



VESTAS WIND SYSTEMS A/S
SLAVERY AND HUMAN TRAFFICKING
STATEMENT FOR THE FINANCIAL
YEAR ENDING 2016¹

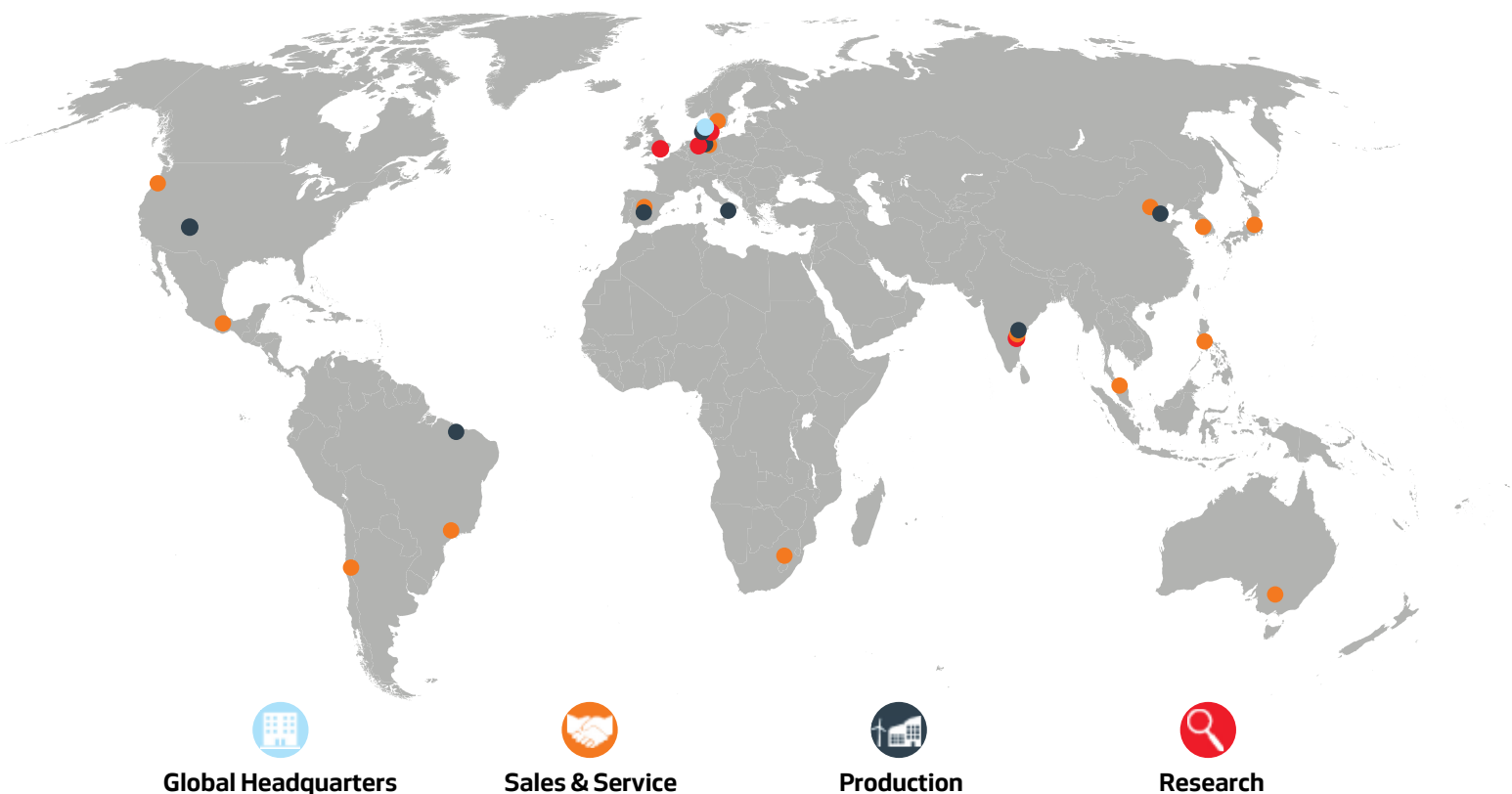
This Statement addresses the risk of slavery and human trafficking taking place in our direct business and in our supply chains, pursuant to section 54 of the UK Modern Slavery Act ("the Act"). The Statement covers Vestas Wind Systems A/S and its subsidiaries ("Vestas"), including Vestas - Celtic Wind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

1. Our organisation

Vestas is a global energy company dedicated to wind energy. Our business is in the development, manufacturing, sale, and service of wind turbines. In 2016, Vestas had an average of 21,625 employees globally.

