

## 2018 Questions regarding human rights due diligence in the construction industry in Jordan

### I. Scope and nature of operations in Jordan

1. Please describe the nature and scope of your company's operations in Jordan including any labour rights standards governing these projects

Vestas is a supplier of materials and services to the wind farms; as such we do not own or develop these wind farms in Jordan.

Current activities in Jordan involves the following Engineering, Procurement and Construction (EPC) projects: Tafila (service of wind turbines), Fujeij (service of wind turbines) and soon to start Shobak (Construction of wind farm).

The projects are developed in compliance with i) national legislation (i.e. Labour legislation and the Regulation for Obligatory Employment of Jordanian Workforce from Surrounding Communities in Development Projects No. 131) and ii) international standards such as the IFC Performance Standards on Environmental and Social Sustainability, the Environmental, Health, and Safety Guidelines for Wind Energy and ILOs core conventions.

Labour rights are implemented in Vestas via the Vestas [Human Rights Policy](#), Vestas [Employee Code of Conduct](#), Vestas [Business Partner Code of Conduct](#), Internal Bylaws Regulating the Work of Vestas Middle East S.L.U – Jordan Branch, project level Human Resource Policy and project level Labour Management Plans.

### II. Human rights policy and due diligence

2. Please explain your approach to mapping human rights risks in your operations.

Vestas is committed to respecting the International Bill of Human Rights and the eight core conventions of the International Labour Organisation, and bases its respect for human rights on the UN Guiding Principles on Business and Human Rights. Furthermore, Vestas is a signatory to the United Nations Global Compact and the World Economic Forum's Partnering Against Corruption Initiative. Vestas' commitment is governed by its Human Rights Policy, Employee Code of Conduct, and Business Partner Code of Conduct.

Following from our corporate-level human rights risk mapping, one of Vestas' focal points is on our impact to local communities surrounding the wind farms during construction. To mitigate or avoid negative impacts on local communities, Vestas' has a global Social Due Diligence process (SDD) based on IFC Performance Standards on Environmental and Social Sustainability and the UN Guiding Principles on Business and Human Rights framework. The SDD is applied on Engineering, Procurement and Construction (EPC) projects in Jordan to identify, prevent or mitigate potential and/or real social risks within Vestas' Scope of Work.

3. Does your company have a **publicly-available written policy** to respect the human rights of your workers?

Vestas recognises its responsibility to respect human rights and subscribes to the framework outlined in the UN Guiding Principles on Business and Human Rights. This commitment, which includes our expectations for Vestas' business partners, is described in the Vestas [Human](#)

[Rights Policy](#) and implemented across the organisation globally via our Employee Code of Conduct and our Business Partner Code of Conduct.

The Human Rights Policy cover all workers, including workers who are engaged informally, on short-term contractors or on a part-time basis. Migrant workers and refugees falls under the category “workers”.

The Human Rights Policy is communicated to internal and external stakeholders on Vestas’s intranet and website.

4. Does your company have **publicly- available written policies** on protection of refugees?

Vestas protects all of its employees via upholding international human rights, including labour standards. This commitment is reflected in the Vestas [Human Rights Policy](#) and the [Business Partner Code of Conduct](#) and the [Business Partner Code of Conduct Guideline, which](#) covers all workers, including workers who are engaged informally, on short-term contractors or on a part-time basis. Migrant workers and refugees falls under the category “workers”.

5. Does your company have **publicly- available written policies** on migrant workers’ rights? that specifies fair recruitment such as:
- no payment of recruitment fees? Yes. See Business Partner Code of Conduct Guidelines
  - Availability of a written employment contract in the worker’s language, with a copy provided to the worker? Yes. See Business Partner Code of Conduct.
  - Prevention of contract substitution? Vestas does not use contract substitution and is not aware of use of contract substitution with our sub-contractors in Jordan.

*Please provide links or attachments to the company’s relevant policies.*

The Human Rights Policy and the Business Partner Code of Conduct and the Business Partner Code of Conduct Guideline cover all workers, including workers who are engaged informally, on short-term contractors or on a part-time basis. Migrant workers and refugees falls under the category “workers”.

In addition, migrant workers rights in Jordan are addressed in the project level Human Resource Policy (not publicly available).

