



Vestas - Australian Wind Technology Pty Ltd
Modern Slavery **statement** for reporting year
1 January – 31 December 2020

Wind. It means the world to us.™

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 and 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 550 employees across its Australian and New Zealand offices.

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, supplies, installs and services wind turbine generators worldwide.

Vestas has offices globally and with more than 29,000 employees, operates across five global regions, namely Northern and Central Europe, the Americas, Mediterranean, China and Asia Pacific. The global headquarters are in Denmark. Vestas has 22 manufacturing, assembly, and research and development facilities in 10 countries and has installed wind turbines in over 84 countries.

For further information see www.vestas.com.

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

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 Australian operations predominantly falls within the following spend categories:

- construction;
- professional and financial services; and
- information and communications technology.

2. Policies and governance mitigating modern slavery risk

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.

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.

Code of Conduct

Vestas has implemented a Vestas Employee Code of Conduct and Business Partner Code of Conduct (each, a "Code"), which are both sets of rules and principles outlining how employees and business partners are to conduct themselves. Both Codes follow the UN Global Compact principles and are based on the UN Guiding Principles on Business and Human Rights, including the International Bill of Human Rights, and the eight core conventions of the International Labour Organisation.

Specifically stated in both Codes is the prohibition against forced or compulsory labour or child labour in direct or indirect operations. Furthermore, the Codes require that fundamental labour conditions such as safety and working hours must also be respected.

Vestas is currently in the process of updating both the Employee and Business Partner Codes of Conduct. This is to incorporate stronger standards and reflect changes to Vestas' operations, as following a recent acquisition, it is now engaged in offshore wind activities. Vestas has also recently become more active in the project development space. These changes have brought an opportunity to engage with additional stakeholders, including on modern slavery. The new Codes are expected to be launched around September 2021 along with campaigns and training to socialise the Codes throughout the organisation.

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

Human Rights Policy

The Vestas Human Rights Policy, recently updated and signed by Chairman Bert Nordberg in 2019, publicly expresses Vestas' commitment to respect human rights, to avoid infringing human rights, and to address any adverse human rights impacts, which is in accordance with the UN Guiding Principles on Business and Human Rights. The Vestas Human Rights Policy specifically identifies its 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. These expectations are also outlined in both Codes.

The Vestas Human Rights Policy is distributed across the Group and can be found at www.vestas.com.

Recruitment Policy

Recruitment at Vestas is guided by a Recruitment Policy and associated processes. Vestas' standard recruitment process is managed by the Vestas Recruitment Team, which is mainly outsourced to a global recruitment process partner. The recruitment partner has committed to the new Vestas Business Partner Code of Conduct, agreeing to comply with the Vestas principles and requirements. Vestas is satisfied that the recruitment partner's own policies and procedures are based on international standards.

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

Both employees and business partners are encouraged to use the whistle-blower hotline "EthicsLine" to report observed or suspected malpractice. EthicsLine is available 24/7 (including via a mobile app) and is accessible in 16 languages. Reports can be made anonymously, and all received reports are investigated. Vestas encourages a culture of openness and will not tolerate retaliation against anyone who files a report in good faith, regardless of whether or not the claim can be substantiated.

The scope of EthicsLine includes but is not limited to; violations of law and policies; fraudulent practices; business ethics misconduct; and abusive conduct. Under abusive conduct, Vestas is equipped to respond

to reports of the use of child labour and other human rights violations, including modern slavery in the supply chain.

Vestas continuously raises awareness of EthicsLine globally within the Vestas organisation, including through the delivery of Code of Conduct training sessions.

EthicsLine can be accessed at vestas.whistleblownetwork.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 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.

Modern slavery was considered as part of the HRIA, and it is acknowledged that due to the international scale of the Vestas business, there is an inherent risk of modern slavery.

All Vestas' permanent and part time employees are processed and documented in accordance with the Recruitment Policy. Vestas believes that the checks and balances in the recruitment process are adequate for mitigating risks of slavery and human trafficking within its operations, and thus the main focus is on the supply chain.

Vestas Australia has not yet completed a comprehensive modern slavery risk assessment of its entire supply chain, however it is recognised that there is an inherent risk of modern slavery occurring within this sector. In particular, construction activities can pose a risk due to factors such as high rates of employment of subcontractors, and employment of a large lower-skilled workforce.

Within the next reporting period, Vestas will engage an external party to conduct a risk assessment of Vestas Australia's tier 1 supply chain and business operations.

4. Due diligence processes

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

1. **Pre-screening:** ethics and sanctions screening of the supplier.
2. **Self-assessment:** completion of a Business Partner Code of Conduct assessment by the supplier.
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.

Vestas recognises that respecting human rights is a responsibility that requires continuous vigilance, and therefore revises the supplier due diligence process on a regular basis.

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.

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 standards as well as 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 Business Partner 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:

- conducting a tier 1 supplier risk assessment by location and sector, using the Global Slavery Index on Modern Slavery;
- conducting a gap analysis of policies and their implementation to identify opportunities to strengthen the approach to reducing modern slavery risks; and
- developing a roadmap for continuous improvement with the aim of ensuring that modern slavery risks are addressed and remediated throughout the supply chain.

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 30 June 2021.

A handwritten signature in black ink, appearing to read 'Peter Cowling', written in a cursive style.

Peter Cowling

Director, Vestas - Australian Wind Technology Pty Ltd

DATE: 30 June 2021
