Asia Pacific. Vestas has 22 manufacturing, assembly, and research and development facilities in 10 countries and has installed wind turbines in over 84 countries. In the year 2021, Vestas' revenue amounted to EUR 15.6bn.

Vestas is structured into six functional areas, namely: Finance, Sales, Service, Technology, Manufacturing & Global Procurement and People & Culture. In December 2020, Vestas established a new business unit for project

development as Vestas has become more active in the project development space.

In December 2020, Vestas also took full control of the offshore business, Mitsubishi Vestas Offshore Wind (MVOW). In 2021, Vestas completed the integration of MVOW's business in the Vestas legal structure, data and practices relating to MVOW are therefore included in this statement.

Vestas Australia provides sales, construction, operation and maintenance services in the Australian and New Zealand markets.

For further information see www.vestas.com.

Supply Chain

Vestas Australia engages with suppliers across the Asia Pacific region.

Vestas Australia's suppliers primarily include manufacturers of wind turbine components, construction contractors and suppliers performing services at wind farm service sites.

Supplier expenditure for Vestas Australia's operations predominantly falls within the following spend categories:

- procurement within the Vestas Group of wind turbine components (Blades, Nacelles, Towers and Hub);

- indirect procurement for Transport, Construction, IT & Business services and Investments and tooling; and
- service procurement like spare parts, and support needed for servicing a turbine.

2. Policies and Governance Mitigating Modern Slavery Risk

Vestas has global Corporate Social Responsibility and Compliance teams based in Denmark, and human rights experts based in Mexico and India. The human rights and compliance experts based in India are responsible for providing guidance on human rights impacts in the Asia Pacific operations, including Australia. In Australia, the modern slavery response is led by the Legal team, with support from the Vestas Compliance team.

Vestas has been a UN Global Compact ("UNGC") member since 2009, and is committed to implementing the UNGC 10 principles, including Principle 4 on elimination of all forms of forced and compulsory labour, into its business and its supply chain. The policies and procedures listed in this section outline how Vestas upholds this commitment.

Codes of Conduct

Vestas operates according to its Codes of Conduct, which are sets of rules and principles that outline expectations for our employees and suppliers. Vestas has both an Employee Code of Conduct and Supplier Code of Conduct. The Codes of Conduct 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.

In 2021, Vestas updated both its Employee Code of Conduct and Supplier Code of Conduct. The updates incorporate stronger standards, including areas not previously covered particularly in relation to community engagement and conflict minerals. The updates also reflect changes to Vestas' operations, following the recent acquisition of MVOW.

Both Codes specifically prohibit forced or compulsory labour or child labour in our supply chain. Additionally, fundamental labour conditions such as safety and working hours must also be respected.

Both Codes can be found at www.vestas.com.

Human Rights Policy

Vestas has a Human Rights Policy which is signed by Vestas Chairman, Bert Nordberg.

In accordance with the UN Guiding Principles on Business

and Human Rights, 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. The Human Rights Policy specifically states our commitment to avoid using or contributing to forced or compulsory labour.

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

Conflict Minerals

In 2021, Vestas established an external system to increase transparency in relation to conflict minerals within our supply chain, as the first step to managing this risk. Vestas conducts supply chain due diligence on conflict minerals, following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals to ensure we are not contributing to human rights violations. Due diligence entails verifying that minerals and metals used in our suppliers' products, such as tin, tantalum, tungsten, and gold (herein after "3TGs"), are not sourced from conflict-affected or high-risk areas.

As part of this process, we rely on our suppliers to provide information on the origin and source of the minerals and metals they use, because Vestas does not source minerals or metals directly. For this purpose,

we use the internationally recognised Conflict Minerals Reporting Template for supplier reporting on smelters. Our first conflict minerals program was completed in May 2021 achieving an 81% supplier response rate. Data was gathered and analysed from 500 key suppliers with biggest spend (direct scope) for 2020 and the potential of having 3TGs in products, that are sold to Vestas. The subsequent action towards suppliers is based on the risk-level of the reported smelters and includes a follow up procedure with suppliers, that have reported potential risks to request for declarations on a company or product level.