- [Human rights Policy](#)
- [The Business Partner Code of Conduct](#)
- [The Business Partner Code of Conduct, Guideline](#)

### III. Subcontracting

6. Does your company have policies and procedures to safeguard the human rights of workers employed by your subcontractors and Do these make specific provision for safeguarding the rights of migrant workers and refugees?

Subcontractors must comply with the Vestas Business Partner Code of Conduct. The Business Partner Code of Conduct Guideline describes how the subcontractors can be compliant hereunder:

- Ensuring that they understand and comply with the Business Partner Code of Conduct.
- Use these Guidelines for further information;
- Avoiding causing, or contributing to, adverse impacts in their own operations, their supply chains and local communities; and
- Where appropriate, undertaking appropriate due diligence measures on their own business partners in order to maintain the standards outlined in the Business Partner Code of Conduct and these Guidelines.

The Code of Conduct cover all workers, including workers who are engaged informally, on short-term contractors or on a part-time basis. Migrant workers and refugees falls under the category “workers”.

7. How does your company monitor compliance of contractors and subcontractors (in tier 1 and beyond) with its policies and standards?

Internal/external audits are handled periodically. Any findings will be reported and corrective actions are defined to close an issue.

In addition, Vestas employees, business partners or anyone associated with Vestas can raise a concern or grievance via Vestas’ whistle-blower system, the EthicsLine, and/or the operational-level grievance mechanism.

#### IV. Payment and wages

8. Does your company pay a living wage? Does it differentiate between nationals and migrant workers or refugees or by country of origin? If yes, why?

Vestas is not operating with the term “living wage”. Wages and other labour benefits are addressed in both the Code of Conduct for Vestas Employees and for Business Partners requiring the party to “*Comply with applicable laws, industry standards and relevant collective agreements on wages, working hours, breaks, public holidays, leave and compensation in case of overtime.*”

9. How does your company guarantee it pays it workers?

All workers must have a contract with detailed payment condition. Vestas pays its workers directly to their bank account. Payment in cash is not accepted. The worker will receive a salary slip. A worker can file a complaint via the worker grievance mechanism if found needed.

#### V. Freedom of movement

10. What policies and procedures does your company have in place to ensure workers have free and secure access to their passports and identity documents?

Vestas Employee Code of Conduct and the Business Partner Code of Conduct and its guideline require that the business partner must *“Ensure that employees have freedom of movement...”* and *“Not withhold wages, identity cards, travel documents or other important documents that could prohibit an employee from ending his or her employment during the course of their employment”*.

11. How does your company ensure that all workers on its project sites have valid work permits and other documents required for employment, including workers employed by subcontractors?

Project staff is following up with main contractor prior to Construction commences and as new employees embark on a project. In addition, internal/external audits are handled periodically. Any findings will be reported and corrective actions are defined to close an issue.

12. Please describe your company’s policies and procedures for when workers want to:
- a. Go home for annual leave.

All workers will be regulated under the national legislation rules.

- b. Change employer or resign before the end of their contract term  
An employee can change or resign from a contract. The employee is asked to send a termination letter and otherwise follow the contractual termination period.
- c. Change employer or resign after the end of their contract

Generally, there are no procedures to be applied if an employee wants to change or resign after the end of their contract. Employees with high level insights to the business can in certain cases be asked to sign a Non-Competition Clause.

## VI. Occupational Safety and Health (OSH)

13. Please describe your company’s policies on OSH in project(s) worksites and how do you ensure implementation?

Vestas has a [Quality, Safety and Environmental Policy](#) that outlines how Vestas across its value chain live up to our policy on Health and Safety by i) preventing injury and work related illness through management commitment; ii) demonstrating Safety First by considering health and safety in developing, planning, and execution of our operations, products and services; iii) meeting or exceeding our Health and Safety standards by engaging employees, contractors, suppliers, and other stakeholders; and iv) ensuring Safety is a prerequisite of doing business at and with Vestas.

The policy is implemented on project level through a set of management plans and in compliance with contractual requirements to Vestas. Requirements to occupational health and safety is reflected in e.g. the Occupational Health and Safety plan (OHS) and Emergency Preparedness Plan (EPP) and based on the project risks and mitigation actions described in the project Environmental and Social Impact Assessment (ESIA) and the project Environmental and Social Action Plan (ESAP). Please note that the plans can have a different name or be integrated into one plan depending on the Lender(s) involved.

The Vestas HSE manager on-site is responsible for implementing the OHS plan.

See [Quality, Safety and Environmental Policy](#)

14. Does your company provide OSH training to its employees?

OHS trainings are a prerequisite for Vestas and its subcontractor's employees. At project-level the Vestas HSE site manager is conducting OHS site induction training and daily Tool Box Talks on relevant subjects.

15. Please describe your company's procedures when an injury or a fatality takes place at the worksite. Please provide details if procedures differ between locals, migrants, and refugees and between directly employed and subcontracted workers.

Vestas' Incident Management (IM) system defines the minimum requirements for immediate action, investigation, and reporting corrective action, follow-up and training associated with health, safety, environmental incidents.

When an incident is reported a case-handler will create an incident report. Information will include type of incident (e.g. Incident, Near Miss or Hazardous Observation), incident group (e.g. occupational injury/illness, Environmental accident, Asset/product damage, Legal compliance or Community Complaint), and location (e.g. Vestas location, Outside Vestas location, In turbine).

Depending on the reported incident an immediate action might close the case. If this is not possible an investigation is initiated to establish facts, conduct a root cause analysis, assess potential risks and identify corrective actions to close the case.

The IM system applies to all workers and does therefore not differ between locals, migrants, and refugees and between directly employed and subcontracted workers.

## VII. Remedy

16. Does your company have policies regarding worker organization, and do these policies cover national, migrant workers, and refugees? Are there organized workers in your company?

Yes. Vestas has a [Freedom of Association Policy](#) that allow workers to organize themselves. The policy covers all workers. There is no distinction between national, migrant workers or refugees.

17. Does your company have a grievance mechanism in place for directly employed and subcontracted workers on your projects to raise concerns, in their own language, and in a way, that ensures grievances can be reported safely, without intimidation or retaliation? *If so, please describe.*

Vestas employees, business partners or anyone associated with Vestas can raise a concern or grievance via Vestas' whistle-blower system, the [EthicsLine](#), and/or the operational-level grievance mechanism.

The purpose of the EthicsLine is first to ensure that Vestas employees, business partners or anyone associated with Vestas have a place to report inappropriate behaviour or practices which may be experienced within the Vestas workplace. Secondly, the EthicsLine provides guidance when in doubt about ethical issues.

Vestas' EthicsLine is operated by an independent company. Except where specifically prohibited by local law, anyone using Vestas' EthicsLine may remain anonymous. Subject to applicable laws, all matters reported through Vestas' EthicsLine will be investigated. Everyone involved will be treated fairly. Vestas will not tolerate retaliation against anyone who files a report in good faith, regardless of whether or not the claim can be substantiated.

The EthicsLine is available in various languages. The operational-level grievance mechanism is available in English and the local language.

18. How many grievances were raised in 2017 by directly employed and/or subcontracted workers on your projects? Please provide a summary of the grievances and the remedial actions that were taken by the company and its subcontractors.

Vestas received a total of 138 cases/reports through EthicsLine in 2017 on a global scale, compared to 111 in 2016. The substantiated cases closed in 2017, including cases opened in 2016, have led to various disciplinary actions such as 22 warnings and 14 dismissals.

Due to privacy concerns, it is not possible to provide specific information on grievances e.g. cases linked to projects in Jordan.

### **VIII. Engagement with civil society organizations and rights defenders**

19. Does your company engage with civil society organizations? If yes, in what capacity? For what purposes? How often? *Please provide details of such engagement.*

Vestas seeks constructive dialogue with civil society organisations on both global and national level. Dialogue can e.g. be on country context or a specific issue.

On project level Vestas engages in ongoing relationships with local stakeholders, including local civil society organisations, to inform about the project and its progress. Local civil society organisations can also support Vestas implementing social investment initiatives.

Project level engagement is furthermore defined in more detail in the Stakeholder Engagement Plans prepared by the developer.

### **IX. Other information**

20. Is there anything else that you would like to tell us about how your company takes a responsible approach to managing its operations in Jordan, including any challenges it faces in doing so?

Vestas, together with the developer, prioritises promoting local employment and development, and therefore seeks to maximise local employment and sourcing from the Governorate during Construction and Service of the wind farm. This approach means that our

wind farms contribute to, and support, the local economy. We therefore do not see a large influx of migrant workers at our project, since local employment is actively prioritised.