



VESTAS WIND SYSTEMS A/S
SLAVERY AND HUMAN TRAFFICKING
STATEMENT FOR THE FINANCIAL
YEAR ENDING 2017¹

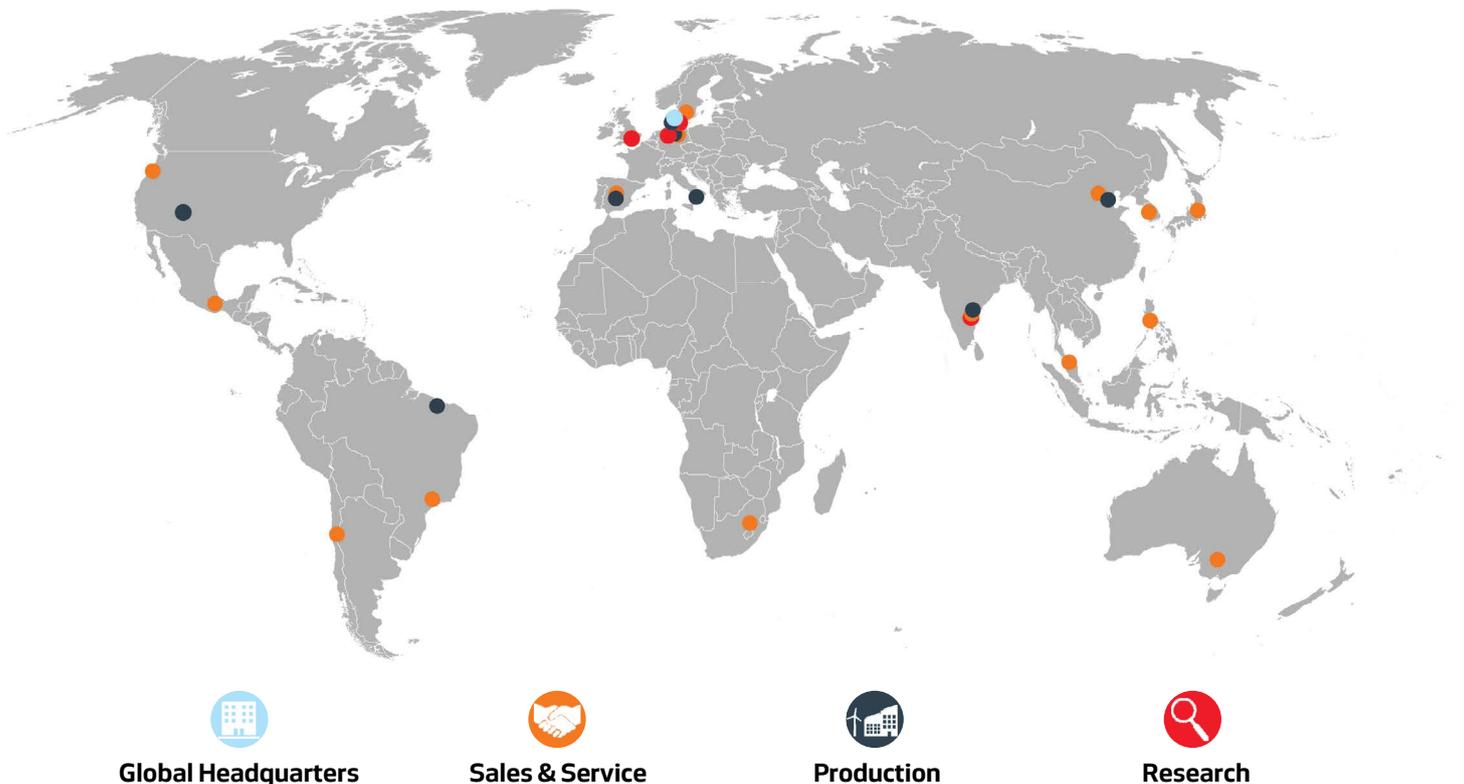
This Statement addresses the risk of slavery and human trafficking taking place in our business and in our supply chains, pursuant to section 54 of the UK Modern Slavery Act ("the Act"). The Statement covers Vestas Wind Systems A/S and its subsidiaries, including Vestas - Celtic Wind Technology LTD ("Vestas").

1. Our organisation

Vestas is engaged in the business of developing, manufacturing, supplying and servicing wind turbine generators worldwide, as well as providing global solutions and services related to other sustainable energy sources.

Vestas has offices globally and five regional sales business units in Northern and Central Europe, Americas, Mediterranean, China and Asia Pacific. We have 20 manufacturing facilities in eight countries. The Global headquarters is located in Aarhus, Denmark. In 2017, Vestas had an average of 22,504 employees globally.

Vestas has a global presence; by the end of 2017, Vestas had installed a total of 88 GW onshore capacity in 77 countries.



¹Statement made pursuant to Modern Slavery Act (UK) 2015 s 54.

2. Policies and processes in relation to slavery and human trafficking

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 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 Code of Conduct, which is a set of rules and principles outlining how we expect our employees and business partners to act. In 2016, Vestas updated its Code of Conduct so that we now have two distinct codes of conduct: Employee Code of Conduct and Business Partner Code of Conduct. Our codes follow the UN Global Compact principles and are based on 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.

Specifically stated in both codes is the prohibition against forced or compulsory labour or child labour in any of our direct or indirect operations. Furthermore, fundamental labour conditions must also be respected. All new employees are trained in the Vestas Employee Code of Conduct via an e-learning, as part of their mandatory orientation programme. Employees falling under a high-risk category are given face-to-face trainings. Our hourly paid employees working in our manufacturing sites are introduced to our Code of Conduct via their orientation programme.

The new Business Partner Code of Conduct is included in our new contracts with our Business Partners² as of No-

vember 2016. Previously, our contracts included sustainability requirements, which the Business Partner Code of Conduct now updates.

Human Rights Policy

The Vestas Human Rights Policy, signed by Vestas CEO Anders Runevad in February 2014, publicly expresses 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, which is in accordance with the UN Guiding Principles on Business and Human Rights. Vestas Human Rights Policy specifically identifies our commitment to avoid using or contributing to forced or compulsory labour.

Also stated in Vestas Human Rights Policy is that Vestas will take measures to promote that its business partners will respect human rights.

Vestas Human Rights Policy is distributed group-wide and communicated publicly.

Recruitment Policy

Recruitment is guided by our recruitment policy and processes. Vestas standard recruitment process is handled by the Vestas Recruitment Team, which is mainly outsourced to a global recruitment process partner. The recruitment partner has signed the new Vestas Business Partner Code of Conduct, committing to comply with our principles and requirements.

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

The recruitment partner's Code of Conduct and Ethics and Supplier Code of Conduct are based on the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, and the Athens Ethical

Principles against human trafficking. The recruitment partner has a zero-tolerance policy against forced labour, child labour and human trafficking, and has processes in place to support this.

Access to Remedy: EthicsLine

Both employees and business partners are encouraged to use our whistle-blower hotline "EthicsLine" to report observed or suspected malpractice. In the case of such reports, which can be made anonymously, they will be 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.

We continue to raise awareness of EthicsLine, which is also supported by the roll-out of our new Code of Conducts.

In 2017 Vestas received a total of 138 cases/reports through EthicsLine. The substantiated cases closed in 2017 have led to various disciplinary actions such as 22 warnings and 14 dismissals. To date, no reports concerning slavery or human trafficking have been reported.

3. Due Diligence Process

We will continue to uphold our high standards in our operations via our Employee Code of Conduct, Business Partner Code of Conduct, and supporting policies and processes. Furthermore, we recognise that respecting human rights is a responsibility that requires continuous vigilance.

Vestas prioritises further scoping the human rights risks, including forced labour, in our business and our supply chain, to be able to focus our due diligence actions.

Our due diligence process for the supply chain is part of the Vestas's Responsible Supply Chain programme. The programme consists of the following steps:

²"Business Partner" can include supplier, contractor, agent, consultant or any other business partner acting for Vestas or on Vestas' behalf.

- Business Partner acceptance of Vestas Business Partner Code of Conduct;
- Preliminary screen via an online questionnaire, in order to screen out any high-risk companies applying to enter into business with Vestas;
- Business Partner assessment, including a thorough self-assessment as a core due diligence element;
- Monitoring business partner compliance, via onsite assessments and audits. Based on a risk methodology, business partners in scope are audited by third party auditors. If there are any non-compliances, a corrective action plan is agreed upon. Major non-compliances will block the business partner. During 2017 the monitoring process was further developed to integrate more Code of Conduct considerations.

4. 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 have both manufacturing sites and wind farm sites. Our suppliers include manufacturers of wind turbine components and suppliers performing services to wind farm construction and service sites.

To assess the risk of slavery and human trafficking within our supply chain, we have focused on both the sector risk and the country risk. For the business activities Vestas engages in, we have identified construction of wind farms as a higher risk activity. This risk is due to the nature of the issues facing the construction industry in general; namely, use of subcontractors, short term contracts, and the prevalence of a migrating workforce. Due to this finding, we are focusing our responsible supply chain efforts on business partners associated with construction of wind farms. The business activity risk is also informed by our country risk assessment, which is based on Maplecroft's Modern Slavery Index for 2017.

5. Our Relations with our Suppliers

At Vestas, we take a holistic approach to supply chain management and consider sustainability issues, including labour conditions, as part of our supplier relationship programme. We believe that

this holistic approach is appropriate to also addressing the risks in our supply chain for slavery and human trafficking.

In 2016 Vestas set up a cross-functional working group dedicated to reviewing and updating our Responsible Supply Chain programme, with a view to enhancing supply chain transparency and responding with agility to supply chain risks. In 2017, we continued our Business Partner Code of Conduct compliance monitoring, with a focus on high risk business partners, predominantly in the construction of wind farms business.

Furthermore, we are working closely with a core group of selected business partners that are prioritised in terms of business risk and exposure. Our objective is to support and ensure their continuous development. In connection with this, Vestas introduced in 2017 an enhanced focus on regular formal performance dialogues, based on a holistic set of metrics, with these selected business partners.

Continuous actions to support our responsibility

Vestas recognises its responsibility to respect human rights, which includes avoiding using or contributing to the use of modern slavery and human trafficking. We will continue to work towards understanding where the risks in our business and supply chain lie, and will prioritise actions addressing the high-risk areas. Vestas appreciates that this work is an evolving process, and will be reporting on our progress in the next Statement.

Anders Runevad

President and Chief Executive Officer of Vestas Wind Systems A/S

Date: 3/4-2018