Vestas is committed to continuous due diligence, including regular internal educational sessions equipping our employees to lead the dialogue with key stakeholders, such as customers and suppliers. Our company is dedicated to achieving annual improvement in reported smelter data quality and increasing suppliers' response rate, with the final objective of ensuring that our suppliers' products do not contain minerals sourced from conflict-affected or high-risk areas.

Vestas performs conflict minerals due diligence in the supply chain on a yearly basis. Our second conflict minerals program started in November 2021 and has been ongoing in 2022. We will be reporting on the results in our 2022 Statement.

For further information see the Sustainability Policies page at www.vestas.com.

Recruitment Policy

Recruitment at Vestas Australia 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 partner.

This recruitment partner must comply with Vestas' Recruitment Framework and overall Vestas processes, including compliance with our Supplier Code of Conduct.

Vestas holds regular meetings with its recruitment partner, with one dedicated annual meeting on sustainability, which includes the topic of modern slavery.

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. 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.

To date, there have been no EthicsLine cases on modern slavery issues.

EthicsLine can be accessed at <https://vestas.whistleblownet.work.net/>

3. Risks of Slavery

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, including modern slavery, were mapped and prioritised. Vestas' most prominent risk was identified to be in the communities surrounding Vestas' wind farm projects. Vestas strives to create positive outcomes on local livelihoods, community health and education, and share access to the benefits of renewable energy.

In 2021 Vestas Australia engaged consultancy firm, Deloitte, to conduct a general supplier risk assessment.

The Deloitte risk assessment identified suppliers of Vestas Australia operating in regions with a higher inherent risk and exposure to modern slavery and made a number of recommendations to be implemented by Vestas Australia between 2021 and 2024 in accordance with a roadmap.

Another potential risk of forced labour was identified in Xinjiang Autonomous region of China following Uyghur Forced Labour Prevention Act signed by the U.S. Congress on 23 December 2021. To assess the risk of forced

labour in Vestas' supply chain, Vestas has initiated onsite audits carried out by an external auditor in Xinjiang Autonomous region. In the region, Vestas has 2 suppliers in total. Both suppliers were assessed in April 2021, and the results have shown that no major non-conformities were identified and no forced labour non-compliance was recorded.

In 2022 Vestas will also be conducting another corporate-wide HRIA.

4. Due Diligence Processes

Vestas expects its suppliers to uphold the principles in the Supplier Code of Conduct. To support and validate this expectation, it has a due diligence process as set out below:

1. Pre-screening: all suppliers undergo a Sanction and Business Ethics screening. Suppliers will be screened and approved before Vestas engages with them contractually. Additionally, suppliers continue to be monitored through on-going screenings in our Global Compliance Portal. In 2021, Vestas performed 3438 supplier screenings to identify and mitigate potential risk.
2. Self-Assessment: all suppliers must complete Vestas' registration and self-assessment questionnaire, that includes a module of the

topics in Vestas' Supplier Code of Conduct. A satisfactory assessment score allows the supplier to move on to the next step in the onboarding process. In 2021, the process was updated and made more flexible. Now suppliers can work on the registration (where they provide their company info) and self-assessment at the same time in one digital procurement system.

3. Supplier Creation: upon successful completion of the previous steps, the supplier is registered in the system.
4. On-site Assessment: cross-functional on-site assessment for high-risk suppliers.
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 revise our supplier

due diligence process on a regular basis. In 2021, we updated our digital procurement system, including onboarding suppliers from our offshore division. Advanced tracking and follow-up for supplier actions plans were also added to the system for suppliers that were conditionally approved. Furthermore, dynamic change was implemented for self-assessment details like expirations and repeating assessments after a certain time. The due diligence process is now streamlined within the updated digital procurement system, ensuring that suppliers must progress through all five steps including providing evidence for supplier action plans and repeating assessment if requested. This has made monitoring supplier compliance more efficient within the one system.

In 2022, we will finalise our blocking process for suppliers that do not reach the threshold score directly in our digital procurement system. We are also updating the compliance portion of our supplier scorecard that is used to manage suppliers' performance with an emphasis on social sustainability by including weighted questions on conflict minerals. Finally, we have started implementation of digital supply chain collaboration module of the system. This will

enable us to work more efficiently, collaboratively and transparently with our suppliers. Reports on these changes will be included in our 2022 Statement.

5. Actions Taken

Vestas Australia, consistent with the global approach adopted by Vestas, has undertaken various actions during the reporting year that seek to address the risk of modern slavery and trafficking.

In the past reporting period, Vestas Australia:

- conducted a tier 1 supplier risk assessment by location and sector, using the Global Slavery Index on Modern Slavery;
- conducted a gap analysis of policies and their implementation to identify opportunities to strengthen the approach to reducing modern slavery risks;
- developed a roadmap for continuous improvement with the aim of ensuring that modern slavery risks are addressed and remediated throughout the supply chain;
- engaged with customers conducting their own modern slavery and human trafficking audits; and
- established a Modern Slavery Working Group to implement the recommendations of the roadmap.

Supplier Management and Audit Process

Vestas takes proactive steps to ensure that suppliers and

subcontractors adhere to global standards, even if these standards exceed the strict legal requirements in the country of operation. Vestas engages with its suppliers on its practices to ensure standards are met and conducts Achilles (external provider) audits for compliance across its global supplier base. These audits validate safety and quality management standards and ensure that suppliers have a robust corporate social responsibility policy. This creates confidence in sustainability, human rights and modern slavery compliance throughout the supply chain.

Training and Capacity Building

New employees of Vestas must undergo training in relation to Vestas' Employee Code of Conduct. It is a part of the mandatory employee induction program.

In response to the HRIA, suppliers and subcontractors are regularly required to undergo training in relation to the minimum expected standards in respect of health, safety, and protection of the environment.

Vestas frequently engages with its key suppliers and subcontractors to ensure that they are compliant with the Supplier Code of Conduct, and to understand their approach to addressing risks.

6. Reporting and Effectiveness

Vestas has a robust Corporate Social Responsibility framework, which governs the approach to respecting human rights in all of

Vestas' operations. Vestas Australia actively participates in the Corporate Social Responsibility framework to ensure it acts consistently with modern slavery initiatives across Vestas' global operations.

At present, Vestas is reevaluating how to resource an even more coordinated response to modern slavery risks. Within the next reporting period, Vestas Australia will further develop its approach to mitigating modern slavery risks by:

- reviewing existing supplier categorisation system for category gaps;
- developing and implementing new supplier categories to conform with Global Procurement;
- determining hotspots of interest in Vestas' supply chain;
- conducting "deep dives" into its highest modern slavery risk suppliers;
- developing a supplier audit and engagement strategy which is commensurate to their risk level;
- developing a framework for corrective action plans;
- developing a remediation strategy based on the level of attribution; and
- continuing to engage in industry forums.

7. Consultation with Owned and Controlled Entities

In preparation for this statement, Vestas Australia engaged with leaders and site managers within Australia to gain a deeper

understanding of the approach to modern slavery risks. Vestas Australia was also supported by the Vestas global Corporate Social Responsibility team in drafting this statement.

8. Continuous actions to support responsibility

Vestas is committed to ensuring that human rights are protected and respected within its entire value chain and across all its operations. This includes the elimination of modern slavery and human trafficking from all facets of the global organisation – including in Australia. Vestas is determined to continue to improve its approach to attain the highest standards in relation to the mitigation of modern slavery risks and the advancement of human rights.

This Statement was approved by the Board of Directors of Vestas - Australian Wind Technology Pty Ltd on 29 June 2022.



Danny Njelsen
Director, Vestas – Australian Wind Technology Pty Ltd
DATE: 29 June, 2022