Vestas has offices globally and six regional sales business units in Northern Europe, Central Europe, Americas, Mediterranean, China and Asia Pacific. We have 21 manufacturing facilities in 8 countries. Global headquarters is located in Aarhus, Denmark.

Vestas has a global presence, and have installed wind turbines in 76 countries around the world. Vestas has installed 59,909 wind turbines on six continents, which generate more than 205 million MWh of electricity per year.



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

In 2016 we revised the Vestas Code of Conduct, updating the content and raising the ambition level. This revision process involved input from internal stakeholders across the business, including Legal, Human Resources, Corporate Social Responsibility (CSR), Compliance and Quality, Safety & Environment (QSE), together with advice from external sustainability experts. The Vestas Code of Conduct is now divided into two: Employee Code of Conduct and Business Partner Code of Conduct, to facilitate clearer communication of our expectations to employees and business partners respectively. 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. Specifically stated in both codes is the prohibition against forced labour in any of our direct or indirect operations. All new employees are trained in the Vestas Employee Code of Conduct as part of their induction. The launch of the new Employee Code of Conduct in 2016 also included a new Code of Conduct e-learning, which all salaried employees were required to complete. Employees falling into a high risk category (for example Legal and Global Procurement) are provided face-to-face trainings. The new Business Partner Code of

Conduct is included in our contracts with our Business Partners² from November 2016, which is an update to our previous sustainability requirements.

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 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. 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 our requirement that our business partners respect human rights. Vestas Human Rights Policy is distributed company-wide and communicated publicly.

Recruitment processes

Recruitment is guided by our recruitment policy and processes. Vestas standard recruitment process is handled by the Vestas Recruitment Team, which is outsourced to a global recruitment agency. As of 2017, the recruitment agency has signed the new Vestas Business Partner Code of Conduct, committing to comply with our principles and requirements.

Vestas is also assured that the recruitment agency's own policies meet our standards. The recruitment agency'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 agency 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 whistleblower 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 supported by the roll-out of our new Code of Conducts. In 2016 Vestas received a total of 111 cases/reports through EthicsLine. The substantiated cases closed in 2016 have led to various disciplinary actions such as 5 warnings and 15 dismissals. To date, no reports concerning slavery or human trafficking have been reported.

3. Risks of slavery and human trafficking

At Vestas we have both manufacturing and construction sites. Our suppliers include manufacturers of wind turbine components and suppliers performing services to construction sites. For the purpose of this statement, we have limited the scope to our first tier suppliers.

Several countries where Vestas is present are listed by independent sources as holding a risk for slavery³. In terms of our business, Vestas has identified construction as being a potential risk area due to issues faced by the industry in general.

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

³Verisk Maplecroft, 'Modern Slavery Index' (August 2016); The Global Slavery Index at <http://www.globalslaveryindex.org/index/> (2016).

4. 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 we started the process of updating this programme, incorporating our new Business Partner Code of Conduct in both supplier contracts and supplier assessments, and reviewing monitoring procedures to track supplier compliance. This update is overseen by across-functional working group with employees from Procurement, QSE, and CSR represented. The working group reports to the Vestas Sustainability Committee, which in turns reports to Executive Management.

5. Due diligence processes

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.

6. Training

In addition to the mandatory Employee Code of Conduct training for all our employees, Group CSR provides face-to-face trainings on our Business Partner Code of Conduct for our Global Procurement team. The training has a particular focus on how to implement Vestas standards and mitigate risks in the supply chain. In 2016 we held six face-to-face trainings for our Global Procurement teams and will continue this global training in 2017. Additional trainings can be developed if we identify particular risk areas.

Continuous actions to support our responsibility

Vestas recognises its responsibility to respect human rights, which includes avoiding using or contributing to the use of forced or compulsory labour. 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: